Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1] 9(2)(a) - to protect the privacy of natural persons, including deceased people

[2] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

[3] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.
Central Agencies Shared Services Programme

Decision Document - outlining the decisions for changes to corporate services in The Treasury, Department of the Prime Minister and Cabinet and State Services Commission.

5 December 2011
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1. Introduction from Chief Executives

This document sets out the decisions we have made following consultation on the proposals for the Central Agencies Shared Services (CASS) structure. It reflects the many constructive and practical suggestions made during the recent consultation process.

The CASS initiative takes place in a challenging context as, like the rest of the public service, we face significant financial pressure over the next few years. Ministers expect us to improve the service we provide while managing within declining financial resources, which impact on capability and resilience to deliver excellent corporate services. As a consequence, we must find different ways of managing our businesses. In this context, we must secure efficiencies and savings, while also delivering on our goals to:

- **minimise risk** through building greater resilience and strengthening capability;
- **develop better services**, including both improving the capability to innovate, build job satisfaction and career development; and
- **lead by example** by building strong corporate services which will deliver services that exceed the sum of their parts.

Having considered your feedback, we believe that the revised structure provides a platform from which all three agencies can continue to drive the implementation of their strategies and ongoing service improvements.

We received 105 submissions from both individuals and groups. Submissions were of high quality and well reasoned. General themes included the following:

- Support for CASS as a concept, but significant concerns over the level of resources proposed and the consequences this could have for the ability of staff to deliver quality service.
- Respondents saw the Director CASS and his/her direct reports as playing a key strategic role in enabling the three client agencies. Respondents were concerned to note that reporting levels for these positions appeared to be too low to reflect their strategic focus.
- Questions were raised over expectations for the transition pathway and timeframe. Some submissions proposed high levels of resourcing on the assumption that system, process and policy alignment and integration will be completed by March 2012. Others have assumed a longer transition and have proposed lower levels of flexible resource.
- The major concern expressed in submissions was the lack of detailed design information, and the fact that we had proceeded to consultation and staffing changes in advance of undertaking detailed design work;
- Many of the points made in submissions related to detailed design and the ‘commercial case’. The suggestions and information provided will serve as useful guidance as these are developed over the coming weeks.
- There was considerable uncertainty expressed around the processes for reconfirmations and redeployments/transfers.
- The specific responses relating to Finance and HR were generally well aligned with what had been proposed and differed mainly in levels of resourcing and the balance between permanent and fixed term resourcing. IM was the least well received area and IT was subject to the most diverse responses, with quite widely differing views on the way forward.

Many submissions also made very specific suggestions by functional area, or raised wider questions related to process or the longer term future of CASS. These are addressed in detail in the sections that follow.
Having considered your feedback, we have made some substantial changes to the structure, particularly around the level of permanent and transition positions. Once established and fully operational, we expect CASS will become an exemplar and centre of excellence for corporate services. In due course, new functions may be incorporated or services extended for a wider group of agencies, but our priority now is to establish and stabilise CASS.

We would also like to recognise all of your efforts and professionalism in both engaging with this process and maintaining services over the last few weeks, in what are always unsettling circumstances.

The Central Agencies Shared Service is an exciting venture and we look forward to building this with you.

__________________________________________________________
Gabriel Makhlouf                        Iain Rennie
Secretary                                State Services Commissioner
The Treasury                             State Services Commission

__________________________________________________________
Maarten Wevers
Chief Executive
Department of the Prime Minister and Cabinet
2. Themes from submissions

2.1 Key themes identified

The overall understanding of CASS and what this means strategically for the agencies was excellent. There is some excitement about what this will mean for agencies and staff - this was evident from your submissions. Some of you were anxious about the proposed structure and what this would mean for the organisational processes, systems and service levels. This has reinforced our aim to move quickly to the next steps to help gain greater clarity for you.

2.1.1 General themes

The general themes identified were as follows:

- General support for the organisation design identified in Option three;
- Service Quality
  - Suggested risk of a reduction in service levels;
- Consultation process and documentation
  - Lack of detailed information from the consultation material and process, including the release of the business case;
- Transition Protocol
  - Suggested amendments to the Transition Protocol to develop greater clarity around redeployment and position transfer; and
- Transition timeline
  - Some confusion around the timeline for transition and the proposed ‘go live’ date for CASS.

These themes are expanded in more detail in the following sections.

2.1.2 General support for CASS

In total we received 105 submissions from both individuals and groups. There was lots of support expressed for the concept of CASS, and for making it a success. Many submissions did though, raise concerns around the structure as proposed.

We were impressed with the quality of submissions; most were detailed and insightful. They have provided a great deal of information that has helped to inform the structure outlined here. Your insight and information will also contribute toward the detailed design and systems integration planning for CASS.

2.1.3 Service quality

Some concerns were expressed that service quality would be compromised by the proposed structure, particularly for the Treasury. You suggested the use of fixed term and additional permanent resources to ensure service delivery is maintained during the transition period and in the longer term. Finance team members were strong advocates for this approach, providing a further suggestion to extend certain contracts through to the end of March 2013 (e.g. to support 2012 audit requirements). The combined HR team was also a strong advocate, suggesting the employment of additional HR Advisor and Payroll Manager / Administrator positions to support transition. Additional HRIS capability (temporary and permanent) would also support systems integration. Feedback on IM and IT areas also anticipated the need for transition resourcing, particularly in the systems engineering area.
2.1.4 Consultation process and documentation:

Some of you felt that the information about the proposed structure was limited in detail and you had some difficulty in understanding the expected benefits that CASS would provide around resilience and opportunity. It was felt that it would be useful to see the original business case to understand the rationale, but mostly there was a sense of urgency for the detailed design work to be completed to support a March 2012 ‘go live’ for CASS.

The Business Case is now available on your agency intranets should you wish to read it in conjunction with this document.

2.1.5 Transition protocol

A number of questions were raised about the Transition Protocol, in particular the process for redeployment and transfers within the agencies. The Transition protocols within each agency are aligned but perhaps the perceptions within each agency have lead to this assumption. The transition protocol is attached as Appendix 1.

2.1.6 Transition timeline

You emphasised the need to ensure representatives from all three agencies participated in the staff appointment, reconfirmation and selection process, and suggested that the appointment / reconfirmation of CASS managers should begin as soon as possible.

Some submissions assumed all integration and alignment activity would occur by March 2012, while others assumed it would continue over the next 12 to 24 months.

The initial transition will be from the 7th of March 2012, however a transition plan will be created that will reflect continuing work over the coming years. Several initial workshops have taken place that will inform the plan.

We have considered your feedback very carefully and have amended the organisation structure, implementation plan and timing based on your suggestions.
3. Governance and management

3.1 Feedback and decisions

The key focus with respect to CASS governance and management was to ensure that the CASS positions had sufficient strategic influence in the new structure and that the positions would be appointed/reconfirmed as soon as possible to help create as much stability as possible for managers and staff.

3.1.1 CASS Director and Board

With respect to the CASS Director position, some respondents suggested the proposed reporting line created a lack of independence for the role. Additionally, respondents were concerned that the proposed level would be at Tier 4, and that the CASS Director’s direct reports would be too low level to have adequate strategic influence. You suggested amending the level of the CASS Director position, including establishing a reporting line to the Treasury Deputy Chief Executive or to the Governance Board.

We agree that the position of CASS Director is a very significant and strategic one, and that it should report to the Treasury executive leadership team in the new structure. We do not support the suggestion for the CASS Director to report directly to the CASS Board. The Board is not a legal entity able to employ staff. We believe that the reporting line to the Treasury management is appropriate because the agency is of sufficient scale, and has the requisite processes and systems, to measure and monitor CASS performance.

One respondent felt that the CASS Director position needed to be appointed as soon as possible to provide certainty for staff. There was also a suggestion that all the managers should be appointed first, in advance of staff transfers, to ensure adequate support for agencies during the transition. Some feedback also identified confusion about the nature of the Director position and whether it would be permanent or temporary. Some of you suggested that the CASS Director should be an establishment position only and that, following the establishment period, CASS should be managed by the three functional managers working together.

It was always the intention for the CASS Director to be a permanent position. The CASS Director position will be advertised externally immediately and staff will be able to apply through the normal process.

There was a small number of respondents who suggested changes to the structure of the CASS Board. These changes included, for example, comprising the Board of employees from all service areas, or ensuring it comprised the senior management (e.g. Tier 2 leaders) of each agency.

The Board composition is likely to include the Chief Executives and/or their Deputies. This will be confirmed during the detailed design phase.

3.1.2 Commercial workings of CASS

You felt there was not enough detail about the commercial arrangements for the shared services (i.e. how CASS services would be detailed, service levels agreed and costs allocated to users). You suggested the need to ensure that service levels are developed in a way that support cost savings and efficiency, and that each agency is billed for the level of service it uses. Design of shared service catalogues and the commercial model for CASS will be addressed during the detailed design phase.
3.2 CASS structure

3.2.1 As consulted
3.2.2 Confirmed structure
4. Finance

4.1 General

The Chief Executives recognise that the nature of the finance role within any organisation continues to change, and that the roles to support the central agencies’ own finance functions must also continue to evolve to support our collective longer term financial challenges.

The Finance function within CASS is expected to provide all three central agencies with:

- strategic financial management and advice,
- professional support, and
- a range of cost effective financial services.

The function will be responsible for ensuring all statutory financial reporting obligations are met. This will require both establishing effective working relationships across the three agencies and building a broader understanding of how the finance function can add value, including advising on delivering more efficient and effective services.

We have found that the core activities in this function are reasonably consistent between the three agencies, with the main difference being the additional non-departmental responsibilities of the Treasury. We see real benefits in terms of efficiency, effectiveness and improved economies of scale with the business insight, control and transactional processing activities centralised within CASS. Generic but highly skilled activities, such as technical financial accounting will also be best served when centralised in a single location. This will drive quality improvement and increased resilience in these areas.

All three agencies currently spend a large proportion of effort on transaction processing activities such as accounts payable and general accounting. The recent implementation of Finance One across the three agencies provides an opportunity to streamline and automate processes and enable the CASS finance team to spend less time on the transactional aspects and more time in assisting management in short and longer term decision making. In the medium term this requires us to establish processes and to develop the system to provide a longer term perspective on budgetary issues, while at the same time being able to ensure we meet the day-to-day needs of managers. In addition we will need to continue to develop our human resources management information and how this together with financial and non-financial information will help measure our individual and collective agency performance. This is why we have decided to maintain the investment in two systems accountant resources in CASS Finance. As part of the transition we have also made an allowance for some fixed term expertise should this be necessary.

Ownership of financial strategy and planning will always remain with each agency. However, the development and delivery of the financial strategy and planning will be the responsibility of the CASS Finance function. In addition, we see all of the responsibilities of a departmental CFO sitting with the Finance Manager within CASS for the SSC and DPMC financial management responsibilities, including developing the annual budget (the approval of budgets will remain with each agency’s leadership teams) and signing these agencies’ annual financial statements. While CASS will be responsible for coordinating the development of the annual budget for Treasury and ensure on a day to day basis that all statutory financial reporting obligations are met, the Treasury’s CFO/Chief Accountant will remain accountable for co-signing the statement of responsibility for the Statement of Intent, the budget documentation and annual financial statements of the Treasury.

The Finance structure excludes:

- internal audit and risk management functions;
- payroll, (which will remain with HR in the interim but is likely to transfer to the Finance group following transition); and
- procurement.
For the avoidance of doubt, also excluded are the Treasury’s fiscal reporting, chief accountant, state sector productivity functions and NZDMO activities, which are considered to be agency-specific, output-focused delivery.

4.2 Feedback and decisions

Your feedback on the proposed configuration for CASS Finance was well considered and provided very useful information and data to help inform the decisions and amendments below.

The overall thrust to the organisation design for Finance was generally endorsed, but there were calls for additional fixed term resourcing and suggestions for changes to job titles.

The key suggestions that you identified were as follows:

- Provide additional positions and resources, particularly during transition, to help align and integrate the people, processes and systems of the three agencies;
- Amend middle management positions and titles; and
- Provide clarity about the location of Payroll and the Business Planning and Reporting function (including non-financial planning and reporting).

We have considered your feedback and have amended the organisation structure. The decisions are grouped under the following headings:

- additional resources;
- changes to job titles; and
- location of functions.

4.2.1 Additional resources

You told us that there are currently 19 finance staff across the three agencies (excluding payroll, non-financial reporting and project staff working on the Deposit Guarantee Scheme). The proposed structure provided for 12 finance staff. You noted that this is a substantial reduction (approximately 40%) from the current staffing levels and that such a reduction would result in too much demand on the finance functions. Your support for this assumption was based on the current transaction volumes, which would be likely to remain.

In addition, you felt that systems would not be integrated by the time CASS is implemented, which would require ongoing support for the existing processes and systems.

In response to your concerns above, you made a number of additional resourcing suggestions, including the addition of senior staff to support the Finance Manager and Team Leaders (e.g. adding a Senior Management Accountant and a Senior Financial Accountant to strengthen the management accounting area). In addition, you suggested that the key role of the Senior Financial Accountant would be to take responsibility for all non-departmental budgeting, and reporting.

In their combined submission, one finance team suggested moving the structure away from “account processing” to being focused on “business advice”. In order to achieve this focus, additional system accountants would be needed.

We have taken on board your concerns around resourcing, particularly during the transition phase. We acknowledge that current workloads in some areas will remain the same and that there will be additional activities around the alignment of systems and processes, particularly with respect to Finance One. In response, we have included a number of fixed term positions, as well as some additional permanent positions, which address specific concerns around functions that were not explicitly covered in the initial structure as proposed.

The effect of these amendments has been to increase the total number of employees for CASS Finance from 12.5 to 17.5, which includes two fixed term positions. The fixed term positions will be engaged for a minimum of 12 months. Where an extension of a fixed term position is needed, it will be subject to a business case being agreed.
You also expressed concern with respect to the level of support the Budget process would receive due to the proposed reduction in numbers of publication staff and web-editor positions. We took your feedback on board and you will see in the IT / IM section that there have been additional positions included in the amended structure.

4.2.2 Changes to job titles

You provided feedback around job titles for some positions and a number of group submissions proposed alternative titles to job descriptions.

We have decided, for consistency with Treasury titling and naming conventions, to retain the title of Finance Manager. We also expect this manager to sign out formal compliance reports as ‘CFO’ for DPMC and SSC. We have also made the following amendments:

- The Accounts Payable and Accounts Receivable positions are now titled Finance Officers;
- The Team Leader Accounts position is now the Senior Financial Accountant – Non-Departmental; and
- The Team Leader Management Accounting & Business Support is now the Team Leader Management Accounting.

4.2.3 Location of functions

Many of you queried where business planning and reporting activities would sit and questioned whether this area was in scope for CASS. At the moment, this role sits in different parts of each agency. We have decided that non-financial planning and reporting will remain with DPMC and SSC. In the case of The Treasury, the current Finance function does include responsibility for coordinating the production of the formal accountability documents including Information Supporting the Estimates, the Annual Report, and Output Plan quarterly reporting. The Treasury’s existing Planning and Reporting Advisor role will remain but will be hosted within CASS, as part of the Finance Team, specifically supporting the Treasury with its accountability requirements.

You also suggested that payroll processing should move from HR to Finance and that the Chief Executive Payroll function currently within SSC should sit within CASS. The reason for your suggestion related to improving staff capability and resilience if the payroll and finance officer roles are cross-skilled. In addition, you felt that this move could achieve additional cost savings. We agree that the SSC Chief Executive payroll function will be included in CASS. We have also decided that during the transition period and integration of the payroll systems currently in use, payroll will remain with HR (where it is currently located in each agency). Thereafter (and taking into account when would be most convenient given other transition activity), we expect to move payroll into the Finance team.

A number of you suggested that the whole Finance team have permanent desks at 1 The Terrace, in addition to “hot desking” in other agency locations where required. You believe that this would help support the feeling of being one team. We agree that all staff employed by CASS need to feel part of the wider CASS team no matter where they are physically located. We will provide a permanent desk for all staff at 1 The Terrace. However, it is the intention that where possible there should be enough hot desks in each agency to enable staff to work in the agencies when needed.

A key objective of the CASS Director will be to ensure a sense of team is created in CASS. There are many ways to ensure that staff feel part of a team even though they are not permanently based in the “home” location. We will be seeking your input on this and look forward to some creative ideas.
4.3 Finance structure

4.3.1 As consulted
4.3.2 Confirmed structure

Finance Manager

Team Leader
Financial Accounting

Systems Accountant
x 3
(1 Fixed Term)

Team Leader
Management Accounting

Senior Financial
Accountant –
Non-Departmental

Financial Accountant

Management Accountant x 3

Assistant Financial Accountant

Planning & Reporting

Senior Finance Officer
x2 (1 Fixed term)

Finance Officer (x2)

Finance Officer
x2
(1 Fixed term)
5. Human Resources

5.1 General

Each of the three agencies are developing or have strategies that are people focussed. Treasury and SSC in particular have business strategies fundamentally premised on people development, changing culture, strong recruitment brands and a strong performance ethos. While there will always be the normal business of delivering a high quality HR function, we see HR’s primary role as assisting us to lift overall organisational performance. It is also vital that HR continue to have a strong partnership approach to working with executive teams and wider management within each agency. More subtly, in working with all three agencies, HR can assist in bringing our organisations closer together, by providing some of the core and common infrastructure on which agencies will retain, support and develop our people through challenging times. What follows is an explanation of how the current state compares to the future state.

Maintaining the right level of strategic relationship with the CEs and executive teams of three agencies, and the strategic understanding of the three agencies’ businesses, will inevitably be more challenging than for a single agency. We have therefore created the Team Leader positions to lead HR advisory services and Organisational Development (OD). This will reduce the direct reports and transactional activity carried out by the HR Manager and create space for strategic working across all three agencies. The Team Leader roles are also cast as a mixture of line management and actually ‘doing the business’.

Some of the activity currently performed by HR advisors (and this varies across the three agencies) will be carried out by specialist roles, for instance recruitment, OD and L&D. This is intended to both free up and provide specialist support from the HR Advisory team to the three agencies.

Part of the role for the HR Advisory team over this first year will be to work with the three agencies to align HR policies and practices, to create common frameworks which support the three agencies and provide common practise.

5.2 Feedback and decisions

As was the case for feedback relating to Finance, your feedback on the proposed configuration for CASS HR was insightful and provided very useful information and data to help inform the decisions and the changes we have made.

The overall thrust to the organisation design for HR (as consulted) was generally endorsed, but there were calls for additional resourcing and suggestions for changes to job titles and location of employees for some areas.

As a general point, you felt that the overall intent of lifting the strategic capability and profile of HR was not likely to be furthered by having the Manager of HR as a fifth tier report within CASS. We agree.

In addition, all respondents stressed, and we agree, the need for maintenance of the existing strategic partnership approach to agency business. Indeed, both Treasury and SSC business strategies are fundamentally premised on people development, changing cultures, strong recruitment brands and a strong performance ethos. For DPMC, improving the depth and strategic capacity of the HR function is also critical for improving resilience and future proofing.

The key specific issues that you identified were as follows:

- Differences of view relating to the Organisation Development (OD) function and its inclusion in the CASS HR team;
- Uncertainty about the location of the Recruitment, Learning and Development (L&D), and Payroll functions;
- Lack of clarity about where the Chief Executive Payroll, administered by the SSC, sits in the structure;
• Concern that the HR Advisor positions were too low level; and
• Suggested additional HRMIS capability to support systems integration.

We have considered your feedback and have amended the structure based on your suggestions and the recommendations provided by the Governance Group. Our decisions are grouped under the following headings:
• OD and L&D Functions;
• Payroll Function; and
• Additional Resources.

5.2.1 OD and L&D functions:

A range of feedback was received about the location of OD and the required capability of staff to deliver these activities. You suggested that OD report directly to the Director CASS. The rationale for this was that the “users” of OD would be the managers of CASS and so should sit at the same level. Reporting to the Director would also avoid OD being diverted into more transactional HR work.

Others suggested that OD be retained within Treasury and that Service Level Agreements (SLAs) be established to support DPMC and SSC. Alternatively, OD could be maintained in each agency.

Further suggestions included increasing the seniority of the proposed OD positions to ensure there was enough capability to work at the right level.

We have considered your feedback carefully and feel that, given the importance of organisational development and strategic HR dimensions of agency strategies, it would make sense to link these functions, as is common practice in many modern organisations with significant change agendas. We have separated OD from core HR to emphasise its strategic importance and have changed the title of this area to OD, L&D and Change to make the change element and intention clearer. In addition, we have combined the OD and Change advisor position into a single Senior OD Advisor position.

Further, and in response to your feedback, we have move the Senior L&D Advisor position to the OD function to focus on enhancing and developing manager capability.

5.2.2 Payroll function

There were a number of staff members who suggested that the Payroll function should sit in the Finance function, rather than in HR. The rationale was that there is a better alignment of skills and capabilities in the Finance team to undertake these activities, than there is in the HR team.

The payroll for Public Sector Chief Executives, currently administered by the SSC, will also reside within CASS.

Our aim is to move all three agencies, including the Chief Executives’ payroll, onto the same system. This will eliminate the risks associated with running multiple systems. We also intend to move payroll administration into the Finance area, once this has happened. The precise timing will depend on full integration of the payroll systems and other transitional activity underway. As a consequence of this move, the number of payroll specialists can be reduced, with back-up and support provided from the Finance Officers and Systems Accountants. In the medium term, we aim to cross-skill the Finance Officers and Payroll Specialists so that these roles are much more interchangeable, thus creating greater resilience in both the payroll and finance function.

5.2.3 Additional resources

The medium-term intent is for the CASS HR team to be working with shared systems, and common policies and processes. This harmonisation will not be achieved overnight and many respondents suggested that the structure needed to be able to flex to support transition and initial set up. Respondents noted the challenges entailed in aligning multiple payroll systems, distinctive performance management and remuneration frameworks and the like.
There is also a need to agree approaches to areas that sit in different places in the parent agencies, such as security vetting. Distinctive activities, such as Treasury’s recruitment and rotation activity, must also be preserved and supported.

For all these reasons, respondents suggested that a level of HR resource well above the BASS benchmark levels was appropriate, but that some positions should be fixed-term, to support transition and alignment activity.

In addition, there was concern that the Payroll function, as proposed, is significantly under resourced to mitigate key person risk. In particular, there was a suggestion that there should be an additional Payroll Administrator position and potentially additional resource during the transition period. There is complexity in integrating four different payroll systems and terms and conditions, which would require people who are experienced in addressing such integration needs. There was a suggestion to replace the current Senior Payroll Advisor position with a fixed-term Payroll Manager to lead the integration to one payroll. Following integration this position could then be replaced with a Senior Payroll Advisor.

There was a significant amount of feedback, raised by staff from across different functions, supporting the inclusion of a dedicated Recruitment Advisor. This was seen as critical given the volume of recruiting and the need to support agencies’ specialist needs in recruitment.

There was some concern that the draft position profiles of the HR Advisors were too “low level”. Specifically, it was felt that these positions should reflect their lead position in initiatives and that managers in all agencies were expected to take on more of the transactional day-to-day activities themselves.

All these suggestions have been accommodated in the final configuration for CASS HR, as shown below and an HRIS Specialist has also been added to assist the agencies to significantly improve the quality of their HR data and the management information and analysis extracted from this.

Some respondents discussed the need for agency line managers to take more responsibility for HR practice at the transactional level, in order that the CASS HR function can move its balance of effort and value, over time, to more strategic support to the business. It was noted that this increased management maturity would take time to develop.

Our final decision on the HR structure is not dissimilar to the one initially suggested and reflects many of the suggestions made in submissions, although there are differences with regard to the numbers of positions and the balance between permanent and fixed term staff.

We are conscious that this functional area has resources well above benchmark, and while we agree with respondents that there is a strong rationale for this, until transitional and alignment work is complete the appropriate level of business as usual resourcing is difficult to determine. The balance may still be less than perfect, and it is possible that adjustments will continue to be made over the next few years, just as is the case in the status quo.
5.3 Final organisation structure

5.3.1 As consulted
5.3.2 Confirmed structure

- Human Resources Manager
- Team Leader OD, Learning & Development & Change
- Senior Payroll Advisor
- Senior HRIS Advisor (Fixed term)
- Team Leader HR
- Senior Advisor (x2) (1 Fixed Term)
- HR Advisors x 3 (1 fixed term)
- Recruitment Advisor
- HR Coordinator
- EA (0.5)
- Payroll Administrator
- Senior OD Advisor
- Senior L&D Advisor
6. Information and Technology

6.1 General

As part of the overall strategy of the government to provide resilience and efficiency of core functions across the public sector, the CASS model provides an opportunity to standardise IT architecture, processes, policies and systems. The information and technology functions with our agencies have a general commonality in what is delivered within the core activities and the processes that support our endeavours, in particular the need to provide a robust infrastructure to support, sometimes large and complex systems required within the state sector and which are the responsibility of the agencies. The IT requirements of the three agencies are not as complex as in many large and diverse organisations and the partnership will enable a standardisation of across the information and technology functions. This may in the future provide further opportunities for CASS to consider partnerships with further agencies to create better resilience, efficiency and capability in the engagement of technology tools to support the achievement of organisational strategies.

We consider that there are clear benefits in consolidating and improving IT governance however, have not addressed this matter specifically in the structural graphics that follow. This will be defined with a sense of urgency as part of transition planning.

While there is similarity around the core IM processes across the three agencies, such as collections and records management, training/advice and publications/web, we accept that the information management requirements of the three agencies are significant in the short term. We have some relatively traditional and paper-based systems and approaches to collections and records, a need to ensure ongoing quality with respect to the production of complex documents such as the Government Budget, and a need in all three agencies to enhance their web presence. While we would like to think that knowledge management could become increasingly digitised, we understand that this will take some time and require additional capital investment. As part of the embedding of the CASS structure there will be a need to create a formal strategy that deals with how records management will be managed in the future with a particular focus on creating a 'paperless' environment.

6.2 Feedback and decision

You provided detailed feedback on the proposal and some excellent analysis of how the structure could be improved. In addition some of you also provided us with revised job descriptions. All of this information will be very helpful for detailed design.

Your submissions fundamentally varied in the IT /IM areas however, reflecting the complexity of the environment and the variations in philosophy between the three agencies. This was the area in which respondents were most inconsistent with respect to their feedback on the organisational design as consulted. In addition, respondents found it challenging to describe the ideal structure in the absence of detailed design work and systems integration plans.

The key areas of concern you identified were:

- Resource levels, particularly for web, publications, developers and projects and the transition period;
- The need for additional senior or team leader positions;
- The balance of positions between generalist and specialist;
- Positions titles and focus, in particular, for the Help Desk and Database administration;
- The lack of a dedicated IT Security position; and
- The lack of clarity around the Communications function.

We have considered your feedback and have amended the organisation structure based on your suggestions and the recommendations from the CASS Governance Group. The decisions are grouped under the following headings:
6.2.1 Additional resources

Some respondents told us that IT / IM is a resource hungry, specialist service and suggested that the number of resources should almost double from that originally proposed. In contrast, others suggested that IT / IM needed to be a generalist, and not a specialist service, with increasing cross skills over time. One consistent message we heard was that there should be fixed term resources available to support the transition period.

One of your key areas of concern was the level of resource for web / publications and the impact this would have on key high profile projects such as the Budget. Many respondents felt strongly that this was an area that is under resourced in the proposed structure. Some respondents suggested that increased outsourcing of these functions may be required to ensure that service delivery can be maintained.

Some respondents suggested that developer resources were also light. In addition, there was concern that resource would be required to support specialist software, particularly that used by Treasury (e.g. AREMOS and TROLL).

Specific projects that support the Budget for the Treasury were mentioned with respect to the resource concern. You told us that the proposed resource allocation was less than the current combined resource for the three agencies and a consequent risk to project delivery. In response to this risk you made the following suggestions: establish a Project Manager position within the Applications and Change team; and / or combine the EA to the CIO and the Project Administrator positions; add more publication and web resources.

You made some specific suggestions including adding a Chief Technology Officer, reporting to the CASS Director; increasing the number of Systems Engineers; and creating two new Systems Architects.

A common thread within submissions was that more senior positions were required within the structure. You felt that these positions would enable managers to focus on strategy, provide a career path and ensure senior technical capability. Examples of proposed positions included two Senior Engineers, Senior Advisors reporting to the Records, Research and Collections Manager, and two team leader positions reporting to the Technology Manager.

We have taken on board your concerns around resourcing, particularly during the transition phase. We acknowledge that current workloads in some areas will remain the same and that there will be added activities around the alignment of systems and processes.

We also took on board your feedback regarding the lack of senior technical positions and team leader positions. We have added team leader positions to enable a stronger management and strategic focus in key areas. In addition, we have included several senior technical positions to ensure CASS has sufficient technical expertise, particularly during the integration process and provide a career path for staff.

The original proposal included two Developers. Following your feedback we have increased this to 3 permanent Developers.

Many of you were concerned that the structure as consulted did not provide enough resource to be able to manage the alignment of systems and processes in addition to business as usual activities. We have added 13 fixed term employees into the structure. The fixed term positions will be engaged for a minimum of 12 months. Where an extension of a fixed term position is needed, it will be subject to a business case being agreed.

The structure as consulted and the revised structure are included below.
6.2.2 Changes to function/job titles

Some of you told us that there were a number of specialist positions within the proposed structure including training positions and a Database Administrator. Some submitters felt that because the scale of the central agencies is relatively small, with hundreds not thousands of users, resilience could be improved by roles being more generalist than specialised, narrowly focused positions. For example, in the case of the training positions, you told us it was better to disperse the activities across all positions within the team rather than having specialist trainer positions.

Six respondents suggested the following position and title changes: Help Desk be renamed as Service Desk as part of developing a service culture within CASS; Service Desk be established as a standalone unit with a team leader; Service Desk positions to be broadened to include all CASS service requests; Database Administrator to sit in the Technology team or have its responsibilities defined in the Developer and Systems Engineer positions.

We considered your feedback and made the following changes:

- With the exception of a Trainer position within the Change and Release team other training positions have been absorbed across positions. This has enabled us to increase the core resource, plus in some areas we have also added further additional staff. This is particularly important in the Records and Collections area;
- We acknowledge your feedback that there would not be sufficient work for a full time Database Administrator and this activity will be included in the Developer positions. As these positions are fixed term the requirement for this activity will need to be reviewed at the end of the fixed term of the Developer positions; and
- We agree that changing the name of the Help Desk to Service Desk will help foster a focus on service within CASS. We have also taken on board your suggestion that this should be a standalone function with a team leader to ensure a strong focus on service and managing performance.

6.2.3 IT Security

You identified that we had not explicitly included an IT Security function. To address this we have created a new position of System and Security Architect reporting to the Team Leader Technical Operations.

6.2.4 Scope of CASS

Some of you queried the scope of CASS and suggested that Communications should also be included. You felt that this would create benefits and increase the quality of communications across the agencies. In addition, one respondent queried how the SSC Communications Team would be managed with the proposed disestablishment of the Communications and Records Manager in SSC.

We considered this carefully and have decided that Communications remain with the agencies for now. This does not preclude a later move to CASS.
6.3 Final Organisation structure

6.3.1 As consulted
6.3.2 Confirmed structure

Chief Information & Technology Officer

Team Leader Technical Operations

Team Leader Service Delivery

Team Leader Development

Team Leader Web and Publishing

Team Leader Information

Team Leader Web and Publishing

Senior Publisher (FTE 0.9)

Desk Top Publisher x 2 (FTE 0.6)

Web Editors x 3 (1 Fixed Term)

IM Advisor Records x 4 (2 Fixed term)

IM Admin x 3 (Collections and Records Management)

Information Research Co-ordinator x 2 (1 Fixed term)

IM Advisor Research x 2

Systems and Security Architect

Senior Systems Engineer x 3 (1 Fixed term)

Systems Engineer x 3 (1 Fixed term)

Service Desk Analyst x 4 (1 Fixed term)

Policy Realignment Advisor (Fixed term)

Project Manager

Developer x 3

Business Analyst

Solutions Architect

Trainer
7. Changes in FTE

The changes in FTE between the current combined team size, new teams as proposed and team size in the final decision are summarised in the table below. You will note that, while we have made few changes to permanent staffing levels from those initially proposed, we have added significant transitional staffing resource.

<table>
<thead>
<tr>
<th>Function</th>
<th>Pre-CASS combined FTE across the 3 agencies</th>
<th>Permanent Positions</th>
<th>Fixed Term Positions</th>
<th>Total Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASS Governance</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>Finance</td>
<td>17.8</td>
<td>15.5</td>
<td>2</td>
<td>17.5</td>
</tr>
<tr>
<td>Human Resources</td>
<td>16.9</td>
<td>12.5</td>
<td>3</td>
<td>15.5</td>
</tr>
<tr>
<td>IM/IT</td>
<td>47.6</td>
<td>36</td>
<td>8</td>
<td>42.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82.3</strong></td>
<td><strong>65.5</strong></td>
<td><strong>13</strong></td>
<td><strong>78.5</strong></td>
</tr>
</tbody>
</table>
8. Implementation timeline

8.1 Overall timeline

<table>
<thead>
<tr>
<th>Process</th>
<th>Date/Timeframe 2011-12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultation document released</td>
<td>28 October-2011</td>
</tr>
<tr>
<td>Consultation period</td>
<td>28 October – 11 November 2011</td>
</tr>
<tr>
<td>Consultation and feedback period closes</td>
<td>11 November – 12 noon 2011</td>
</tr>
<tr>
<td>Chief Executives consider collated feedback then decide what form the final structure will take</td>
<td>11 – 29 November 2011</td>
</tr>
<tr>
<td>Decisions announced</td>
<td>5 December 2011</td>
</tr>
<tr>
<td>Applications for all CASS positions open (including the CASS Director position which will be advertised internally and externally)</td>
<td>5 December 2011</td>
</tr>
<tr>
<td>Reconfirmation</td>
<td>5 – 10 December 2011</td>
</tr>
<tr>
<td>Manager (3) applications close</td>
<td>12 December 2011</td>
</tr>
<tr>
<td>Appointments / Redeployments process begins for all other positions</td>
<td>January 2012</td>
</tr>
<tr>
<td>Appointments / Redeployments process completed</td>
<td>February 2012</td>
</tr>
<tr>
<td>CASS established</td>
<td>7 March 2012</td>
</tr>
</tbody>
</table>

8.2 Support to employees during transition

Uncertainty and change can be potentially disruptive and unsettling for managers and staff. Assistance and support will be available throughout the change process. Employee assistance is available 24 hours a day. Staff can contact EAP Services at 0800 327 669 (or via www.eapservices.co.nz).

We encourage you to use the support options available and speak to your managers and colleagues and to support each other through this period. We also encourage you to seek advice and support from the PSA or other representatives if you wish.

Affected employees who are applying for positions in the new structure may take a half day's special leave on pay, by arrangement with their manager, to enable them to prepare their application(s).
Appendix 1: Transition protocol

Any changes to the structure of the Central Agencies’ (CA) corporate services arising from transition to a proposed Central Agencies Shared Services (CASS) arrangement will be managed according to this transition and appointment protocol.

1. The Central Agencies - the Department of the Prime Minister and Cabinet (DPMC), State Services Commission (SSC) and The Treasury (Treasury), are committed to facilitating the smooth implementation of the proposed changes to any structure, including transition and appointment processes for affected staff, as the CAs integrate their corporate service functions to CASS. This protocol outlines the processes for implementing changes to create a CASS structure.

2. Staff will be kept informed on the timetable for transition and updated regularly on key dates.

3. The CAs recognise that, in order to treat all affected employees fairly and equally, it is desirable to have a common transition protocol applicable to all affected employees and this transition protocol has been established for that purpose. However where this transition protocol is inconsistent with an individual's terms and conditions of employment those terms and conditions will prevail.

Scope

4. This protocol applies to all Corporate Services employees employed by SSC, DPMC and Treasury, and to those people currently on parental leave, leave without pay, and/or secondment to another agency. Work groups and services to whom this protocol applies will include but are not limited to: Information Technology, Information Management, Finance, and Human Resources.

5. This protocol does not apply to:
   - Fixed term employees. Employees who are employed on fixed term agreements, which could be impacted by change, will be consulted with in good faith. However, permanent employees are more significantly affected by any change. If a fixed term employee is no longer required because of the change, that employee’s employment could be terminated either by giving notice early (if provided for in the contract) or at the end of its term;
   - Casual employees within the CAs (i.e. those who work on an ‘as required’, hourly, or daily rate basis);
   - Consultants and/or contractors within the CAs as they are not employees; and
   - People seconded into one of the CAs Corporate Services from another organisation as they are employees of their home organisation.

Objectives

7. The aims objectives of this protocol are to:
   - Ensure that affected staff from all CAs are treated fairly and equally in any change process and that the processes for making any decisions and implementing any proposed changes are open and transparent;
   - Ensure that each of the CAs fulfils its good faith obligations to consult with affected staff over significant changes affecting them, to take account of their views and to deal with affected staff professionally and constructively;
   - Retain skilled staff so that a proposed CASS arrangement can provide a quality service to each of the CAs; and
   - Minimise disruption to business and uncertainty for affected staff by implementing the proposed new structure as efficiently and as soon as is practicable.

Definition
8. An affected employee is one who, as a result of the establishment of CASS:
   • Is or will be, no longer required by his or her employer to perform the duties of their position; or
   • Whose position is substantially changed; or
   • Whose position is proposed to be disestablished and replaced with a position (or positions) in CASS that is/are substantially the same as the employee’s current position.

Management of Change

9. Each agency retains employer responsibilities for any employee during change.
10. Initially the CASS Establishment Director will lead the change management process. As part of the appointments process, a Director for Central Agencies Shared Services (CASS Director) will be employed by the Treasury.
11. The CASS Establishment Director will work with each agency to coordinate the transition process to CASS until such time as the CASS Director is appointed and takes up the position.
12. The CASS Establishment Director and, following appointment, the CASS Director will be supported by:
   • A CASS Project Leader and Team; and
   • Appropriate managers employed by each of the CAs initially, and then by senior managers employed within CASS reporting directly to the CASS Director; and
   • Assigned Human Resources staff employed by each of the CAs initially, and then by Human Resources staff employed within CASS; and
   • Any other employees of the CAs assigned to support the transition process; and
   • Independent external change team as required.

   The CASS Establishment Director and, following appointment, the CASS Director will be responsible for keeping the CASS Governance Group informed of progress in the Change Management workstream.

13. The establishment of CASS necessitates a need to follow common change processes to transition staff into CASS, by a combined appointment and selection process.
14. A process flow chart showing the overview of the transition process is presented in the: Transition and Appointment Flow Chart at the end of this section.

Transition Process for Affected Staff

15. Affected staff will be subject to the following transition process. Where this transition process is inconsistent with the current transition protocol of each agency, this transition protocol will take precedence over the individual agency’s transition process. The exception to that is where this transition protocol conflicts with an employee’s terms and conditions of employment. In that case, the individual employment contract will take precedence over this protocol.

Appointment and Selection Process

Reconfirmation Process – Substantially similar job

16. Interpretation – in this section “reconfirmation” means offer of a substantially similar job, and includes situations where reconfirmation means a change of employer

17. Key indicators for a position reconfirmation are:
   • The position in the new structure is substantially the same or substantially similar to the employee’s current position in terms of remuneration and hours;
   • The position in the new structure has substantially similar job content– comparing any new responsibilities with those an employee currently has. This includes both what the employee was employed to do (as per their job description) and what they are actually doing (as per
their Statement of Accountability (SSC), Work Plan (Treasury) or Performance Objectives (DPMC));

- The level of the position in the structure is substantially similar. Consideration is given to whether the ‘tier’ of the position and the level of seniority of the position changed and to what extent;
- The knowledge, skills and competencies required are substantially the same or substantially similar, and in the same capacity as that in which the employee is currently employed: and
- Minimal changes to staff management and budget responsibilities.

18. Subject to the key indicators for a position reconfirmation above, an employee will be offered the position without being required to participate in a contestable process in the new structure where:

- the employee is the only candidate for the position in the new structure; or
- there is the same number, or more, available positions than candidates.

19. The employee will be advised in writing of an offer of reconfirmation. If an employee elects not to accept the offer of reconfirmation, they will be advised in writing of the next steps in the process.

20. The conditions of employment for the reconfirmed position will remain the same or no less favourable than the employee’s current conditions of employment.

Contestable Selection Process

21. Where there are more employees than positions available in the new structure, a contestable selection process will be used.

22. Where a panel interview is to be used, panel members will be appointed by the CASS Establishment Director or CASS Director and endorsed by the CASS Governance Group.

23. All affected employees will be notified in writing where there is to be a contestable process and will be advised of available positions in the new structure and provided with position descriptions for the new positions.

24. Employees who are offered, or accept reconfirmation into positions in the new structure are nonetheless entitled to express interest in contestable positions.

25. Affected employees will be requested to express interest in the positions they are interested in being considered for. Expressions of interest must be in writing and should include:

- Why they are interested in the position
- Why they believe they are suitable for the position
- Relevant background skills, qualifications and experience

26. All affected employees who express an interest in a position or positions will be interviewed at least once for each position.

27. Where a contestable process is used, affected employees who submit an expression of interest will be subject to selection activities such as a panel interview and other selection activities as required. Employees will be told what the selection process comprises and this will include information about the selection criteria.

28. Selection will be based on merit tested against the criteria for the position. All applicants will be notified of the outcome of their application in writing.

29. The relevant terms and conditions of existing employment agreements will apply to affected employees who elect not to participate in the contestable process.

Redeployment Process

30. Affected staff who are not reconfirmed into a position or appointed by a contestable selection process in the new structure may be offered redeployment to a suitable alternative position in CASS, within their own department or within one of the other CAs. A suitable alternative position is defined as a position for which, in the opinion of the Hiring Manager and CASS Governance
Group, the staff member has the requisite skills, knowledge and attributes to perform, and retains the staff member's level of remuneration.

31. Employees who are offered redeployment will be offered terms and conditions of employment that are no less favourable.

32. Employees who are offered redeployment into a position with comparable duties and responsibilities and decline the new position will be subject to the relevant surplus staffing provisions of their current terms and conditions of employment.

Reviews

33. As a new business unit that will provide services to each of the three CAs and to which employees of each of the three CAs will be appointed, a review process will be established for use by affected employees to ensure that affected employees of each of the agencies will be treated equally and fairly. An employee may seek a review of:
   - A decision to reconfirm or not to reconfirm that person to a position; or
   - ‘Non-appointment’ - where the person has applied for, but not been appointed to a position; or
   - A decision to redeploy or not to redeploy the staff member into a position in their own department; or
   - A decision to redeploy or not to redeploy the staff member into a position in one of the other agencies.

34. In respect of reconfirmation decision, appointments or redeployment into CASS or one of the CAs, the following process will apply:
   - The employee must write to the CASS Director within five working days of receiving written notice of his or her unsuccessful application.
   - The CASS Governance Group will appoint an independent, though not necessarily external, panel to carry out the review. The review panel will allow both the employee and the members of the appointing panel reasonable opportunity to present their case. The panel will make a recommendation to the CASS Governance Group, who will decide on the application for review. The CASS Governance Group will advise the employee of its decision within five working days of receipt of the application for review.

Non-appointment

35. All affected employees from each of the CAs who are not appointed or redeployed to a position, will be subject to the relevant surplus staffing provisions of their current terms and conditions of employment.

36. Redundancy will, in all cases be a last resort.

Staff Support

37. The SSC, DPMC and Treasury recognise that uncertainty and change can be unsettling and stressful. The SSC, DPMC and Treasury encourage staff to use the support options available at any time over the next few months, regardless of their employment status.

38. The SSC, DPMC and Treasury also encourage staff to seek advice and support from the PSA or other representatives if they wish.

39. Affected employees who are applying for positions in the new structure may take a half day’s special leave on pay, by arrangement with their manager, to enable them to prepare their application(s).

On-going support for affected employees

40. Those people who remain affected following the process of reconfirmation and appointment to positions, will receive additional individual support in order to explore options available to them. These options will, at a minimum, include the requirements set out in their Individual Employment Agreement, but may also include career assessment and career management advice and
support. Each CA will decide on the level of support with the affected employee. The support will be provided externally and independently of SSC, DPMC and Treasury. The CAs will pay the costs involved in the agreed support.

Transition and Appointment Flow Chart
Appendix 2: List of new positions

2.a Governance positions

- Director of CASS
- Executive Assistant to Director of CASS
- Business Analyst

2.b Finance positions

- Finance Manager
- Executive Assistant to Finance Manager (0.5 FTE)
- Team Leader Financial Accounting
- Team Leader Management Accounting
- Senior Financial Accountant – Non-Departmental
- Financial Accountant
- Assistant Financial Accountant
- Senior Finance Officer (x2) (1 Fixed Term)
- Finance Officer (x2)
- Management Accountant (x3)
- Systems Accountant (x3) (1 Fixed Term)
- Planning and Reporting

2.c Human Resources positions

- Human Resources Manager
- Executive Assistant to Human Resources Manager (0.5 FTE)
- Team Leader HR
- Senior HRIS Advisor (Fixed Term)
- Team Leader OD, Learning & Development, & Change
- Senior Payroll Advisor
- Senior HR Advisor (x2) (1 Fixed Term)
- HR Advisors (x3) (1 Fixed Term)
- Recruitment Advisor
- HR Co-ordinator
- Senior OD Advisor
- Senior L&D Advisor
- Payroll Administrator

2.d Information and Technology positions

- Chief Information and Technology Officer
- Executive Assistant to Chief Information and Technology Officer
- Team Leader Web & Publishing
- Team Leader Information
- Team Leader Technical Operations
- Team Leader Service Desk
- Team Leader Development
- Senior Publisher (0.9 FTE)
- Desktop Publisher (x2) (0.8 FTE)
- Web Editor (x3) (1 Fixed Term)
- IM Advisor Research (x2)
• IM Advisor Records (x4) (2 Fixed Term)
• IM Admin (Collections and Records Management) (x3)
• Information Research Co-ordinator (x2) (1 Fixed Term)
• Systems and Security Architect
• Senior Systems Engineer (x3) (1 Fixed Term)
• Systems Engineer (x3) (1 Fixed Term)
• Service Desk Analyst (x4) (1 Fixed Term)
• Policy Realignment Advisor (Fixed Term)
• Project Manager
• Trainer
• Developer (x3)
• Solutions Architect
• Business Analyst