



Proactive Release

The following briefing has been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of the Minister for COVID-19 Response, Hon Chris Hipkins:

Establishing a COVID-19 Response Unit (Paper 2)

The following documents have been included in this release:

Title of paper: COVID-19 Response Paper 2 – Establishing a COVID-19 Response Unit (CAB-20-SUB-0100)

Title of minute: Establishing a COVID-19 Response Unit (CAB-20-MIN-0100)

In Confidence

Office of the Minister for COVID-19 Response

Office of the Minister for the Public Service

Chair, Cabinet Business Committee

COVID-19 Response Paper 2 – Establishing a COVID-19 Response Unit

Proposal

1. This paper seeks decisions necessary to establish a COVID-19 Response Unit, to support our Government in ensuring an ongoing response to COVID-19 that is effectively coordinated, and response policy and strategy is integrated.
2. This is Paper 2 in a suite of papers that address the governance and funding arrangements for our COVID-19 response more broadly.

Relation to government priorities

3. This paper relates to the Government's response to COVID-19 and strategy of elimination.

Executive summary

4. As described in the accompanying overview paper titled *COVID-19 Response Paper 1 – Overview of institutional and governance arrangements and funding for our ongoing COVID-19 response*, as Minister for COVID-19 Response I am proposing a set of consolidated institutional arrangements to support our ongoing response to COVID-19. These arrangements will build on existing arrangements that have evolved through our response to date by clarifying key roles and accountabilities, and ensuring the response is effectively managed across agencies.
5. A key component of the proposed arrangements is an effective set of central functions to ensure that our response is well coordinated across agencies, that our response strategy and the policy advice that we receive is integrated, and that public communications are clear and consistent. Recent reviews have also raised the necessity of additional functions, including providing assurance to Ministers and driving continuous improvement of the response system.
6. To date the COVID-19 All-of-Government Group in DPMC has performed a central coordination role supporting our response, but has not been mandated or funded to perform the full range of recommended functions. Reviews have also expressed a need to provide greater role clarity for these central arrangements. I am proposing to strengthen and lock in existing arrangements by establishing a central COVID-19 response function with an expanded role which explicitly includes oversight, integration and coordination across the response system as a whole.

7. The proposed functions could be delivered either through a business unit or a departmental agency. I consider that in the immediate term a business unit is the preferred option due to the shorter establishment timeframes and lower risk of disruption. However, there are also benefits of a departmental agency in terms of strengthened leadership and accountability. Consequently, I propose a staged approach which involves establishing the necessary central functions as a business unit now, and reviewing the arrangements in early 2021. I will report back to Cabinet with an assessment of how well the business unit is delivering the necessary system coordination and supporting me in my role, and whether a transition to a departmental agency is necessary.
8. Regardless of form, there is a need for ongoing funding to ensure the unit is able to sustainably deliver its proposed functions. The funding sought will support operation of the unit through to July 2022.
9. I consider that these proposals will address concerns raised in recent reviews of our response in relation to clarity of accountabilities and coordination of advice, planning and operations across government. They will ensure that I am supported in my role as Minister for COVID-19 Response and can effectively lead our cross-government response work for the next two years.

Context

10. Beginning in February 2020, New Zealand rapidly built central systems, processes and capabilities that have supported our COVID-19 response to date. Our structures have evolved through three phases.
11. The central function was initially an emergency response with a command and control function in the National Crisis Management Centre (NCMC). A 300 strong team delivered non-health advice, public communications and an operational response throughout this first phase of the response. This large and operationally focused function used the infrastructure and processes that New Zealand ordinarily uses in cases of large-scale emergencies such as earthquakes or floods.
12. In April 2020 a rapid review was undertaken by Rebecca Kitteridge, Sir Brian Roche and Dave Gawn as the scale and likely duration of the challenge became much clearer. In response, the NCMC command and control function evolved into an all-of-government co-ordination function based in the Department of the Prime Minister and Cabinet. Many core functions were returned to line agencies at this point.
13. The focus of the DPMC-based group has been on coordination of government activity, both policy and operations, and public communications, reflecting what has been needed during this phase of the response. The size of the group has changed over time as agencies have progressively taken the lead on various COVID-19 functions. It currently has an establishment of 75, which includes 29 working on communications and public engagement.
14. Two further reviews, both undertaken in August 2020, have indicated the need for further evolution of the central functions and to plan for these functions to continue over a two-year period:

- 14.1. The Chair of the Officials Committee for Domestic and External Security Co-ordination (ODESC) commissioned a second rapid review of New Zealand's COVID-19 response (the Kitteridge review);
- 14.2. The Minister of Health appointed an advisory committee, chaired by Heather Simpson and Sir Brian Roche (the Simpson / Roche review), to oversee the implementation of the COVID-19 surveillance plan and testing strategy. The terms of reference for this committee allowed it to comment on any matters relevant to the success of the surveillance plan and testing strategy, including how central functions were organised.
15. While slightly different in terms of detail and emphasis, both the Kitteridge and the Simpson / Roche reviews call for a strong central role, including continuation of a central coordination function for at least another two years. Both reviews also call for line agencies to be responsible for delivery as much as possible, but that the overall work plan and strategy be developed and overseen from the centre.

Establishing a Strengthened COVID-19 Response Function

16. As noted above, some coordination functions are already being undertaken by a group in DPMC. These include: leading COVID-19 strategy and cross-agency policy advice to Cabinet; operational coordination; data analytics, reporting and insights; and public communications (including the Unite Campaign).
17. The reviews that have been undertaken suggest that these should be supplemented with additional functions involving the provision of assurance to Ministers and the identification of opportunities for continuous improvement in our response. The reviews are also explicit that operational functions should only be delivered centrally by exception and only where there is no other agency logically placed to do so; the default being delivery through line agencies underpinned by the usual chief executive accountabilities.
18. Given the above considerations, I consider that the required central functions going forward are as follows:
 - 18.1. *Strategy and policy integration* – leadership and coordination of the overarching strategy for response, and coordination and integration of advice on readiness and response activities across agencies. Includes ensuring alignment of advice on operational management across agencies, coordination of advice on emerging issues and future risks (e.g. pressures on critical workforces, capacity of MIQ facilities, adoption of new testing and tracing technologies), and assessment of impacts of policy decisions across other portfolios on response activities and risk of resurgence (e.g. recovery initiatives such as managed re-opening of borders);
 - 18.2. *System readiness and planning* – coordination and convening role across delivery agencies to ensure alignment of planning activities. This includes taking the lead on resurgence planning. The coordination role relates primarily to government agencies, but in some instances may extend to business and community sectors;

- 18.3. *Insights and reporting* – drawing on research and evaluation (both domestic and international) to ensure continuous improvement of the system. Includes coordination of data and insights to inform cross-agency reporting, collation and dissemination of lessons learned across the system, and supporting and coordinating government reviews and subsequent responses;
 - 18.4. *Risk and assurance* – assurance that the right work is happening across government, in the right sequence and appropriate pace. This involves coordination of a cross-government COVID-19 work programme, providing Ministers with assurance that work is on track, advising on any emerging risks, and ensuring any gaps are identified and addressed; and
 - 18.5. *Communications and engagement* – leadership and coordination of public communications (including the Unite campaign), and coordination of stakeholder engagement. Additionally, it includes support for processes to engage business and community sectors.
19. Given the importance of these functions to an effective ongoing response, I consider that the functions should be delivered through a dedicated unit or entity. There are a number of options for institutional form. I have considered the following relevant structural options:
- 19.1. *Business unit* – establish the function as a business unit within an existing department. The chief executive of the department would be designated as the lead on COVID-19 response and a director could be appointed to manage the day-to-day role and relationship with the Minister;
 - 19.2. *Functional chief executive* – a new tool under the Public Service Act 2020, the functional chief executive allows for a chief executive to be appointed for a particular function within an agency, with accountability directly to the Minister for that function. Resources and funding are provided by the host department;
 - 19.3. *Departmental agency* – an agency with a chief executive that is hosted in a department. The departmental agency has its own staff and resources and is directly responsible to the Minister for delivering its specified functions, but can access support (e.g. corporate services) from the host department; and
 - 19.4. *Stand-alone department* – establish the function as a separate department reporting to the Minister for COVID-19 Response.
20. I consider the key criteria relevant for selecting a preferred option from the above list of possible organisational arrangements to be:
- 20.1. The degree to which the function will be led by a senior official who has the profile and status to engage effectively with other agencies at a senior level, and has a dedicated focus on supporting me in my role as Minister for COVID-19 Response;
 - 20.2. The benefits of being connected to a larger host agency in terms of access to surge capacity (e.g. if additional policy and strategic resource is required in

the event of a resurgence), informal sharing of capability and expertise with the host agency, and access to corporate services and support; and

- 20.3. The cost of establishment and timeline for implementation (i.e. how quickly the arrangements can be put in place and what they will cost).
21. An assessment of the four options against these criteria is provided at **Appendix 3**.
22. I consider that either a departmental agency or a business unit could provide an appropriate form for the delivery of these functions. The most significant difference between these options is that the Chief Executive of a departmental agency would have direct accountability to me as the responsible Minister, and the status to engage effectively with other agencies at the chief executive level. In the case of a business unit, I would expect this to be approximated as closely as possible by the senior leader of the business unit reporting to me on a day-to-day basis, noting that formal accountability remains with the Chief Executive of DPMC.
23. I consider that in the immediate term a business unit is the preferred option due to the shorter establishment timeframes and lower risk of disruption. However, as noted above there are also benefits of a departmental agency approach in terms of strengthened leadership and accountability. Consequently, I propose a staged approach which involves establishing the central functions as a business unit now, and reviewing the arrangements in early 2021. At that time I will report back to Cabinet with an assessment of how well the business unit is delivering the necessary system coordination and supporting me in my role, and whether a transition to a departmental agency is necessary.
24. A further consideration is which department should host the business unit. I propose DPMC continue as host for three reasons. First, as a central agency DPMC performs similar functions to those proposed for the unit, including coordination of policy advice and perspectives across multiple agencies. Secondly, DPMC has taken a role in coordinating response activity to date, and will have an ongoing role in leading the governance of recovery activity, meaning that hosting the unit in DPMC would support alignment between our work on recovery and response. Thirdly, I consider that in the worst-case scenario of a significant resurgence, the Chief Executive of DPMC, as chair of ODESC, would need to work closely with the unit to escalate the response.

Funding and resourcing for the COVID-19 Response Unit

25. The proposed COVID-19 Response Unit will require dedicated funding for delivery of the functions described above, discussed further in the financial implications section below. A limited amount of funding is already available to DPMC for the delivery of some of these functions, though the current approach relies on a significant amount of temporary agency contributions and is therefore not sustainable over the longer term.
26. As we require the unit to be established at pace and the arrangements may be temporary (i.e. for the duration of the COVID-19 pandemic), it is likely that a number of staff will be employed on fixed-term contracts and that consultancy services will be engaged. This will be managed by the Public Service Commissioner within in the

context of our Government's stated intent to reduce reliance on such arrangements in the Public Service overall.

Implementation considerations

27. It will take some time to fully establish and staff the proposed COVID-19 Response Unit to deliver its full set of functions. The existing COVID-19 Group in DPMC, which will form the basis for the unit, is currently staffed primarily by secondees and fixed-term staff whose arrangements are coming to an end at the end of 2020.
28. Likewise, as the proposed unit will be time-limited, planning will need to be undertaken to ensure appropriate transition arrangements on disestablishment of the unit, such as ensuring that information and records are not lost.

COVID-19 critical workforce planning, brokering and coordination

29. In addition to the functions described above, the Kitteridge Review recommends a strengthened central function for COVID critical workforce planning, brokering and co-ordination. An example of the type of work involved would be identifying opportunities for cross-agency redeployment of staff to support our response effort and brokering a redeployment agreement with the relevant agencies.
30. The Kitteridge review notes that the COVID-19 Group in DPMC has had a role in brokering workforce arrangements to support the response to date, but that this service has not been used consistently by agencies. As such activities are more closely aligned with the capability of the Public Service Commission, the Review recommends that the Commission assume responsibility for this function going forward.
31. Given that the Public Service Commission is already under pressure to deliver our Government's extensive change programme for the public service including supporting gender pay, pay equity, diversity and inclusion and system-wide transformation, I propose that funding be provided to the Commission to support it in delivering this additional function, as discussed further alongside other financial implications below.

Legislative implications

32. None, but if it is determined at a later date that a transition to a departmental agency is necessary establishment will require Order(s) in Council under the Public Service Act 2020 and the Ombudsmen Act 1975.

Financial implications

33. Additional funding will be required for the operation of the proposed COVID-19 Response Unit for the next two years beyond the \$27.405 million previously agreed in July 2020 to support the current COVID-19 response functions in DPMC. Eighty percent of the current COVID-19 Group are secondees, of which 60% are funded or co-funded by their own agencies (not by DPMC). This is not sustainable.
34. I propose to provide the unit with the funding for the COVID-19 Group's existing 75 FTEs, to remove the dependence on secondees provided (and funded) by other

departments. I am also seeking additional funding for our Unite Campaign. Public information has proven an important public service during COVID-19 and is critical to our overall strategy. The August resurgence has shown us that we need a sustainable and consistent public information campaign, while also being prepared to ramp up our communications rapidly in response to a resurgence.

35. As per the table below, I am seeking a further \$41.785 million in order to minimise reliance on line agencies to fund the costs of seconded staff, to add additional functions, to expand the reach of public communications and to extend operation of the proposed unit until 30 June 2022.

\$m	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears	Total
Revised cost of the COVID-19 Response Unit:						
Public relations and communications	22.681	21.024	-	-	-	43.705
Rest of the COVID-19 Response Unit	10.032	14.583	0.290	0.290	0.290	25.485
Total cost for COVID-19 Response Unit	32.713	35.607	0.290	0.290	0.290	69.190
Less funding previously approved for COVID-19 Group	(19.504)	(7.031)	(0.290)	(0.290)	(0.290)	(27.405)
Additional funding sought	13.209	28.576	-	-	-	41.785

36. Establishment of a new dedicated appropriation for COVID-19 response will be required for the funding described above. The appropriation will be administered by the Department of the Prime Minister and Cabinet with the Minister for COVID-19 Response as the appropriation Minister.

Options for longevity of funding

37. As noted earlier in this paper, there remains uncertainty about how long the role of the proposed COVID-19 response arrangements will be required. If more positive global and domestic scenarios play out it may be that the need for a central function could dissipate earlier than is currently planned. If the decision were taken to fund the unit only through to 31 December 2021 (rather than 30 June 2022), the total additional funding required would drop from \$41.785 million over the period for the preferred option to \$23.982 million.
38. The Kitteridge review and the Simpson/Roche review suggested that a COVID-19 function will be required for 18-24 months or 24-36 months, respectively. I consider that on balance the increased stability of arrangements afforded by funding the unit through to 30 June 2022 makes this option preferable. I will update Cabinet if there is a need to revisit this decision, either because the functions performed by the unit are no longer required or there is a need to extend funding beyond June 2022 for any reason. Note that if the requirement for the response arrangements ceases earlier

than 30 June 2022, any unspent funding will be returned to the Centre in line with Cabinet's agreed rules for use of the CRRF.

Public communications

39. Alongside the funding increase outlined above, I propose that to enable a rapid escalation in public communications in the case of a resurgence, that the Minister of Finance and the Minister for COVID-19 Response be delegated authority to approve further increases in funding of up to \$2 million per resurgence from the COVID Response and Recovery Fund, up to a total of \$6 million. Note that any additional funding requirement for resurgence over and above this would require Cabinet agreement.

Critical workforce planning, brokering and coordination

40. As discussed above, I am proposing that the Public Service Commission take a new role in critical workforce planning, brokering and co-ordination in respect of the ongoing response. I am seeking total funding of \$0.555 million to support the Commission in establishing this additional function through to 30 June 2022.

Regulatory impact analysis

41. A regulatory impact statement is not required.

Population Implications

42. None, other than high-level implications noted in the accompanying overview paper (titled *COVID-19 Response Paper 1 – Overview of institutional and governance arrangements and funding for our ongoing COVID-19 response*).

Human rights implications

43. The proposals in this paper are consistent with the requirements of the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

44. The proposals discussed in this paper have been discussed with the relevant agency chief executives – including the chief executives of DPMC, the Ministry of Health and the Ministry of Business Innovation and Employment, and chief executives of other border agencies – and have their support.

Publicity and Proactive Release

45. Following Cabinet decisions, the Minister for COVID-19 Response intends to make public announcements regarding the establishment of the COVID-19 Response Unit as a branded business unit of DPMC. I propose to proactively release this paper at the time of announcements.

Recommendations

The Minister for COVID-19 Response and the Public Service recommends that the Committee:

1. **note** that an effective set of central functions is necessary to ensure that our ongoing response to COVID-19 is effectively coordinated across agencies, and that our response strategy and the policy advice that we receive is integrated;
2. **agree** to establish a COVID-19 Response Unit with responsibility for coordination of cross-agency response activities and integration of advice;
3. **agree** that the COVID-19 Response Unit will deliver the following functions, as described in the body of this paper:
 - 3.1. Strategy and policy integration;
 - 3.2. System readiness and planning;
 - 3.3. Insights and reporting;
 - 3.4. Risk and assurance; and
 - 3.5. Communications and engagement;
4. **note** that the proposed COVID-19 Response Unit could be established as either a departmental agency or a business unit;
5. **note** I consider that in the immediate term a business unit is the preferred option due to the shorter establishment timeframes and lower risk of disruption, but note that there are benefits of a departmental agency in terms of strengthened leadership and accountability;
6. **agree** that the proposed new COVID-19 Response Unit will be established as a business unit of the Department of the Prime Minister and Cabinet (DPMC);
7. **invite** the Minister for COVID-19 Response to review the performance of the arrangements and report back to Cabinet by March 2021 on whether a transition to a departmental agency is necessary;

Detailed decisions on the establishment of the COVID-19 Response Unit

8. **note** that the COVID-19 Response Unit will require dedicated resource to support it in the activities necessary to discharge its role and functions, and to cover overhead costs;
9. **agree** to increase funding by \$41.785 million across 2020/21 and 2021/22 as per the table below in order to sustainably fund the proposed COVID-19 Response Unit to June 2022:

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\$m	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears	Total
Revised cost of the COVID-19 Response Unit:						
Public relations and communications	22.681	21.024	-	-	-	43.705
Rest of the COVID-19 Response Unit	10.032	14.583	0.290	0.290	0.290	25.485
Total cost for COVID-19 Response Unit	32.713	35.607	0.290	0.290	0.290	69.190
Less funding previously approved for COVID-19 Group	(19.504)	(7.031)	(0.290)	(0.290)	(0.290)	(27.405)
Additional funding sought	13.209	28.576	-	-	-	41.785

10. **agree** to establish the following new appropriation:

Vote	Appropriation Minister	Title	Type	Scope
Prime Minister and Cabinet	Minister for COVID-19 Response	COVID-19 All of Government Response	Departmental Output Expense	This appropriation is limited to leadership, coordination and delivery of the Government's response to COVID-19.

11. **agree** to transfer unspent funding appropriated for supporting the COVID-19 All of Government response from the Emergency Management Leadership and Support MCA to the newly established COVID-19 All of Government Response appropriation;

12. **approve** the following changes to appropriations to give effect to the decision in recommendations 9-11 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Vote Prime Minister and Cabinet					
Minister for Emergency Management					
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support MCA Departmental Output Expense: Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery (funded by revenue Crown)	(19.504)	(7.031)	(0.290)	(0.290)	(0.290)
Departmental Output Expense: COVID-19 All of Government Response (funded by revenue Crown)	32.713	35.607	0.290	0.290	0.290
Total Operating	13.209	28.576	-	-	-

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13. **agree** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
14. **agree** that that the expenses incurred under recommendation 13 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
15. **note** that in the event of a further COVID-19 resurgence, additional funding will be required to resource rapid and high-quality communication costs;
16. **authorise** the Minister of Finance and the Minister for COVID-19 Response until 30 June 2022 to jointly approve increases to appropriations of up to \$2.000 million per COVID-19 resurgence, up to a total of \$6.000 million, with any such increases to be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
17. **note** that any increases to appropriations greater than \$2.000 million per COVID-19 resurgence, and/or once the total of \$6.000 million has been exhausted, will require Cabinet agreement;
18. **note** that the Minister for COVID-19 Response will provide an update to Cabinet if it becomes clear there is a need for a further extension to the COVID-19 Response Unit beyond 30 June 2022;

Workforce planning, brokering and coordination

19. **agree** that the Public Service Commission will take a role in critical workforce planning, brokering and co-ordination in respect of the ongoing response;
20. **agree** to new funding of \$0.555 million across 2020/21 and 2021/22 to support the Public Service Commission in delivering this additional function through to June 2022;
21. **approve** the following changes to appropriations to give effect to the decision in recommendation 20 above, with a corresponding impact on the operating balance and net core Crown debt:

	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Vote State Services					
Minister for the Public Service					
Departmental Output Expense: Leadership of the Public Management System (funded by revenue Crown)	0.185	0.370	-	-	-
Total Operating	0.185	0.370	-	-	-

22. **agree** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

















23. **agree** that that the expenses incurred under recommendation 22 above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020.

Authorised for lodgement

Hon Chris Hipkins
Minister for COVID-19 Response
Minister for the Public Service

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Appendix 1: Options assessment for organisational form of COVID-19 central response functions

Criteria	Option 1: Business unit	Option 2: Functional chief executive (FCE)	Option 3: Departmental agency	Option 4: Separate department
Strong leadership with profile and status to manage cross-agency coordination	 <p>Business unit director lacks status to effectively engage at high level across agencies. This can be mitigated by involvement of the host chief executive, who could be designated as a lead for COVID-19.</p>	 <p>Functional chief executive has chief executive status under the Public Service Act, but as a new model this is unlikely to be recognised as equivalent to departmental or departmental agency chief executive status.</p>	 <p>Departmental agency has its own chief executive, with similar status to other chief executives in the public service. This could be strengthened by the Public Service Commissioner inviting the chief executive to participate in the Public Service Leadership Team.</p>	 <p>Departmental chief executive has same status as other public service departmental chief executives, and is able to engage at a high level to ensure coordination of advice and activities to support response.</p>
Direct relationship with and accountability to Minister, and focus on response role	 <p>Business unit director may manage day-to-day relationship with Minister but does not have formal accountability. Host chief executive has formal accountability but will lack dedicated focus on the work.</p>	 <p>Functional chief executive has formal responsibility to the appropriate Minister under the Public Service Act, and will have explicit focus on role as specified in establishing Order in Council.</p>	 <p>Chief executive has formal responsibility to the appropriate Minister under the Public Service Act for agency functions specified by Cabinet, and will have singular focus on the role.</p>	 <p>Chief executive has formal responsibility to the appropriate Minister under the Public Service Act for agency functions specified by Cabinet, and will have singular focus on the role.</p>
Access to dedicated resource	 <p>Business unit director relies on host department for resource. This can be mitigated through a specific appropriation that can only be used for the work of the unit.</p>	 <p>Functional chief executive relies on host department for resource and staff. This can be mitigated through direction that an appropriation may be used by the FCE.</p>	 <p>Chief executive may directly employ staff, though may rely on host department for access to necessary appropriated funding. This can be mitigated through Ministerial direction that the agency may use the relevant appropriations exclusively.</p>	 <p>Chief executive may directly employ staff and department may formally administer appropriations.</p>
Ease of access to corporate services and support	 <p>Host department is required to provide corporate services and support to business unit.</p>	 <p>Staff supporting FCE are employed by the host department, and have access to corporate services and support (details specified in working arrangements agreement)</p>	 <p>Default position in Public Service Act that the host department will provide corporate services and support to departmental agency (details specified in departmental agency agreement).</p>	 <p>Department responsible for determining its own arrangements for corporate services and support (may take time to put in place and be relatively costly for a small agency). Can be mitigated by sourcing from another department.</p>

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<p>Access to surge capacity and informal capability sharing with host agency</p>	<p align="center">●</p> <p>Full integration into host department provides strongest ability to access additional resources and capability if necessary.</p>	<p align="center">●</p> <p>Staff are employed by host department allowing flexible reprioritisation of resource to support FCE possible, though host chief executive does not have responsibility for providing resource for FCE activities.</p>	<p align="center">●</p> <p>Depending on relationship between host department chief executive and agency chief executive, hosting arrangements may provide some access to additional capability, particularly on an informal basis.</p>	<p align="center">●</p> <p>No link to a host department (difficult to access capability and capacity flexibly, whether formally or otherwise).</p>
<p>Cost and speed of implementation</p>	<p align="center">●</p> <p>Establishment can occur immediately. Reaching full staffing for the unit still likely to take some time.</p>	<p align="center">●</p> <p>Establishment requires Order in Council under Public Service Act. Recruitment and corporate service arrangements may take some time, but will be mitigated by support from host department.</p>	<p align="center">●</p> <p>Establishment requires Order in Council under Public Service Act. Recruitment and corporate service arrangements may take some time, but will be mitigated by support from host department.</p>	<p align="center">●</p> <p>Establishment requires Order in Council under Public Service Act. Will likely take longest to identify arrangements for corporate services and support and complete recruitment.</p>

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Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Establishing a COVID-19 Response Unit (Paper 2)

Portfolios **COVID-19 Response / Public Service**

On 2 December 2020, the Cabinet Business Committee:

- 1 **noted** that an effective set of central functions is necessary to ensure that our ongoing response to COVID-19 is effectively coordinated across agencies, and that our response strategy and the policy advice that we receive is integrated;
- 2 **agreed** to establish a COVID-19 Response Unit with responsibility for coordination of cross-agency response activities and integration of advice;
- 3 **agreed** that the COVID-19 Response Unit will deliver the following functions, as described in the submission under CBC-20-SUB-100:
 - 3.1 strategy and policy integration;
 - 3.2 system readiness and planning;
 - 3.3 insights and reporting;
 - 3.4 risk and assurance; and
 - 3.5 communications and engagement;
- 4 **noted** that the COVID-19 Response Unit could be established as either a departmental agency or a business unit;
- 5 **noted** that:
 - 5.1 the Minister for COVID-19 Response considers that in the immediate term, a business unit is the preferred option due to the shorter establishment timeframes and lower risk of disruption;
 - 5.2 there are, however, benefits of a departmental agency in terms of strengthened leadership and accountability;
- 6 **agreed** that the new COVID-19 Response Unit will be established as a business unit of the Department of the Prime Minister and Cabinet (DPMC);

- 7 **invited** the Minister for COVID-19 Response to review the performance of the arrangements and report to Cabinet by April 2021 on whether a transition to a departmental agency is necessary;

Detailed decisions on the establishment of the COVID-19 Response Unit

- 8 **noted** that the COVID-19 Response Unit will require dedicated resource to support it in the activities necessary to discharge its role and functions, and to cover overhead costs;
- 9 **agreed** to increase funding by \$41.785 million across 2020/21 and 2021/22 as per the table below in order to sustainably fund the proposed COVID-19 Response Unit to June 2022:

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Additional funding sought	13.209	28.576	-	-	-	41.785

- 10 **agreed** to establish the following new appropriation:

Vote	Appropriation Minister	Title	Type	Scope
Prime Minister and Cabinet	Minister for COVID-19 Response	COVID-19 All of Government Response	Departmental Output Expense	This appropriation is limited to leadership, coordination and delivery of the Government's response to COVID-19.

- 11 **agreed** to transfer unspent funding appropriated for supporting the COVID-19 All of Government response from the Emergency Management Leadership and Support MCA to the newly established COVID-19 All of Government Response appropriation;

- 12 **approved** the following changes to appropriations to give effect to the decisions above, with a corresponding impact on the operating balance and net core Crown debt:

Vote Prime Minister and Cabinet Minister for Emergency Management	\$m – increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Multi-Category Expenses and Capital Expenditure: Emergency Management Leadership and Support MCA Departmental Output Expense: Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery (funded by revenue Crown)	(19.504)	(7.031)	(0.290)	(0.290)	(0.290)
Departmental Output Expense: COVID-19 All of Government Response (funded by revenue Crown)	32.713	35.607	0.290	0.290	0.290
Total Operating	13.209	28.576	-	-	-

- 13 **agreed** that the proposed changes to appropriations for 2020/21 above be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 14 **agreed** that that the expenses incurred above be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 15 **noted** that in the event of a further COVID-19 resurgence, additional funding will be required to resource rapid and high-quality communication costs;
- 16 **authorised** the Minister of Finance and the Minister for COVID-19 Response, until 30 June 2022, to jointly approve increases to appropriations of up to \$2.000 million per COVID-19 resurgence, up to a total of \$6.000 million, with any such increases to be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;
- 17 **noted** that any increases to appropriations greater than \$2.000 million per COVID-19 resurgence, and/or once the total of \$6.000 million has been exhausted, will require Cabinet agreement;
- 18 **noted** that the Minister for COVID-19 Response will provide an update to Cabinet if it becomes clear there is a need for a further extension to the COVID-19 Response Unit beyond 30 June 2022;

Workforce capacity

- 19 **directed** the Public Service Commissioner to:
- 19.1 help the agencies which are leading the response to COVID-19, particularly the Ministry of Health, to fill urgent gaps in capacity;
 - 19.2 report to the Prime Minister, the Minister of Health, and the Minister for COVID-19 Response by 16 December 2020 with an update on the support he has provided to the Ministry of Health, including to meet urgent gaps in capacity;
- 20 **noted** that the Public Service Commissioner may support secondments into agencies under the Public Service Act 2020, which enables temporary appointment without the usual requirements for notification of vacancies or review of appointments.

Gerrard Carter
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Jan Tinetti
Hon Dr Ayesha Verrall
Hon Aupito William Sio
Hon Meka Whaitiri
Hon Priyanca Radhakrishnan

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet