

## Implementation matters

Great policies and ideas are all very well, but how they work on the ground is what counts.

By implementation, we don't mean the ongoing delivery and operation of the policy, programme or service. But the work involved in getting it from 'idea' or policy decision to it being up and running.

Considering what needs to be done to implement the policy and how to make that sustainable in practice is a critical element of policy advice.

This Masterclass is an introduction to implementation considerations.

### Thinking about implementation is a requirement

The Policy Quality Framework explicitly requires that policy advice consider implementation issues.

Under the banner of "Action," the standards expect that:

#### **"Enables effective implementation**

The paper:

- identifies any further engagement required with other decision-makers (e.g. other ministers, Cabinet), Māori or other stakeholders
- ensures those implementing decisions (inside or outside the public service) understand: – what needs to be implemented – by whom, when, where and why
- highlights if any further advice, decisions or report-backs will be required, by whom, and by when."

The Cabinet Manual sets out what is required for implementation in papers to Cabinet.<sup>1</sup> It goes further than the brief section in the Policy Quality Framework, looking toward the outline of a project plan with stages and a timetable. But it stresses that a full plan is not needed, just the bones to show how the work will pan out.

The government's regulatory impact assessment guidance<sup>2</sup> requires even more! Before a regulatory change is proposed, it is expected that agencies provide advice on:

"identifying and addressing practical design, resourcing and timing issues required for effective implementation and operation, in conjunction with the regulator(s) who will be expected to deliver and administer the changes."

That's quite a high bar. And it involves considerable thought and effort. On the following page, we outline the sorts of things that might need to be covered. Of course, not all these will be needed for each implementation. But it is good practice to run through these to ensure all the three requirements are being satisfied.

### Implementation issues have been of considerable interest recently

There has been some concern in recent times about the ability to implement policies and strategies and, therefore, the delivery of results.

There has been considerable media coverage in recent years about things that have been deemed policy implementation failures. It's something that Ministers (and the opposition and media) are very sensitive about.

Of course, this isn't new. There have always been policies and programmes that haven't gone as well as expected!

One of the responses to this has been establishing the Implementation Unit within DPMC.<sup>3</sup> The brief of this Unit is to monitor progress on some key government projects.<sup>4</sup>

### It is fundamental to the policy analysis and advice process

The traditional policy cycle always included consideration of implementation and its effectiveness!<sup>5</sup>

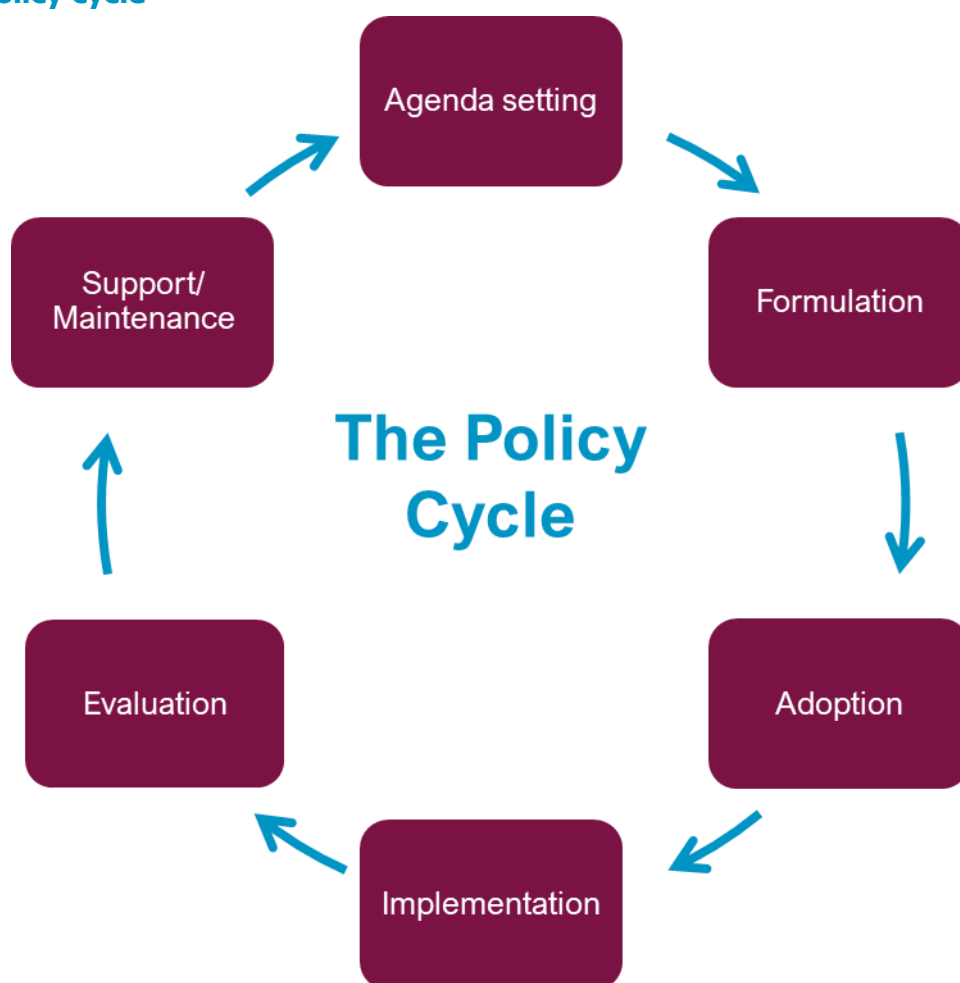
<sup>1</sup> <https://dpmc.govt.nz/publications/cabinet-policy-paper-template>

<sup>2</sup> <https://www.treasury.govt.nz/sites/default/files/2015-09/good-reg-practice.pdf> page 4.

<sup>3</sup> <https://www.stuff.co.nz/national/politics/300291501/deputy-pm-grant-robertson-setting-up-new-implementation-unit-to-make-sure-government-policies-actually-happen>

<sup>4</sup> <https://dpmc.govt.nz/sites/default/files/2021-10/iu-commissioning-briefs-full.pdf>

<sup>5</sup> <https://blogs.egu.eu/geolog/2016/09/14/geopolicy-science-and-the-policy-cycle/>

**Figure 1 The policy cycle**

Source: NZIER

We think great policy advice requires even more. Considering the timing, cost, resources, and potential pitfalls in implementation should be essential in assessing policy options, and so is providing advice on the best way forward. Ease of implementation should be one of the criteria for evaluating options.

In a similar vein, outlining the next steps in the process of implementing policy or an implementation plan is also a key element of advice. It shows Ministers that the advice has been thought through to the practical stage where the rubber hits the road.

### Involvement of those responsible for implementation in policy design

Governments have been back and forth on these issues. In the 1980s and 1990s, there was a desire to separate policy advice from implementation/delivery – as the practicalities of implementation (and potentially the desire to maintain the status quo) were seen as barriers to quality policy advice.

This was because the options were seen to be narrowed, consciously or not, by those wedded to current delivery arrangements. Talk of ‘capture’ by interest groups was a concern.

Subsequent experience has confirmed that pure policy advice units can fall into the ‘ivory tower’ trap by not including in the advice practical issues that can confound the policy ideas designed without on the ground input. So, the fact remains that delivery agencies have considerable expertise in implementing policy, and their input to the policy process remains invaluable in ensuring realism. We see this played out in sector-led policy – where a sector leader might have primary responsibility for strategic policy, with second opinion advice provided by other agencies responsible for delivering on the policy, e.g. in the Justice sector.

A balance needs to be struck.

### Things to think about in implementation

We’ve developed a quick checklist to cover the sorts of things that need to be thought about when considering the implementation of a new policy or programme or modifying an existing one. Of course, this checklist will need to be modified according to the sector you work in and any specific factors which need to be considered.

Think about:

- **Leadership/governance** – how is the change going to be led and governed? Do you have the right mix of people and agencies involved?
- **Staff capacity and capability** – do you have the number of people and the range of skills required? Is further recruitment or training needed? Is a reorganisation required? Can people do this alongside their day job, or is it a matter of a separate unit?
- **Hearts and minds** – it helps to have those involved and the end users on board. Dedicating time and resources to this may seem a luxury, but it pays off.
- **Employment relations implications** – will this change existing staff's working conditions (such as hours or location)? Will there be layoffs? This is another area which repays careful preparation and dedicated time and effort.
- **ICT** – new systems or modifications to existing systems. This is an area that deserves a separate manual! Some new policies and programmes involve detailed changes to existing complex (and often ageing) systems. Others require something completely new. The risks, including cost blowouts, timing failures and lack of functionality, are high, and there seems no sure way of avoiding them.
- **Operational policy requirements** – this might involve more detailed policy and operational guidelines, business process design or redesign, monitoring, compliance and assurance functions.
- **Cost** – both capital and operating, and the cost impacts on other parties involved in delivery (e.g. local authorities, community agencies or firms), service users, etc.
- **Asset planning and management** – are there implications for existing facilities, equipment etc.? What might be made of facilities or equipment that become redundant?
- **Legal implications** – including whether any legislative or regulatory change is needed and the inevitably protracted and hard to access process associated with that.
- **Timing** – “Prediction is very difficult, especially if it's about the future!” said Niels Bohr, Nobel Prize laureate. And it is always a stretch to accurately map out the likely timetable for a complex piece of implementation, and it's usually better to organise a positive surprise if possible.
- **Treaty of Waitangi implications** – again, this is the potential subject of a book. Each implementation exercise needs to be addressed on its own merits under this heading.
- **Environmental impacts** – these will be entirely specific to the topic and how it works. Take the trouble to be careful.
- **Implications for service users** – including the acceptability of the policy, impacts on different population groups and the long-term outcomes for users.
- **Communications strategy** – informing those who need to know about the new policy and its requirements.

- **Procurement** – plans and strategies. Are the necessary supplies readily available? Are their firms able to provide the services required?
- **International considerations**, e.g. trade, UN conventions, bi- and multi-lateral treaties. It's always sound to check.
- **Transitional arrangements** – these are often some of the most complicated and technical factors to consider, e.g. will existing programmes be grandparented or phased out? How will the old programme continue while the new one is being put in place? Will this entail double the costs? Has it been allowed for in the budget?
- **Overall work programme implications** – what else has the agency/sector got on its plate? Is it going to be able to deliver on this as well? Is it consistent with other priorities? (or does it work against other delivery priorities?) Management and leadership bandwidth is important. The work required to deal with COVID-19 has certainly shown this up – as some agencies had to defer other priorities.
- **Monitoring and evaluation strategies** – how will you know the programme/policy is effective and working as planned? Arrangements to collect baseline data and for ongoing operational and outcomes data need to be built in. (This may entail a special survey.)

Of course, we wouldn't expect all of this to be developed up in detail early in the policy process – but rather some initial thinking done, experts involved, and the key risks and issues identified. Having a report back or series of report backs needs to be factored in on a more detailed implementation plan.

### Involving users in service and policy design

Several agencies have worked with users and stakeholders to design new policies and programmes. Obviously, it has many advantages. It can help grow a favourable climate for the proposal, avoiding practical pitfalls and building credibility for the agency.

The traditional way was through:

- Formal consultation processes, e.g. consultation documents and associated stakeholder engagement processes. These have traditionally been substantial formal written documents – although there have been attempts to use more interactive online tools. These have the advantage of being able to follow people's preferences down to lower levels to inform trade-offs.
- Working parties/taskforces, e.g. those involving both officials and stakeholders. The trick is to find ways their limited membership – which makes them tractable - is not a drawback to the wider audience. Publishing agendas and papers in advance plus minutes and conclusions after sessions can be helpful.
- Market research techniques, e.g. testing, focus groups, surveys. The best work is done when the groups of interest can be identified and accessed.

Recently there has been more emphasis on codesign in central and local government in New Zealand, e.g. ROVE and some of the Oranga Tamariki system redesign.

There are plenty of resources on using codesign processes:

- The Auckland codesign lab – an initiative from Auckland Council and central government agencies <https://www.aucklandco-lab.nz/>
- Health Service Codesign – hosted by Auckland District Health Board <https://www.healthcodesign.org.nz/>
- A 2019 literature review on the use of codesign in New Zealand <https://www.toiaria.org/our-projects/co-design-literature-review-aotearoa/>
- Data governance codesign with Stats NZ and the Data Iwi Leaders Group <https://data.govt.nz/toolkit/data-governance/maori/>

### But there are things to watch out for...

There are always things to watch out for in providing advice about implementation:

- **Avoiding optimism bias** – Treasury has advice on this in the Better Business Case material<sup>6</sup> – being positive and having a ‘can do’ attitude is appreciated, but the risks also need to be thought through. A realistic position is needed.
- **Balance any preferences for continuity** – as mentioned above, traditionally, there has been a concern about bureaucratic inertia, e.g. giving what seemed to be very high estimates for the cost and timing of change while understating the benefits of change.
- **Risk and uncertainty** – there are always known unknowns and unknown unknowns – use a risk lens. We have a useful Masterclass on Risk,<sup>7</sup> which can suggest areas to consider.

- **Game theory can be useful** – understanding the motives and incentives other parties involved face and how this might play out in their behaviour (a topic for another time!).
- **Knowing who the winners and losers may be** – and managing or mitigating the adverse effects.
- **There are likely to be different implementation options** – don’t limit your options analysis to the policy choice; there are also different ways to implement a policy. These need careful consideration against some criteria too.
- **Mistakes happen** – even with the best planning in the world, mistakes happen. The important bit is catching them early and rectifying them. Well-designed implementation projects include (otherwise uncommitted) time and resources to react to the project going off the rails or at least needing a substantial reappraisal along the way.

### A system of ongoing monitoring is critical

So how do you know this new policy is working? Another key part of the policy cycle is monitoring and evaluation. This allows you to find out whether it’s achieving the desired results and to adjust the policy or its implementation to improve the results.

A monitoring and evaluation strategy is a key requirement of the PQF and a critical element in implementation design. Don’t overlook it!

### In conclusion

Implementation matters – after all, a good policy with bad implementation is a bad policy!

This paper was written at NZIER, May 2022. For further information, please contact anyone from our policy advice team:

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<sup>6</sup> <https://www.treasury.govt.nz/information-and-services/state-sector-leadership/investment-management/better-business-cases-bbc>

<sup>7</sup> [https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief\\_no\\_5\\_masterclass\\_risk.pdf](https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief_no_5_masterclass_risk.pdf)