



Implementation matters

Implementation has always been an important element of policy analysis and design. Local government is highly experienced at it. It's responsible for the design, implementation and delivery of programmes, projects, regulations, etc.

It's getting considerable attention with this new government. The Prime Minister's statement¹ on the first 100-day plan is evidence of that:

"We will be a government that gets things done for New Zealand and we will start straight away,..."

It's evident from the PM's recent speech,² and that of the Minister of Local Government,³ that that applies to local government too.

There are particular roles set out in legislation

In local government, chief executives are responsible for implementing the decisions of local authorities (s42 of the Local Government Act 2002). In some senses, then, there is a separation of powers.

In some of the papers we've seen, there is little discussion of implementation issues. Papers seem to assume that this is totally the realm of the Chief Executive and shouldn't be considered in the decision-making process.

Other papers have more of a balance.

However, we would argue that what to do and how to do it (i.e. the implementation issues) need to be considered in the decision-making process.

Implementation is putting policy into practice

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

By implementation, we don't just mean the ongoing delivery and operation of the policy, programme or service – although that's important. But the work involved in getting it from 'idea' or policy decision to be up and running as well. It is fundamental to the policy analysis and advice process

The traditional policy cycle always included consideration of implementation and its effectiveness.⁴

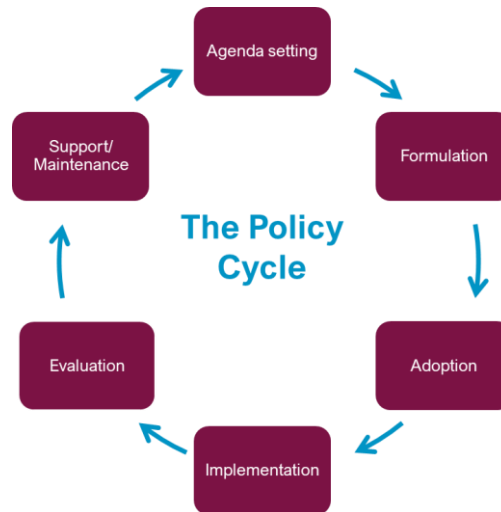
¹ <https://www.national.org.nz/100-dayplan>

² <https://www.beehive.govt.nz/speech/speech-lgnz-superlocal-conference>

³ <https://www.beehive.govt.nz/speech/speech-local-government-new-zealand-conference-0>

⁴ <https://blogs.egu.eu/geolog/2016/09/14/geopolicy-science-and-the-policy-cycle/>

Figure 1 The traditional 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 options and providing advice. Ease of implementation and/or likelihood of successful implementation should be one of the criteria for evaluating any options.

In a similar vein, outlining the next steps in implementing decisions (an implementation plan) is a key element of advice. It shows decision-makers that the advice has been thought through to the practical stage - where the rubber hits the road.

Involve those responsible for implementation in policy design

Central government has been back and forth on these issues. In the 1980s/90s, there was a move to separate policy advice from implementation/delivery – as the practicalities of implementation (including a desire to maintain the status quo) were seen as barriers to quality advice and meant that perhaps all the options weren't looked at, or there was an element of bias toward delivery by the agency. This was because options were seen to be narrowed by those wedded to current

delivery. '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 practical issues in the advice.

But, the fact remains that delivery agencies have considerable expertise in implementing policy, and their input to the policy process remains invaluable in ensuring realism.

This tension hasn't afflicted local government to such an extent. However, it has shown up in relation to some of the roles and functions separated by councils to Council Controlled Organisations (CCOs). So the same principle applies – the expertise of delivery entities (may they be CCOs or others) needs to be worked into the advice going to the council. We've seen many examples of this recently with summer droughts and the need to work with separate water entities in recovery from the north island extreme weather events last year.

Delivery partners need to be involved

Delivering a new policy or a programme may involve entities beyond the government (we cover users below). For example:

- CCOs and other delivery entities – as discussed above.
- Service providers might be individuals or firms delivering services under contract or licence to the government. Examples include, in the health sector, laboratories, ambulance services, GPs, etc. In the transport sector, construction contractors and a wide range of technical experts, e.g. engineers or safety experts

Experts delivering these services should be involved in policy design and implementation planning, as the success or otherwise of the policy depends on them.

Involving users in service and policy design

We've seen examples of local authorities working 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 council.

The traditional way of involving users and communities was through:

- Formal consultation processes, e.g. consultation documents and associated stakeholder engagement processes. These were traditionally substantial written documents – although more interactive online tools have been tried. But they don't appeal to everyone.
- Working parties/taskforces, e.g. involving both officers 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.

Over the past five years, there has been more emphasis on codesign in central and local government in New Zealand. It can be used not only to develop policies and services but also in implementation. There are plenty of resources on using codesign processes.⁵

Things to think about in implementation

We've developed a checklist of things that need to be considered when considering implementing a new policy or programme or modifying an existing one. This is attached as Appendix A.

Of course, this checklist will need to be modified to fit your organisation and any specific factors of interest associated with the particular project or programme you are working on.

We wouldn't expect all of this to be developed in detail early in the policy process – rather, some initial thinking is done, experts are involved, and the key risks and issues are identified. Planning needs to unfold over time, with more detail determined later.

Many large pieces of work involve providing advice to council decision-makers in a series of papers over time. Thus, evolving advice on implementation and delivery issues can be incorporated where most relevant.

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 – being positive with a 'can do' attitude is appreciated, but negatives

⁵ For example see <https://www.hqsc.govt.nz/consumer-hub/engaging-consumers-and-whanau/implementing-the-code/co-designing-with-consumers-whanau-and-communities/> ; <https://www.aucklandco-lab.nz/> ; <https://data.govt.nz/toolkit/data-governance/maori/>

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. One way this has traditionally played out was by 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 masterclass on risk,⁶ which can suggest areas to consider.
- Game theory can be useful in understanding the motives and incentives of other parties and how this might play out in their behaviour.
- 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 'what'. Think about the 'how' as well. There are various ways to implement a policy. These need careful consideration against apt criteria, too.
- Mistakes happen – even with the best planning in the world, mistakes happen. The important bit is catching them early to rectify them. Well-designed implementation plans include monitoring and (otherwise uncommitted) time and resources to react if the project goes off the rails or just needs a substantial reappraisal along the way.

Scenario planning, e.g. 'black swan scenarios',⁷ or focusing on things that could go wrong, is a

good way of identifying risks and how they are best overcome.

A system of ongoing monitoring is critical

So, how do you know this new policy, programme or project is working? Another key part of the policy cycle is monitoring and evaluation. This shows whether it's achieving the desired results and what to adjust in the policy or its implementation to improve results.

There is material on evaluation on the Policy Project website⁸ – it's from the former SuPERU and provides a useful introduction.

In conclusion

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

⁶ Masterclass No. 5 *Risk*
https://www.nzier.org.nz/hubfs/Masterclasses/Local%20Government/brief_no_5_risk.pdf

⁷ For a simple introduction and references
https://en.wikipedia.org/wiki/Black_swan_theory

⁸ <https://www.dPMC.govt.nz/publications/making-sense-evaluation-handbook-everyone>

Appendix A Successful implementation checklist

Table 1 Factors to consider

Factor	Questions	Check
Internal organisational factors		
Leadership/governance	How is the change going to be led and governed? Are those responsible for leading the change committed to it? Do you have the right mix of people and expertise 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?	
Employment relations implications	Will this change existing staff's working conditions (such as hours or location)? Will there be staff reductions? When to talk to unions?	
ICT ⁹	Will new systems be required, or modifications to existing systems be required? What is the plan for doing this? Do you have expert resources needed? How much will it cost, and how long will it take? What are the risks associated with change? Are other approvals needed? E.g. a separate business case? Or capital funding?	
Operational policy requirements	Are more detailed policy and operational guidelines, business process design or redesign, monitoring, compliance and assurance functions needed?	
Procurement	In the context of procurement plans and strategies, are their firms able to provide the goods/ services required?	
Overall work programme implications ¹⁰	What else does the organisation have 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?).	
Asset planning and management	Are there implications for existing facilities, equipment, etc.? Are there facilities or equipment that might become redundant? What will be done with these?	
Implications		
Legal implications	Is any legislative or regulatory change needed, and what is the process and timing of that change?	
Treaty of Waitangi implications	Have you involved tangata whenua? Are there implications for any treaty claims or settlements?	
Environmental impacts	What are the impacts? How will they be managed? What legal compliance is needed?	
Implications for service users	Have you tested for the acceptability of the policy, its impacts on different population groups and the long-term outcomes for users?	

⁹ 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 to be no sure way of avoiding them.

¹⁰ Management and leadership bandwidth are important. The work required to deal with COVID-19 has certainly shown this up – as some agencies had to defer other priorities.



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Factor	Questions	Check
	What stakeholder engagement/consultation is required/needed?	
Key elements of an implementation plan		
Communications strategy	Is there a plan and an approach for informing all those who need to know about the new policy and its requirements?	
Hearts and minds	Has enough been done to ensure those involved and the end users are on board?	
Monitoring and evaluation strategies	How will you know the programme/policy is effective and working as planned? Have you put in place arrangements to collect baseline data and ongoing operational and outcomes data need to be built in?	
Transitional arrangements	These are often some of the most complicated and technical factors to consider, e.g. will existing programmes be grandfathered or phased out? How will the old programme continue while the new one is being put in place? Will this entail additional costs? Has it been allowed for in the budget?	
Overarching considerations		
Cost	Are you comfortable with the treatment of both capital and operating expenses and the cost impacts on other parties involved in delivery (e.g. local authorities, community agencies or firms), service users, etc?	
Timing ¹¹	How long will it take to implement? How has the timetable been tested to ensure it's credible? E.g. with users, delivery partners, other local authorities, CCOs, central government agencies, etc.? What are the risks associated with the timetable? Where are the pressure points?	

Source: NZIER

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¹¹ "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.