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Considerations for an Implementation Unit in New Zealand

A note from Delivery Associates

January 2021

Executive Summary

The Deputy Prime Minister has asked DPMC and Treasury to explore the establishment of an Implementation Unit to focus on ensuring that critical projects deliver benefits to New Zealanders.
This note offers some perspectives to inform the design of such a Unit, based on Delivery Associates' experience with similar units in other jurisdictions.

Successful Implementation Units are established with a clear guiding purpose and tightly defined role.
We recommend DPMC begin by agreeing and articulating the Unit's guiding purpose. As a starting point, we propose this could be *"to ensure that the Deputy Prime Minister, responsible Ministers, Cabinet, Treasury, and other stakeholders know, accurately, at any given moment, whether selected, highest-priority projects are on track to deliver their intended benefits in their intended timeframes – and, if they are not, to work with the responsible agency to identify what needs to be done to bring the project back on track and follow up to ensure these actions are taken."* We recommend the Unit defines its scope around a limited number of top-priority projects, for which the personal attention of the Deputy PM and the Unit will be instrumental in ensuring successful delivery.

Successful Implementation Units proactively tackle delivery challenges before they derail progress.
The Implementation Unit will exist as part of the broader public service, supporting agencies to deliver while working in partnership with existing agencies. Housing the Unit within DPMC gives it a specific ability to tackle complicated accountabilities that span across and between agencies and the private and social sectors. The Unit can help to unblock challenges by using the convening power of DPMC to coordinate and problem-solve between multiple agencies. Many of the projects the Unit might support were designed quickly and the Unit can also play a capability-building role to support teams to set good milestones, interim targets, and indicators, before supporting them to ensure progress is delivered.

We see five primary responsibilities for the Unit:

1. To work with agencies to **agree 'delivery plans'** that provide clear agreed baseline commitments on the benefits that the project will deliver and by when.
2. To **assemble and analyse project data to assess progress**, working closely with Treasury and agency project teams as well as collecting primary data from its own sources.
3. To **proactively identify and report on problems** that risk compromising delivering these benefits.
4. To **help agencies address challenges** that occur during implementation.
5. To **regularly convene DPM, Ministers, and agencies to facilitate solution-orientated conversations** on what must be done to put performance back on track.

Crucially the Unit must undertake this work in the right way: with humility and modesty. As it establishes itself, the Unit will have to work without formal 'authority', and so it must build influence through its ability to *constructively* challenge existing thinking, recognising the limits of its abilities, and giving all the credit to those who lead the work. Above all, it must inspire people with the moral purpose of its work, by creating a belief that delivering results is possible and achievable.

There are several choices to match form to function in the Unit's design and staffing. We explore these choices in more detail in this memo, and highlight four questions as most important:

1. **How many projects will the Unit focus on?** We provide considerations for selecting projects and recommend the Unit focus on a small number of the highest priority projects. Our view is that the Unit's time and attention are best spent ensuring the delivery of a small number of the highest priority projects that are at greatest risk of not realising their promised benefits.

2. **What should the Unit do?** We recommend the Unit provide DPM and the Ministers responsible for each project accurate, timely information on the progress and challenges facing each project, and help agencies solve these challenges to ensure that planned benefits are realised. The Unit would develop a set of regular, short, focused routines to brief DPM, Ministers, and CEs, sharing evidence on progress and facilitating decision-making on how to move forward.

3. **How will the Unit work with the DPM?** Most importantly, this Unit will ask for regular, consistent amounts of time with the DPM, relevant Ministers, CEs and project owners. The DPM's time is likely to be a binding constraint on what the Unit can achieve – we suggest the DPM is asked to commit to a maximum 2 hours per week, split between a variety of focused meetings and succinct reading. Importantly, we suggest he is asked to commit to this now for the rest of the Parliament, creating a routine and rhythm that gives energy to the Unit's work.

4. **What is needed from a Head of Unit?** The Head of Unit is crucial in defining the Unit's approach, way of working, and effectiveness. From other Units we have worked with, appropriate candidates must have the complete trust of the key political leaders, in this case, the DPM. To support this, they must have a track record of delivering with pace and urgency, as well as the humility to step back from the limelight and celebrate the success of those who do the work.

The Unit not last forever: it puts itself out of business by building a culture of delivery. Achieving these goals requires the Unit to become *critical- friends* to teams across government, offering a constructive but challenging perspective that focuses everyone's attention on what matters: is this project on track to deliver the benefits promised, and if not, what should be done? If it gets this approach right, the Unit can start to shift the culture of the public service to a culture of delivery, where agencies routinely and effectively hold *themselves* accountable for delivering against agreed outcomes.

1.   Establishing an Implementation Unit

1a.   Context

This note sets out some considerations and perspectives for decision-makers as they prepare options for Ministerial consideration to create an Implementation Unit in New Zealand. It is offered by Delivery Associates from an outsider perspective, based on a limited number of meetings with officials from DPMC and Treasury in mid-December 2020 and was prepared rapidly. As such, it attempts to provide thought-starters and ideas, rather than a prescription or detailed advice. We would welcome the opportunity to refine this thinking further so that it more closely meets the government's needs.

1b.   The opportunity for an Implementation Unit

Improving the quality of delivery of public service projects is a critical lever for improving the lives of New Zealanders. Better quality implementation will ensure more projects happen on time and on budget and go on to deliver the benefits expected.

In recent years, the public service, led by the Treasury, has made significant efforts to improve the quality of project performance information, including improving how outcomes and benefits are measured and tracked across the government. However, Ministers, and especially the Deputy Prime Minister ('DPM'), have made it clear that there is an opportunity and need to do more: to give Ministers better information on delivery across their portfolio of projects, **including a clearer and more consistent, understanding of whether the benefits they expect are on track to be delivered on time** and to identify and tackle implementation challenges sooner.

We have been asked to prepare a note exploring considerations for the design of a Unit whose primary initial focus will be on addressing this opportunity. In designing this note, we have been asked to assume that the government is satisfied the projects it is currently planning to deliver are the 'right' projects – that the primary focus of this Unit is to ensure the delivery of what has already been agreed. We briefly explore how this might evolve in the future in section 5c. We have also been asked to assume that DPM will be the Minister responsible for this Unit and will be its primary customer, reporting on the Unit's activities to a Cabinet sub-committee (see section 3b) and engaging Cabinet colleagues, including the Prime Minister, as appropriate.

2.   Core functions and responsibilities of the Implementation Unit

2a.   Purpose of the Unit: "Are we on track to deliver the benefits we had promised, on time?"

We recommend the Unit sets its core purpose to be ensuring that DPM, responsible Ministers, Cabinet, Treasury and other stakeholders **know, accurately, at any given moment, whether selected high-priority projects are on track to deliver their intended benefits in their intended timeframes – and, if they are not, to work with the responsible agency to identify what needs to be done to bring the project back on track and follow up to ensure these actions are taken.**

To deliver this purpose, we think that the Unit would have five primary responsibilities:

1. **To work with agencies to agree 'delivery plans' that provide clear agreed baseline commitments on project milestones, timelines and benefits.** Where necessary, the Unit would support agencies with the necessary work required to develop this material, including helping agencies to identify leading indicators, interim targets, and critical milestones. Wherever possible, delivery plans will be based on existing information – for example, data on funding, expenditure, delivery risks, and outcomes collected by Treasury in the CRRF Progress Delivery Reporting cycle (due 29 January). We acknowledge that by supporting teams to develop delivery plans we create the risk of blurred accountabilities between Unit and delivering agency ('the Unit created the plans, and they were too ambitious. If we had written the plans, they would have been implementable'). On balance, we consider that the benefits of providing this support are worth the potential loss of clarity in accountabilities: if a project is significant enough to fall within the scope of this Unit and it does not have a good delivery plan, then that is a critical risk and one that should be tackled in order to deliver benefits as quickly as possible, even accounting for the risks to future accountabilities. We also note that the way of working that we recommend the Unit adopt – namely, a highly collaborative, critical-friend – should help to mitigate against future challenges around accountabilities.

2. **To assemble and analyse project data to assess and report on progress:** The Unit would manage a regular, routine flow of data from Treasury Vote teams and agency project teams on the ongoing status of their project, supported by any other intelligence it can identify from other sources (e.g., fieldwork, experts etc). This should be supported by a series of sharply focused reporting templates, executed in the least bureaucratic way possible and in a way that is as coherent as possible with existing reporting.

3. **To proactively identify and report on problems that may compromise delivery:** The Unit would provide reflective, thoughtful, and insightful analysis on whether the existing evidence is sufficient to give confidence that the project is on track to deliver on its commitments – and if not, what can be done. The Unit would identify problems through independent analysis, open and frank discussions with project teams, and frontline fieldwork, as needed.

4. **To help agencies to address challenges:** Where project performance is behind schedule, the Unit would help agencies to present viable solutions that unblock challenges and to secure agreement for their implementation. This does not mean a large-scale process or a complex set of reporting requirements: rather, delivering an ongoing, structured, friendly-but-critical problem-solving dialogue between the Unit, project teams and decision-makers that build consensus on the way forward.

5. **To regularly convene DPM, Ministers and agencies to facilitate solution-orientated conversations:** The Unit would design and execute a cadence of regular meetings where it facilitates a structured dialogue between the responsible Minister, their project team, and DPM on whether their project is on track to deliver the benefits it has promised and, if not, what should be done. This would happen on a routine (set out in more detail below) that the Unit would set up and manage, with the staff of the Unit facilitating these meetings to ensure the discussions focus on agreeing what it would take to move forward. As this system matures, it will provide a steady 'rhythm' of accountability to project teams that endure through the life of their project.

Fig 1. Possible functions of the Implementation Unit
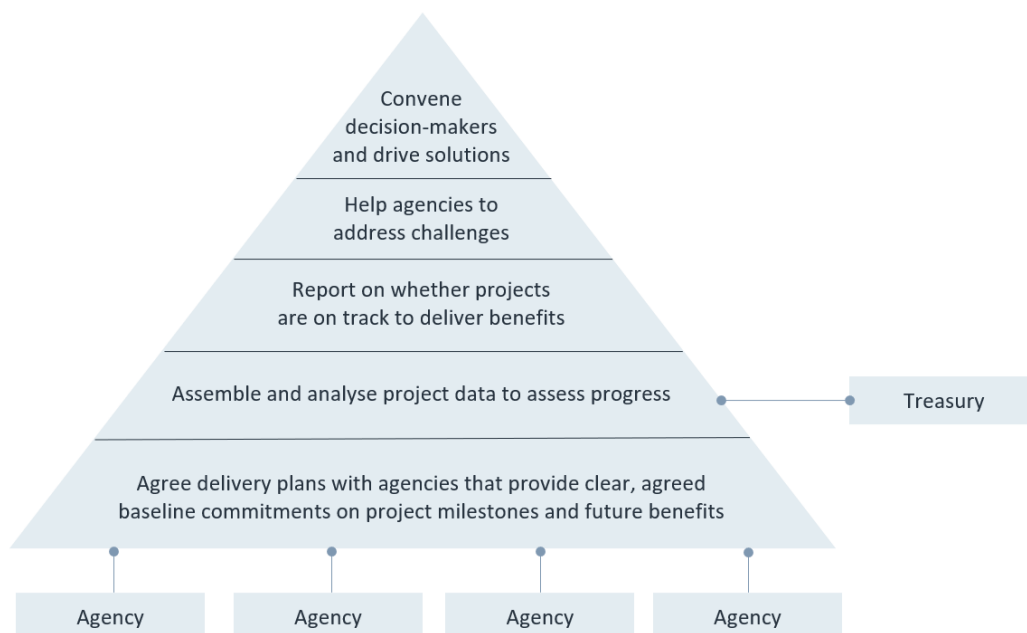
2b.   Scope of the unit: which projects should the Unit support?

The Deputy Prime Minister has said that, if established, the Unit would '[...] initially focus on key initiatives funded from the COVID-19 Response and Recovery Fund ("CRRF") and the New Zealand Upgrade Programme ("NZUP")'. The full portfolio is not available to us as we compile this note, but we understand it comprises approximately 120 specific projects.[1] Should the Unit consider all these projects within its scope? We would not recommend this for a series of reasons:

- **Good quality, standardised performance data is unlikely to be available for all projects** – and a significant effort would be needed to collect it, which would overwhelm a small, nascent Unit.
- The Unit would only be able to provide simple reporting on key information, using standardised templates. **It would be unable to provide a useful critical perspective** on the information received from agencies; rather it would act in a process-management role.
- There will be **insufficient time from Ministers and other stakeholders to focus on the full portfolio at a level of depth** that ensures problems are accurately tackled.

Instead, we would suggest the Unit focus on **helping to ensure the delivery of a small subset of high-priority set of projects from within the wider portfolio** – particularly those projects where escalating project challenges for problem-solving by the Unit, DPM and Ministers could have a meaningful impact on delivery. Other parts of the government, most obviously Treasury, could explore how to create a government-wide system for tracking delivery risk across all projects, acting as a 'horizon scanner', with

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[1] For this note, we define 'projects' with a small 'p': new investments of time and (nearly always) money, made by the Government with the intent to deliver specific outcomes. They do not need to be a formal 'Project', with associated project management infrastructure. (For example, a decision to invest $xm in an NGO to deliver Y outcomes would be a project for these purposes.)

certain 'high risk' projects being escalated to the Implementation Unit for deeper intervention on an as-needed basis.

How should the Unit choose which projects it should focus on?

As a first step, we would recommend the Unit could conduct a brief, but focused analysis to assesses the portfolio of potential projects, against a set of criteria which could include:

- **Importance to Ministers** – projects with particular political salience or highest levels of public awareness
- **Delivery risk** – the likelihood that benefits will not be realised in full, or on time, without the sustained and dedicated attention of senior leaders
- **Complex accountabilities** – where effective problem-solving needs extensive cross-agency coordination, or deep engagement with the private or social sector
- **Agency capacity** – projects in agencies with the largest work portfolios or the greatest (self-identified or externally identified) need for additional support
- **Ability to Influence** – does the project have good-enough plans to allow consistent benefit tracking, or the capacity and willingness to (co-)create good-enough plans in a realistic timescale
- **Impact for New Zealanders** – those projects which have the biggest impact for the most people

We would propose a senior-level meeting to review the results of this 'bottom-up' analysis and to make the final choices between projects, recognising multiple projects would benefit from the focus of the Unit. This could be conducted first at an official level to triage the shortlist of projects and assess trade-offs – this should include representatives from DPMC (including PAG), Treasury, as well as Ministers' private and political offices. Subsequently, recommendations could be tested with Ministers, perhaps in the form of a short half-day 'retreat'. In other situations, such as our work with the Trudeau government in Canada, we have found that a Ministerial retreat at this stage is a valuable exercise, both to secure engagement in the final portfolio of projects as well as to deepen engagement with the Unit and agree on its future direction.

How many projects should the Unit support? We would suggest this depends on three critical factors:

- **scope and complexity** of the projects to be supported
- **availability of Deputy Ministerial time** (see section 3a), and
- **number of staff** allocated to the Unit.

We would advocate for each senior member of the Unit to be responsible for a very limited number of projects, allowing them the time to understand the project deeply, to engage with agencies in a meaningful way, to design and prepare reporting materials that offer a thoughtful perspective on the way forward, and, above all, to generate focus and momentum amongst all involved towards helping the project to deliver results. (See section 4a for further on this.) Doing this work well is complex and time-consuming – and the risk of overstretching the Unit is very high. **In other governments, we have seen many units fail because they have taken on too many projects and have been unable to give any of them sufficient, high-quality focus. We would strongly recommend the Unit focuses on delivering a strictly limited number of projects and focuses on achieving results on those projects before taking on more.** This logic implies that a project is at a level of complexity and difficulty that justify

regular engagement from the Deputy Prime Minister and to be allocated a large share of the Unit's time. We think this is an essential assumption: the Unit should be focused on tackling real and substantive issues. In practice, a new investment under the CRRF or the NZUP might be considered a project for these purposes, especially if it meets the criteria for support from the Unit. Alternatively, two (or more) closely related investments might be combined into a 'project' for the Unit's purpose, especially if they are aiming to deliver identical or similar outcomes. A final decision on this cannot be taken at this stage – it is an issue to explore during the prioritization exercise.

2c.   Culture and norms: How should the Unit work?

How the Unit conducts its work is just as important as the work it does. In its early days, many people will be uncertain as to what the Unit is, what value it can bring, and how it will work with them. It is imperative to set the right culture within the Unit from the start. Agencies should see the Unit as their critical-friend: one who challenges them, asks difficult questions, holds them accountable for delivery in a constructive, solution-orientated way, and above all, is overwhelmingly focused on driving for effective implementation. Successful Units have a mandate from their political leaders and senior departmental leaders to explicitly adopt this critical-friend posture – and some thought should be given to how best to signal this early in the Unit's lifecycle, such as through a cross-departmental email or as an item within a standing meeting of Departmental CEs.

We would offer 6 guiding principles for the Unit:
- **Outcomes focused –** the Unit consistently brings the conversation back to 'are we on track to deliver what we had promised, by when we had promised, and, if not, what should we do?'
- **Evidence-led –** the Unit offers facts and analysis, not speculation or conjecture
- **Collaborative –** the Unit works as partners with agencies and other stakeholders, as 'one team'
- **Transparent –** the Unit shares what it (and why) thinks openly and honestly; no 'secrets'
- **Urgency –** the Unit injects (appropriate) urgency to discussions
- **Humble –** the Unit takes no credit when things go right – rather, the Unit celebrates those who do the work

3.   Routines, relationships, and governance

3a. Routines

As discussed above, the purpose of the Unit is to focus senior leaders on the question of whether projects are on track to deliver the benefits they had promised on time, and if not, to decide what to do about it. We propose the Unit should do this through a series of 'routines' – structured, organised, regular dialogues that consistently bring the right people together around this core question, surfacing the biggest and most material challenges and focusing the discussion on exactly how they will be solved.

We would propose to organise these routines in a cadence that culminates in a regular 'stocktake' meeting with the Deputy Prime Minister. These stocktakes serve to test progress against goals, identify the precise problems inhibiting implementation, and

agree on a way forward as needed. Each project would report to this 'stocktake' meeting regularly: in our experience, quarterly is normally the right frequency, with the option to agree on additional meetings more frequently to go deeper, as needed. As noted above in 1a, we have assumed that the Deputy Prime Minister is the political 'principal' for this work and would act as the apex of the process; as an alternative, the process would be materially similar if the Prime Minister were to act in this role. Either way, it would be important to demonstrate that the Prime Minister is fully supportive and engaged with this work – we explore this further in 5a below.
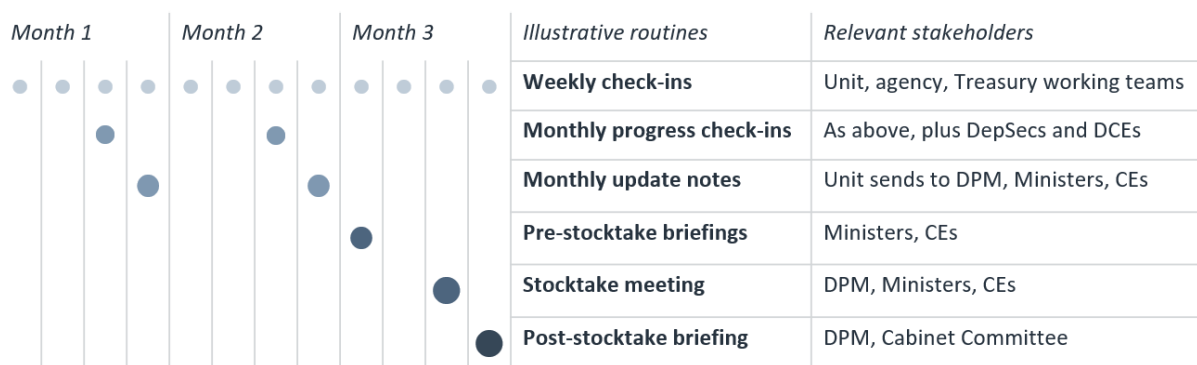
This 'stocktake' meeting would:
- **Be chaired by the Deputy Prime Minister,** and principally be a dialogue between the Deputy Prime Minister and the responsible Minister, CE, and the project owner. The Head of Unit would act as facilitator and convener. Attendance is limited to keep the meeting focused.
- **Be tightly focused**: not a 'general discussion,' but a clear and to-the-point review of 'whether this project is on track to deliver the benefits we expected' and, if not, what should be done, including joint actions between departments as needed.
- **Emphasise problem-solving**: surface the root causes and agree on possible solutions.
- **Be deeply interesting**: not afraid of going deep to understand and tackle key issues if they are critical for ensuring delivery.
- **Need clear and careful preparation** at a working level before the meeting to agree on a common set of facts to ensure the meeting is forward-looking and action-focused.
- **Happen routinely**: projects should expect to report regularly on progress, with subsequent meetings reviewing progress and actions agreed in the previous meeting.

The **stocktake** would be the peak of the cadence of routines, followed by a post-stocktake briefing to a Cabinet Committee. Below this, the Unit would facilitate a deeper cadence of meetings to track progress, problem-solve, and prepare for stocktakes. The exact format would depend on the preferences of DPM, Ministers, CEs, and the Unit Director, but a structure could include:
- **Weekly check-ins** with working teams, including Unit staff, agency project teams, and Treasury teams to share data, review challenges and problem-solve solutions together.
- **Monthly progress check-ins** with DepSecs and DCEs responsible for project teams to review project progress and unblock challenges.
- **Monthly update notes** to the DPM, responsible Ministers, and CEs, giving short, concise and precise status-updates on actions since the previous stocktake
- **Pre-stocktake briefings** between each project area and Ministers, CEs, and project teams, approximately two weeks before stocktake meetings
- Depending on the quality of data available and the availability of human and technical resources, the Unit could also explore creating online dashboards to give ongoing 'snapshots' of progress to relevant stakeholders.

Fig 2. Illustrative routines and reporting for tracking progress on one critical priority

Month 1	Month 2	Month 3	Illustrative routines	Relevant stakeholders
			Weekly check-ins	Unit, agency, Treasury working teams
			Monthly progress check-ins	As above, plus DepSecs and DCEs
			Monthly update notes	Unit sends to DPM, Ministers, CEs
			Pre-stocktake briefings	Ministers, CEs
			Stocktake meeting	DPM, Ministers, CEs
			Post-stocktake briefing	DPM, Cabinet Committee

This proposed structure has implications on DPM's time — which is one of the reasons we recommend a limited number of projects (see section 2b): we think it is more effective to focus DPM's time and energy on *resolving challenges* on a limited number of critical projects, rather than providing superficial 'updates' on a larger number. Successful units benefit from leaders dedicating significant amounts of their time to unit routines, signalling the importance of the Unit and its projects and ensuring sufficient, high-quality focus on each project.

The exact format and duration of these meetings should be negotiated according to DPM's preferences and availability. However, we consider **it imperative DPM engages with these stocktakes** *routinely*: the intent is to create a discipline of delivery, with projects expecting to be held accountable periodically for the progress that makes between meetings.

Effective, regular time with DPM is crucial to the success of this Unit — the amount of time that DPM is willing to dedicate to the Unit is the single biggest constraint (along with staff resources) on the number of projects that the Unit can track. Regularity is also essential: many Units of this sort 'flame out' - after starting with initial enthusiasm, they quickly lose the attention of the senior Minister. Truly effective meetings harness regular, but limited amounts of the Minister's time, and apply it effectively over time. As a starting position, we would recommend securing an up-front commitment of two hours per week of DPM's time for the remainder of this parliamentary term, which would be split across a variety of purposes: most importantly, a quarterly 'stocktake' for each priority that the Unit supports as well as reading and commenting on a weekly update note, as well as various other engagements, such as a personal check-in with the Head of Unit, ad-hoc engagement with selected Ministers at key moments, and deep-dive sessions on selected topics as needed.

3b.   Working with Ministers and Cabinet

We understand the intention is for DPM to be responsible for this Unit. Accordingly, we recommend the Unit reports to DPM on a regular and consistent basis, primarily through the 'stocktake' routines as described above. We suggest the Unit should also focus on building effective working relationships with other Ministers, especially those responsible for delivering major projects. In particular, and working jointly with agency staff, the Unit should aim to regularly brief agency Ministers on their perspective on the progress being made to date (i.e., through monthly notes) and certainly prior to 'stocktake' meetings. This allows the Unit to position itself as providing the Ministerial team as a whole with an

independent perspective on the likelihood of effective delivery, rather than a team that works against, or in conflict with, agencies.

Given the nature of its work, the wider Cabinet will have an interest in the Unit and ensuring the delivery of its projects. We understand that a Cabinet Committee will receive updates on delivery of the government's priorities. One option would be to use this Cabinet Committee as the primary location for the stocktake reviews described above. We would not recommend this: we have seen stocktake meetings function more effectively when they are structured as dialogues between the political 'principal' (in this case, DPM) and the responsible Minister(s). This smaller setting typically allows for deeper, more frank discussions on the most important issues. Instead, we would propose DPM makes a regular report to the Cabinet Priorities Committee on the progress being made across all projects, engaging Cabinet colleagues, including the Prime Minister, as appropriate. This allows the Committee to take a holistic view of progress, to celebrate success and to provide a balanced perspective on the work ahead. This Committee could also act as a point of escalation for decisions from the 'stocktakes' where formal agreement by the Cabinet Committee is needed.

3c.   Working with implementing agencies

As with Ministers, **the Unit should establish close, honest, and trusting relationships with agency Chief Executives and the agency teams responsible for each project**. Early in the life of the Unit, the Head of Unit would benefit from a structured dialogue with the key CEs to clarify the Unit's role and purpose. In particular, they should make clear the Unit will not become 'backseat drivers' who take over the delivery of a project but will serve as critical-friends: providing regular, consistent and evidence-led opinions on whether projects are on track to deliver results and helping to problem-solve and unlock challenges. In particular, the Unit should clarify how they will work with CEs to brief Ministers, establishing clear lines of responsibility, accountability and routines. Working together with the DPMC CE, the Head of Unit should also agree with agency CEs a working model that ensures close, cooperative day-to-day working relationships between the Unit and project teams.

Once the Unit is underway, setting up regular engagement with project teams will be crucial to manage the ongoing cadence of routines, ensuring routines are value-adding and solution-focused and do not add additional administrative burden. The most effective Units can do this in a low-bureaucracy, high-trust way through strong working relationships with agency teams, who see the Unit as critical-friends who challenge their thinking, test their assumptions, and support them to develop solutions. Also, we recommend a light-touch cadence of regular updates at DCE and CE level to provide progress reports and give agencies an opportunity to identify and address any pain points in their relationship.

How far should the Unit treat the data on the progress that the project teams provide at face value, versus operating in 'audit' mode, seeking verification and assurance on whether a certain number has been achieved? We would suggest that being a critical-friend to agencies implies a posture between these positions: the Unit is not set up to be an auditor to teams and would not possess the authorities or technical skills to do this. Even more importantly, this would not be not conducive to establishing a deep problem-solving dialogue that unpacks delivery issues and helps to mobilize action to resolve

them, which we suggest should be the Unit's core focus. However: the Unit should never uncritically accept the data given to it from project teams; rather, we suggest it might adopt a motto of 'trust but verify'. In practice, this verification can be both 'internal' (i.e. challenging the internal logic of a proposal or set of assumptions) and 'external' (i.e. through fieldwork that checks with frontline users whether they are experiencing the benefits that the project team is reporting on). How the Unit undertakes these functions is something that should be worked out as part of the establishment of the Unit, but at a minimum should include a regular program of structured sessions with the project working team as well as fieldwork, ideally conducted jointly with implementing agencies.

Some Units have found it helpful to formally distinguish between 'information' and 'analysis'. In practice, this means that stocktake and similar meetings are conducted based on agreed information on project performance, so that senior leaders' focus on what needs to be done, but the reporting includes performance analysis from both the project team and the Unit, with both points of view presented equally and debated in the meeting. This can be particularly effective in projects where the Unit and the project team may disagree on a specific point (typically, whether a core planning assumption is realistic) which has a material implication on overall progress. We do not recommend establishing this as a norm – in our view, the Unit and the project team should aim for a shared understanding of what needs to be done – but to retain it as an option as needed.

3d.   Working with DPMC and Treasury

As noted above in 3a, we recommend the Unit's primary 'customer' should be the Deputy Prime Minister, as Minister responsible for the Unit. Also, we understand there is an intention to create an official-level steering committee to act as stewards to the Unit. Done right, this has the potential to be highly effective in creating a broader coalition of supporters for the Unit, for enhancing its ability to influence across government and for offering a strategic perspective on the Unit's areas for improvement.

Given the seniority of the proposed Director of the Unit and the importance of establishing an effective personal relationship with the Deputy Prime Minister, we do not recommend this committee act as day-to-day decision-makers for the Unit nor as an additional layer of 'clearance' between the Unit and the Deputy Prime Minister. Rather, we propose that this steering committee has broad oversight over the Unit, responsible for agreeing to the direction of the Unit, for identifying risks and for offering a strategic perspective of the Unit's effectiveness.

Given the necessarily close relationships between DPMC and Treasury in this work, we recommend that this committee is led jointly by DPMC and Treasury, jointly chaired by a leader at CE or DCE level, supported by a small number of additional leaders. The group should include at least some leaders from selected delivery agencies, who can offer a 'customer-perspective' on the Unit. The Director of the Unit would always attend these meetings, along with selected staff as needed.

4.   Doing the work

4a.   Staffing

Deciding who should head the Unit is a critical decision. We would offer four essential criteria when considering appropriate candidates:
- **Completely trusted by DPM**, able to both credibly represent the government's urgency and authority to others and offer effective challenge to the DPM as needed.
- **Skilled relationship builder**, capable of building peer-level relationships with the CEs of delivery agencies and senior leaders in Treasury and DPMC.
- Happy to **operate outside the limelight**, giving credit to agencies when delivery happens.
- **Credible track record of project delivery,** ideally both inside and outside government, including the ability to interpret, and influence at the highest levels of government, using analytical data.

Typically, the Head of Unit is the first hire, allowing the new Head to build a team and shape the culture of the new unit. However, recruiting a Head of Unit can be the most challenging appointment – and it is imperative to get it right. For that reason, we have seen some governments start by appointing a deputy head in an acting capacity, to build momentum before later hiring a permanent head. Although not ideal, it can be the right trade-off in allowing the work to start sooner.

Similar criteria apply to the selection of the Unit's staff. In particular, we would suggest the staff of a small Unit should:
- All be **experienced, credible leaders**, capable of engaging as peers with senior project owners in agencies, including at DepSec/GM level.
- Have a **range of professional backgrounds** including from 'frontline' roles and outside government, promoting diversity of perspective and internal challenge.
- Be capable of quickly in identifying and **understanding the root causes of a problem.**
- Possess a **mix of quantitative and qualitative skills**, with the ability to digest facts and information accurately – and to tell the 'story' of the data effectively.
- Have a **passion for delivering outcomes**, meaning that process, templates and data always remain a means to the end, not the end in themselves.

As requested, we provide an example of potential job descriptions for both the Unit staff and for team members in a separate note. We would also note that the Unit's staff are likely to need specific and deliberate training, especially in their early days as they define their role. This might be a further reason to slightly delay the start of the Unit – see section 5a below.

The current proposal for the Unit is to have 1 Director and 4 team members: 2 at the same level of seniority as a PAG official and 2 of slightly less seniority. We note that this would be a small unit in global terms: most units we have seen be effective in other countries with a similar mandate to this Unit tend to comprise a larger team of at least 10 to 15 people. **If it is not possible to add more people to the team, prioritization is even more critical: a small team, however talented, can become overwhelmed and risks defaulting to progress reporting, losing the ability to develop the *depth of insight* the Unit needs to have to be able to run routines that actively and vigorously unblock problems.**

To mitigate some of the challenges of being a small team, we recommend the addition of a limited number of more junior staff for the Unit. This would *not* remove the

imperative of prioritization, however, it would provide better leverage for the senior team members, allowing the Unit to work more closely with technical staff from agencies, giving the Unit a better understanding of the problems and potential solutions, as well as freeing up senior staff time for crucial relationship building as relationship-building. In other Units, staff with 2-4 years of professional experience play this role effectively, often paired 1:1 with a more senior colleague. To be explicit – we see this as an opportunity to better leverage its staff, not as an opportunity to take on additional projects (discussed further below in section 5c).

Typically, we see Units of this sort operate one of two basic organisational models:
1. **One person is responsible for working with 2-3 projects, typically grouped around one thematic priority area**, such as human capital, housing, or criminal justice. Often, overarching targets reflecting priority government goals guide their work, and they are responsible for the delivery of 2 or 3 projects towards those targets.
2. **Several people are responsible for achieving a broad set of goals within one thematic priority area,** often with multiple (10+) projects that contribute towards delivering the goals. This is especially appropriate for complex goals without clearly defined projects, where further work is needed with responsible agencies to design and agree 'what is to be done'.

We recommend deferring the final decision on which organisational model is right for this Unit until the prioritization exercise (section 2b) is underway. At that time, stakeholders will be in a position to make a more informed decision about the nature and type of support that each project needs. Whatever staffing model is adopted, care should be taken to avoid key-person risk and to encourage cross-fertilization of ideas across the Unit. For that reason, we would also recommend that every project has at least two Unit staff members engaged with it. Other Units have successfully adopted a model of 'primary lead' and 'secondary lead' for each project, with the secondary lead playing an internal critical-friend role to the primary lead and being engaged externally to provide cover as needed, such as during staff transitions or vacations,.

4b.   Day to day work

For this Unit to be successful, it will need to quickly establish an effective operating model, working effectively with delivery agencies, Treasury, colleagues in DPMC, and others. This operating model will require the Unit to:
- **Build cooperative, problem-solving relationships** with delivery agencies, at both a senior level and at a project team level, where the Unit works with the agencies to secure a regular flow of data and information and shares back analysis and insight frequently and collectively. This will need to be endorsed and facilitated by Ministers and CEs, to whom the Unit should have a clear process for reporting to and sharing project performance information. As trust grows and these relationships deepen, we would hope they can become problem-solving focused dialogues: yhe Implementation Unit and the project teams working from an agreed set of plans, collectively agreeing on a common understanding of the situation today, and jointly identifying and agreeing with remedial actions to course-correct as needed.
- **Establish methods to collect secondary and primary information** on project performance in a way that complements existing reporting requirements. In practice, this will mean working closely both with the responsible agencies and with Treasury, setting up systems for regularly receiving data that is already collected, especially

financial performance data. Wherever possible, we recommend the Unit use existing data collection processes. Where that is not possible, or data does not exist, the Unit may need to create bespoke collection processes.

- **Support project teams to create information where required.** Some project teams may not be creating all the information required for the Unit to conduct its role effectively. In particular, it's possible some projects may not yet have interim targets, clear milestones and dates, or 'leading indicators' of success. The Unit would work collaboratively with project teams to help them remedy these gaps and create information required to track project delivery — offering expertise and ideas rather than direction and working in the least-bureaucratic way possible.
- **Trust, but verify** the information that agencies share with the Unit: actively testing and challenging their thinking from a 'critical-friend' perspective, as well as validating that actual benefits realisation is occurring by talking to stakeholders and end-users where appropriate.

In addition, the Unit will need to set up a series of high-quality tools and templates that drive the ongoing routines described above. This will require a significant effort in the earliest days of the Unit, ensuring that the tools and templates are at the right level of usefulness (including brevity) to its intended audiences, as well as a lighter-touch effort on an ongoing basis to refine the tools continuously. We note this on the roadmap for setting up the Unit, provided in the appendix. As the Unit approaches a steady-state operation, the work will shift to using these tools effectively: running a tight cadence of senior meetings requires an effective, ongoing discipline of powerful, succinct writing. There is a trade-off inherent in this the Unit should be aware of: namely, the reporting must always be in service of delivering results and never the other way around. Even in Units who make that trade-off effectively, the process of delivering routines can be time-consuming. We have found that many effective Units appoint a deputy head to take responsibility for managing the process, supported by a more junior colleague as well as secretarial/administrative support to manage meeting logistics.

4c.   A month in the life of the Unit

The first several months of the Unit's life will be focused on (a) agreeing its projects, (b) working with agencies to define and agree on delivery plans for those projects and (c) managing the first cycle of the cadence. (See appendix 1 below for further details on how the Unit's first 6 months might play out.) Once this work is completed, the Unit will enter a 'steady state' of an ongoing rhythm of delivery. A typical month for the Unit under steady state might include:

- 1–2 '**stocktake'** meetings with the Deputy Prime Minister.
- 1–2 **pre-stocktake briefings** with the responsible Ministers, to prepare them for a forthcoming stocktake.
- Weekly **working-level meetings** with each priority, reviewing progress in detail and agreeing on tactical action-steps for the coming weeks.
- **Data analysis** of the most recent performance data from selected projects, testing and validating the conclusions drawn by agency teams.
- A structured **problem-solving session** with one project, helping to identify specific interventions that could bring it back on track.
- A **visit to a regional centre** to hear from frontline users whether the impact of the work is being felt on the ground and to understand potential further improvements.
- Preparing the **end of month** update note, reviewing the latest progress over the last month for senior stakeholders and plotting a path for the following month.

5.   Establishing the Implementation Unit

5a.   Implementation roadmap

Appendix A offers a potential timeline for establishing the Unit. We would note that this time is highly aggressive. In particular, **it assumes that hiring of the Unit's staff can commence immediately, and that in the meantime, the work of setting up the Unit (most importantly, choosing projects and working with agencies to identify their current 'baseline' plans) could be covered successfully by existing staff who possess the appropriate sets of skills, knowledge and time.** We note that this is a highly aggressive set of assumptions, and particularly note that phase 2 ('prioritization') and phase 3 ('baselining') of establishing the Unit are potentially highly labour intensive. If both conditions are not met, it might be sensible to delay the launch of the Unit slightly into ~Q2 2021, and, in particular, when a nucleus of key staff have been hired to their roles. We have seen other Units rush to mobilize a Unit which is not fully functional, only for its early engagements to be less than effective, tarnishing its early goodwill. A slightly slower start – with the prioritisation exercise to happen in April once initial recruitment is completed – might be in the Unit's long term best interests.

Early in the process, active consideration should be given to how to communicate this new Unit, both to the agencies who will work closely with it as well as the wider public sector. In other places, we have seen that an early, explicit, and deliberate signals support for the Unit's work, from both the political and official leadership is essential for this Unit to gain early momentum. The most important signal of this support is the **active decision to treat its meetings and activities as a true priority** and to schedule other commitments around it as far as possible. Another important early signal can be to communicate about the Unit's work regularly in the form of regular all-staff update emails, initially sent by political and official leaders, later by the Unit itself. Given the decision that this Unit is to be sponsored by DPM, it would also be important to have an early signal of support from the collective Cabinet, including the Prime Minister. This could take the form of the retreat-style prioritisation discussed above or by an early public communication.

5b.   Duration of the Unit

We have been asked to offer a perspective on how long the Unit should function for, and what this would mean for the Unit's operations. In our view, two principles guide this decision:
- the Unit should have enough time (and support) to deliver on its initial mandate and prove its worth and
- the Unit should only exist insofar as it can consistently demonstrate that it improves the public service's delivery of benefits for the people of New Zealand.

One option is to set a time limit on the Unit's life, say 24 months, with the expectation of transferring the Unit's functions to other parts of the government at that point. Setting a closing date for the Unit has some advantages – for example, creating a sense of urgency. However, we do not recommend a time limit: in our view, it constrains future choices unnecessarily and could complicate recruitment efforts. Instead, **we recommend the Unit should be set up on a permanent basis** – but there should be a clear decision to conduct a review of the Unit's operations after 24 months, with this

review having the power to close the Unit if deemed appropriate. At that time, stakeholders across government could be systematically and openly asked whether they see continued value in the Unit, including their assessment of its future potential. If they do see value, then the Unit should continue, with an appropriate refresh of its operating model. If they do not, then the Unit should disestablish itself and transfer its work to others.

Should a project be 'retired' from being supported by the Unit? Ultimately, the answer to that question is yes; when a project no longer needs the intensive support to ensure that it delivers its promised benefits, it makes sense to free up Unit capacity to focus on other work, perhaps with the project being handed over to a different team who provide ongoing, lighter touch project progress monitoring. In addition, doing so comes with a significant risk that the progress will slip and the gains established will be lost. Given that, we think it unlikely that a decision on how to retire projects will need a serious debate in the first 24 months of the Unit's life. Instead, we would suggest including this as an important question to be covered within the 24-month review.

5c.   Scaling

Establishing a Unit of this sort is a complex and challenging undertaking that will require focus and discipline to get right. **During the first two years of its operation, we would recommend the Unit remains small and tightly focused on a limited number of projects, building working relationships with key stakeholders, developing its skills, and – above all – establishing a track record and reputation for being effective at helping the government to deliver on benefits on its core projects**. For that reason, serious considerations of an expanded role should be deferred for a later time.

Once these conditions have been met, and the Unit has consistently demonstrated its usefulness, the Unit's role may scale or evolve. For example, the Unit may evolve by:
- **Size**: The Unit could add more staff to cover a greater range of projects – although this will assume an increase in Ministerial engagement to be effective (see section 4a).
- **Function**: The Unit focus more explicitly on building capacity within agencies to strengthen their benefits realisation and performance monitoring (analogous to the role that Treasury currently plays in the development of the Better Business Case). Alternatively, it could expand to develop an 'early-warning' function by providing light-touch monitoring of more projects, with an escalation process to bring this into the Unit's core role in the future.
- **Complexity**: The Unit could evolve from tracking discrete projects to working to deliver results in more complex, ambiguous, multifaceted ('wicked') problems. As Treasury noted this will require careful and thoughtful engagement with other teams, including PAG and the Strategy Unit, as well as Treasury Vote Teams and strategy/policy teams in the delivering agencies. In other countries, we have found a model which has a very close relationship between the 'strategy team' and the 'delivery team' can be mutually rewarding, bringing a sharp focus on 'implementability' into policy debates on the one hand, and a more strategic focus for the Unit's work on the other hand. We would suggest exploring these over the medium term.

Decisions to expand should be taken with much consideration and caution: we have seen Units falter where they seek to take on too much, too quickly – and failed to deliver

benefits as a result. For that reason, we would not recommend any substantive expansion until the Unit has firmly established a track record of delivering effective results.

Appendix: Potential roadmap for establishing the Unit in early 2021

Phase 0: Establish the Unit	January – June 2021
Develop a budget for the Unit and submit before 29 January budget deadline ➔ **Decision**: agree on a level of resourcing ➔ **Decision**: approve the budget request	Strategy Unit DPMC and Treasury CE DPM
Recruit Unit members: define job descriptions, plan sourcing strategies for each position ➔ : appoint Head of Unit ➔ **Decision**: appoint the Unit's staff	Strategy Unit DPMC and Treasury CE TBD
Develop core templates and tools to drive the Unit's day to day work.	Strategy Unit
Communicate about the unit with key public service leaders	DPMC CE / Treasury CE
Finalize design and purpose of the Steering Committee. Set up regular meeting cadence. *(During this set-up phase, Committee to meet monthly; lower intensity once in 'steady state')*	DPMC CE / Treasury CE to chair; other members to be agreed
Phase 1: Design	**January 2021**
Test initial ideas with stakeholders in DPMC, Treasury	Strategy Unit, Treasury teama
Socialize ideas with CEs and Deputy Prime Minister	DPMC and Treasury (D)CE
Finalise major design choices	DPMC and Treasury (D)CE
Phase 2: Prioritisation	**February 2021**
Work with Treasury to undertake bottom-up analysis of the long list of potential projects, evaluating projects against a range of criteria (see 2b above) and informed by the ongoing data-collection exercise	Strategy Unit, Unit staff*
Convene a prioritization workshop – either at the official level or Ministerial level to refine the shortlist and agree on priority projects ➔ **Decision**: endorse priority projects	Strategy Unit, Unit staff* DPM
Agree on reporting routines with DPM, other Ministers, and agency CEs ➔ **Decision**: agree on reporting routine	Unit staff*[2] DPM, Unit staff*
Assess staffing against the exact needs of the projects and refine accordingly. ➔ **Decision**: Unit organisation structure	Head of Unit, Head of Unit* Head of Unit, DPMC DCE, Treasury DepSec

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[2] * If hired

Phase 3: Baselining	March – April 2021
Work with project teams to compile baseline information on selected projects. In particular, understand and identify major actions, critical timelines, projected benefits, leading indicators, and major risks	Unit staff*
Where projects do not currently possess this information, work with them collaboratively to support project teams to develop it.	Unit staff*

Phase 4: First cycle	April – June 2021
Convene the first stocktake with Deputy Prime Minister to review progress on each project	Head of Unit
Design, prepare and manage supporting cadence of reporting	Head of Unit, Unit staff