Building Policy Capability

21 February 2017

Agency Policy Capability Leads Workshop

The Policy Project

Responsive today,
shaping tomorrow

Background and intent

The Policy Project (PP) invited agency policy capability leads (people nominated by their department as responsible for building policy quality and capability) to come together to:

- Share information about how they are using the Policy Project improvement frameworks and tools in their agencies – what's working and what's challenging.
- Reveal common 'pain points' and challenges for lifting policy capability.
- Share promising practices that could be spread across the policy community – 'steal with pride'.
- Build a new network and refresh the sense of collaboration and collective impact across the policy community.

Participants

Shane Kinley
Ministry of Business, Innovation, and Employment

Suzanne Kennedy
Department of Corrections

Peter Richardson
Ministry for Culture and Heritage

Malcolm Luey
New Zealand Customs Service

Jeremy Wood
Ministry of Education

Sarah Boone
Ministry for the Environment

David Stephen
Ministry of Foreign Affairs and Trade

Harvey Steffens
Ministry of Health

Matt Benge
Inland Revenue Department

Gina Smith
Department of Internal Affairs

Erin Lubowicz
Ministry of Justice

Rachel Voller
Land Information New Zealand

Guy Beatson
Te Puni Kokiri

Nicky Niclaus
Ministry for Primary Industries

Eric Koed
State Services Commission

Megan Anderson & Sean Broughton
Statistics New Zealand

Genevieve Woodall & Megan Beecroft
Ministry of Transport

David Mackay & Libby Masterton
The Treasury

Helen Potiki
Ministry for Women

Policy Project team

Sally Washington
Programme Manager

Jo Hartigan
Principal Advisor

Simon Olsen
Senior Advisor

Caroline Boyd
Principal Advisor

Renee Cataldo
Team Coordinator

What we discussed

Our session covered:

An update on the Policy Project

- Sally gave a short history of the Policy Project, described the 3 policy improvement frameworks (Policy Capability, Policy Skills and Policy Quality) launched by the Prime Minister and Head of the Policy Profession in August 2016, and outlined the Phase 2 work programme.

How we are applying the policy improvement frameworks

- Who's using the PP frameworks and how?
- Barriers and enablers – making it easy.
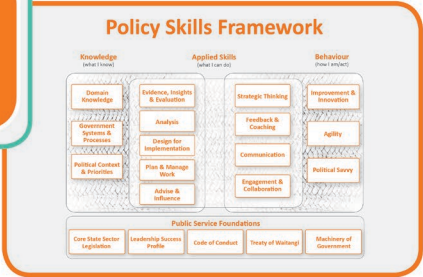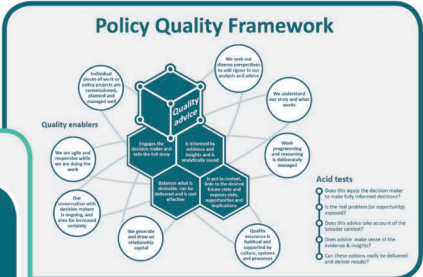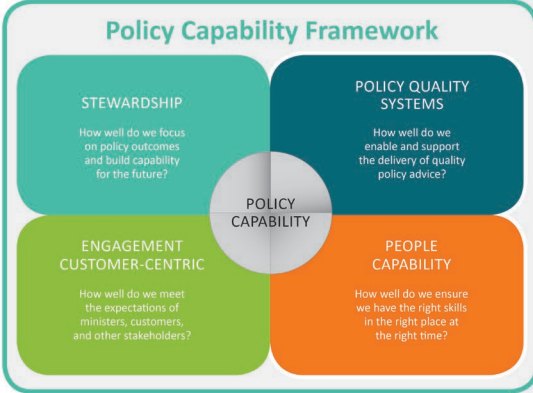- How can the PP/you help?

Our policy 'pain points'

- Issues affecting policy quality and capability and how we might address them collectively.

Sharing promising practice

- 'Steal with pride' – things agencies are proud of and want to share with others.

The Policy Project

Improving the quality of policy advice across government - the journey, progress and where to next...

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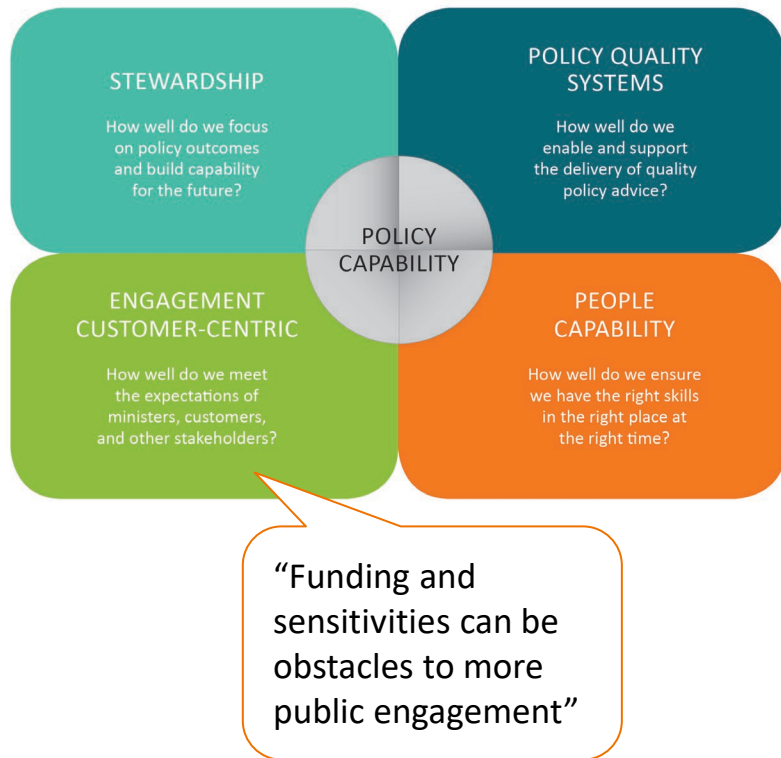
What we discovered

Agencies are deploying the PP frameworks in a variety of ways that are a good fit for their organisation. Early adopters offered lessons for others wanting to embed the frameworks. There are challenges, including barriers to optimising use of the frameworks, and working out how to build policy quality systems, grow people capability and meet expectations of policy stewardship.

Having aired their 'pain points' participants were keen to focus on solutions, including practices and ideas to 'steal with pride'.

This report captures themes and comments from the discussion, grouped against the four quadrants of the Policy Capability Framework.

Using the Policy Capability Framework (PCF)

STEWARDSHIP
How well do we focus on policy outcomes and build capability for the future?

POLICY QUALITY SYSTEMS
How well do we enable and support the delivery of quality policy advice?

POLICY CAPABILITY

ENGAGEMENT CUSTOMER-CENTRIC
How well do we meet the expectations of ministers, customers, and other stakeholders?

PEOPLE CAPABILITY
How well do we ensure we have the right skills in the right place at the right time?

"Funding and sensitivities can be obstacles to more public engagement"

The Policy Capability Framework is a diagnostic tool. Agencies are using it to diagnose their strengths and soft spots. This helps identify where to focus efforts for greatest impact – skills, QA, work programming…

How we are using it – what participants said:

- We used the PCF to reflect on our policy operating model and how it could be improved. Our Policy Managers used the self-assessment tool for business planning [LINZ].

- We trialled the model and used it for a conversation with Chief Executive and Executive Leadership Teams [Corrections].

- For use in next PIF [MfE].

- We've engaged consultants to look at how we can apply the PCF (and the Policy Skills Framework) [TPK].

- For self-assessment and to prioritise improvements and resources [Customs, MBIE, DIA].

- To structure and organise a capability programme and workforce strategy [MfE, DIA].

- We're focusing on people capability dimensions of the framework [MBIE, TPK].

- We've advertised the framework internally [MoH].

- Not yet, but our agency is looking for frameworks to structure our approach to policy and this looks good [Stats].

- SSC is incorporating the PCF into PIF reviews.

Using the Policy Skills Framework (PSF)

Policy Skills Framework
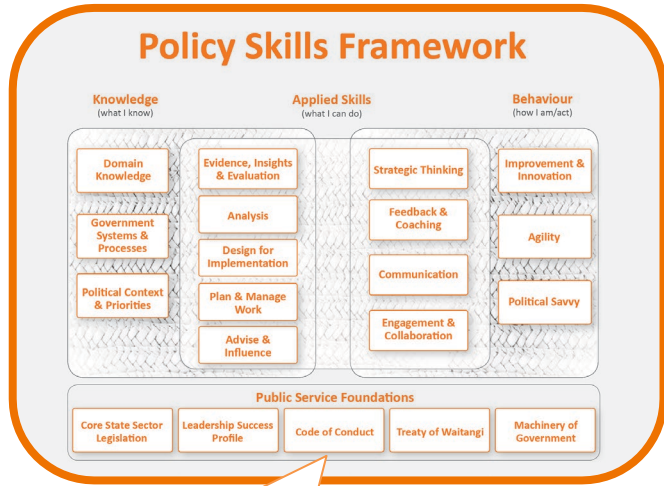
"Provides a structure to do honest analysis – enabled a methodology to look group-wide and team-wide"

The <u>Policy Skills Framework</u> sets out the knowledge, applied skills and behaviours expected of policy practitioners, and describes these in terms of levels: developing, practicing, expert/leading. There are tools for individuals to map their policy skills and for managers to map the skills make-up of their team.

How we are using it – what participants said:

- For recruitment [MPI, LINZ, TSY].

- By policy managers for performance planning/development [LINZ].

- Looking to embed throughout the organisation [MCH].

- Modified for universal job descriptions [MBIE].

- Using lines of inquiry for self-review and finding skills gaps across policy group [MoJ].

- We will reference as we develop our workforce strategy [MFE].

- We are talking with universities about if/how it could be reflected in their curriculum [PP].

Barriers and enablers

- Barrier: engaging with other relevant points of organisation to align e.g. HR.

- Barrier: hard to incorporate into workforce strategy when job descriptions can only be re-written occasionally.

- Barrier: requires some work to change systems that are already embedded.

- Enabler: finding the right internal support to drive the work; reinforcing messages across the organisation and system.

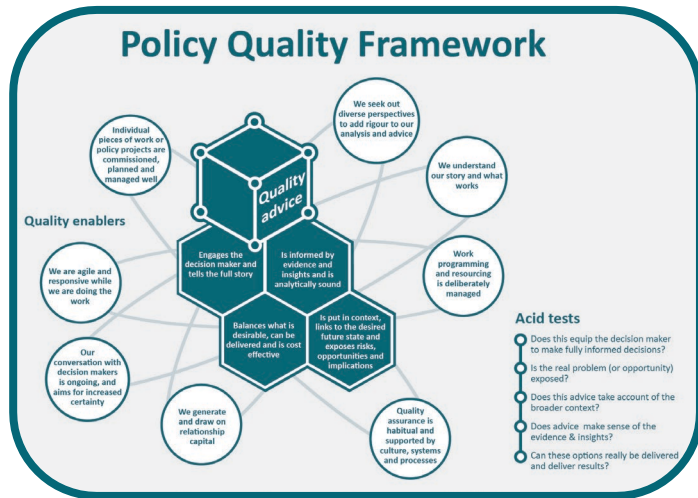- Enabler: establish a 'tipping point' for moving from analyst to senior.

Broader issues in people capability

- Big challenge around recruiting good senior analysts.

- Turnover; and the challenge of developing enduring/consistent capacity in that environment.

- Competition for staff – variability/lack of transparency in pay scales, poaching.

- Perverse incentives towards contracting.

- The role/value add of policy may not be understood by SLTs in some agencies leading to under-investment in policy capability.

- Same people want to be deep experts (not generalists).

- The balance (and value) of specialist and generalist keeps changing.

- New challenges of putting skills together e.g. content and data specialists; researchers and analysts. We need translators/ discipline spanners/multi-skilled staff.

- Training courses are often too expensive (even when they are delivered by public servants).

Options, opportunities and ideas

- We see an opportunity to collaborate on on-the-job/case study based training.

- More focus on desired/in-demand skills to boost capability – timing, availability, usefulness.

BILITY

PEOPLE CAPABILITY

How well do we ensure we have the right skills in the right place at the right time?

"it is difficult to keep well-trained people around"

"How can we make more informed decisions about desired mix of skills, balance of specialists to generalists, use of contractors versus recruiting?"

Using the Policy Quality Framework (PQF)

Policy Quality Framework

The <u>Policy Quality Framework</u> describes the characteristics and enablers of quality advice. There are tools to support policy quality systems. In March the PP will release an updated PQF-based ex-post assessment tool, and advice on using internal panels for assessments.

How we are using it – what participants said:

- For ex-post policy quality panel assessments and annual reporting [SSC, TSY, DPMC].
- For review of quality advice guidance [TSY, MfE, MoJ].
- We're embedding the "acid tests" into everyone's thinking on advice [TSY].
- Aligning internal QA panels [MPI, MfE].
- For internal reviews each trimester [TSY].
- By Policy Directors to help create ex-ante tools [MfE].
- Advertised internally [MoH].
- Aligned intentions, but not use of the PQF *per se* [MoT].

Barriers and enablers

Barrier*: We need to link it to our business:

- E.g. how can 'second-opinion' advice meet the quality criteria?
- Our current framework focuses on all advice not just policy advice and that really works for us.

Barrier*: We're not sure how it fits with existing ex-post/NZIER assessments.

* If these were addressed they could be enablers (more likely to apply the PQF).

Broader issues in policy quality

POLICY QUALITY SYSTEMS

How well do we enable and support the delivery of quality policy advice?

ICY

"We need to be assuring quality up front and not just ex-post, or at final draft stages"

same goes for insights & evidence

- It's also about Ministers:
  - How do we enable Ministers to ask the right questions?
  - Who's the 'customer' for quality. Our Ministers are happy with our advice so there is no push for improving quality.
  - Ministerial expectations have an impact on process.
- We need to make room for challenging and divergent discussion; to see 'kicking around ideas' as a good use of time.
- There is more emphasis on cross sector issues:
  - Boundaries between our agency and others are blurring. But the incentives for collaboration not there. "When we try to work collaboratively there is still only one stream of advice to ministers".
  - Still wondering about how to deal to systemic issues e.g. application of Whanau Ora.
- There is cost-benefit argument for investing in quality up front. Are we making the appropriate level investment?
- Richer advice is expected:
  - More multi-dimensional (e.g. incorporating data and customer experience); how do we make use of existing data and what additional data do we need?
  - "Richer" requires more time when developing advice, or that a deeper knowledge base is on hand (is that part of policy stewardship?)
- Pursuing quality across complexity:
  - Small total output with a large variation in nature & complexity.
  - There are different approaches to developing and thinking about policy advice across agencies – how can we get more consistency?

Issues on the stewardship and 'customer' fronts

STEWARDSHIP

How well do we focus on policy outcomes and build capability for the future?

- Policy stewardship vs regulatory stewardship (are they part of the same thing?)

- Maintaining and developing domain knowledge in core areas is part of stewardship.

- Ministerial focus is here and now not inter-generational/ stewardship. "Need Ministerial commitment (and resources) for stewardship".

- We are anticipating what we will need to answer, and thinking about the data we will need… we need agency strategies on this front…. and a system level one too.

- How are other jurisdictions using data; what's the benchmark?

Do Ministers understand CE's stewardship obligations?

ENGAGEMENT CUSTOMER-CENTRIC

How well do we meet the expectations of ministers, customers, and other stakeholders?

- Funding and sensitivities can be obstacles to more public engagement.

- Culture is important – especially giving our policy people the courage to take a chance, to take risks. Institutional cultures are too risk averse.

- "This is the way of the future but at the moment it is a pain point."

- Challenges include how to engage with iwi early in policy processes.

- 'Customer' means different things for different agencies (regulating, gatekeeping, enforcement, economic).

Challenges and how can we help each other: what participants said

Top tips:
Start with the Policy Capability Framework - use it as a diagnostic tool and pick a few key areas to start with.

Find a buddy or critical friend agency (or agencies) to work with…the Policy project can help with this.

"A challenge is in convincing people of the benefit of this [capability building] work – and how to bring people along rather than imposing it on them"

Have you seen the People Centred Policy workshop outputs?

Limited capacity to work on capability
- It is hard to establish joint priorities and organisational commitment.
- We're small and busy; we have good intentions but we're under pressure.
- Harder to do this when the organisation doesn't have a distinct 'policy structure'.
- Assumes policy ownership at senior levels or across the organisation (this is not always true for more 'operational' agencies).

Understand how things fit together, and where to start
- There is a lot of good PP content but we're not sure how it fits together.
- Daunting to look at all three frameworks at once – what's the best place to start? How do we ease in?
- Need to think about how to join-up policy, HR, SLT, corporate functions.

Reconciling with what we already have
- It's a challenge to champion the PQF when we have our own internal frameworks.
- Replacing existing templates and tools too frequently is hard on staff.
- We have our own lexicon, and framework language and ownership.

Nourish the collective
- Legitimise new techniques: behavioural economics, design labs, co-design, wiki policy, quantitative approaches, agility.
- Work together on specific modules and learning for analysts.
- Common words improve interoperability, but common intent is the key.

Taking up opportunities, then making it stick
- It can be challenging to keep frameworks in use especially after big organisational shifts. But it is a big opportunity to introduce them too.

'Steal with pride'

Participants listed practices/ideas they were proud of and would share with others

Learning on the job: offer to jointly develop on-the-job training courses/case studies	MPI
Natural Resources sector has a sector-wide analytical framework	MfE
The "Generic Tax Policy Process" is very strong on consultation at key stages	IRD
Exploring 'system's over 'mode' thinking (embedding system thinking)	MoT
Population agencies are exploring common foundations in analysis	MfW, MPP, TPK
Work programming practices	IRD, MoJ
MOT has a good stakeholder engagement tool kit, that incorporates relationship management	MoT
TSY is holding 'diverge & converge' forums, with support and leadership from the top	TSY
TSY will be trying more frequent quality reviews (trimester) to boost value to the senior leadership	TSY
Behavioural insights capability building	MBIE, IRD, MfE & others
Policy Plus – our approach to policy and updated guidance (COBRA Plus)	MfE

Insights
Collaborate Skills
Stewardship Co design
Align Engage
Value
Innovate Customer
Relationships Build
Network Aspire
Leverage Policy
Share Lead
Decision maker
Free and frank Ecosystem
Community Quality
Evidence
Learn Capability
Advice

'Steal with pride'

Participants listed practices/ideas they were proud of and would share with others

We are broadening the discipline/practice of policy, to bring in appreciation of context eco, political, social (open closed)	This sounds great – who are you?
Investing in grads as a solution to the challenges of recruiting the right skill sets	Corrections
Living standards framework for intergenerational wellbeing	TSY
Wiki policy – using electronic forums for engagement to generate possibility and test acceptability.	Health
Collaboration and governance across the natural resources sector, supported by Director & Deputy Secretary	MfE
Effective QA panels, that are also supporting development of members	MfE, MPI, MBIE, others?
Working on the stewardship – Turning the Reactive into The Proactive	This sounds great – who are you?
Recruitment interview panels with external members from other agencies	There is interest in looking at these ideas collectively – PP will explore them as part of our people capability work stream.
Leadership assessment centres	
Shadowing and secondment opportunities	

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Next steps

- Participants agreed that it would be valuable to have regular sessions and to build the group as an ongoing community of practice.

- The Policy Project will organise future sessions, concentrating on specific challenges, frameworks or tools.

- Let us know what topics you would find most useful. Email: policy.project@dpmc.govt.nz

- Keep an eye on our website – we regularly add new material: http://www.dpmc.govt.nz/policyproject

Thanks to everyone for sharing their insights, challenges and promising practices. It was a rich and robust discussion.

We look forward to the next session.

– The Policy Project team

The Policy Project
Responsive today, shaping tomorrow