

## Different types of policy advice: different requirements

Different types of policy advice require a slightly different mix of analysis, engagement and information. This Masterclass goes through the three main types of policy advice and covers what needs to be thought about and done and the capabilities you have to have on hand to provide high quality advice.

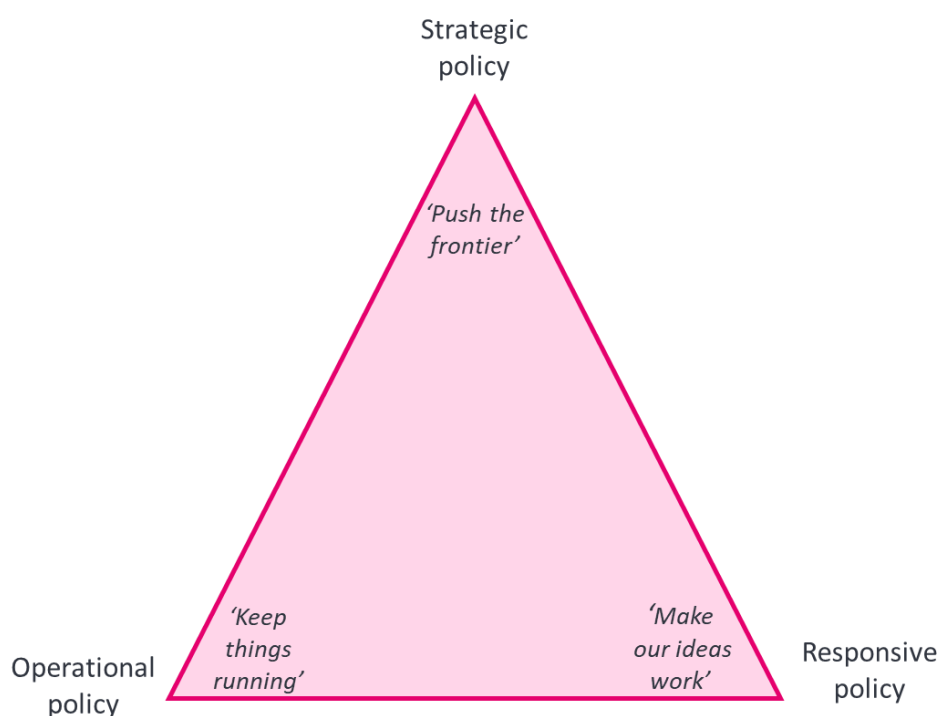
This is not to be confused with the 11 different types of papers we went through in one of our earlier Masterclasses, although there are some crossovers in ideas.<sup>1</sup>

### There are three broad types of policy

These are shown in the diagram below.

They each have a different focus and different characteristics to be successful.

Figure 1 The policy work triangle



Source: Scott and Baehler (2010)<sup>2</sup>

<sup>1</sup> Masterclass no 10 Thinking through the 11 key papers  
[https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief\\_10\\_masterclass\\_thinking\\_through\\_the\\_11\\_key\\_papers.pdf](https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief_10_masterclass_thinking_through_the_11_key_papers.pdf)

<sup>2</sup> Scott, Claudia and Karen Baehler, 2010, Adding Value to Policy Analysis and Advice, UNSW Press, p. 14.

## Strategic policy...is relatively rare but critically important

Strategic policy is concerned with changes to frameworks, approaches, and legislation. It is pitched at a higher level and involves different ways of thinking about problems and issues. In other words, pushing the boundaries!

Some agencies, particularly those with sector leadership roles, do more of this than others regularly. Although, even the most operationally focused agencies seem to have a few strategic projects on the go at any time.

This sort of policy might be requested by your Minister (e.g. as part of their election manifesto) or initiated by the agency due to their own experience, e.g. policy failures or emerging issues. The new Long-Term Insights Briefings<sup>3</sup> are an example of strategic policy and may kick off a programme of strategic policy work.

### What makes good strategic policy?

This sort of work requires some courage. After all, it's about changing or at least testing the status quo. And there are often entrenched interests which may make things difficult. The best way to combat this is by doing high-quality work – the standards set out in The Policy Project frameworks are critical here!

This sort of advice generally occurs over several phases:

- Problem definition (or opportunity) – and getting agreement on the problem and its relative priority within the overall work programme. Data and evidence are required to back the problem definition.
- Broad consideration of a range of options – based on research, different views, a knowledge of what's gone before, and the approaches others – especially internationally - use.
- Sorting out the right criteria. What is this policy trying to achieve? Who should be

benefiting? What counts as success? What are the key factors that help distinguish between the options, i.e. the trade-offs?

- Honing in on preferred options and their implications. This has to be tied tightly to the criteria.
- Process advice – how to engage with and get support from other Ministers and their agencies, from stakeholders, users and the general public. As strategic advice, it will be arguing 'uphill', so it may need significant socialising to build a constituency for change.
- Advice on what it will take to successfully and practically implement any proposed changes.

In the early stages, papers may take the form of exploratory pieces. It's essential to get your Minister onboard with the issues – and the policy choices. We've seen this done very effectively using A3s or slide packs – rather than traditional papers.

There's also an opportunity to be creative with stakeholder engagement. There still seems to be a tendency to revert to a published consultation paper as a first choice. But there are plenty of alternative ways of engaging with stakeholders and users.

### What are the main traps when doing strategic policy?

Getting the issues on the agenda in the first place can be a challenge! These pieces of work are hard to pull off and can be disruptive. So the benefits need to be clear – and aligned with overall government policy/strategic directions.

But then, the key trap we often see is policy teams being too busy dealing with responsive policy, which means that there is little time for doing the more strategic policy.

<sup>3</sup> <https://dpmc.govt.nz/our-programmes/policy-project/long-term-insights-briefings>

It takes time and resources and demands your best people to be on the job; therefore, it needs careful programming and planning set firmly in a project management environment. These strategic advice projects are often given to a taskforce or a working group (and sometimes external experts) to mitigate against these demands on time.

### **What sort of organisational capability is required?**

It requires:

- A strong evidence base – in terms of information and data. This needs to support both the problem definition and the options analysis. If sufficiently detailed, it might be useful for designing implementation.
- Keeping up to date with international trends.
- A research capability to drive new ways of looking at issues.
- An evaluation capacity to understand the success or otherwise of current interventions.
- Cross-sector linkages to understand the related or dependant issues others are facing and their responses – and whether these can be adapted or applied.
- Creative and analytical thinking capacity – particularly in the development and assessment of options.
- Stakeholder engagement capacity – to help clearly define the problem, identify and consider options, and understand different perspectives on the issues and solutions.

### **Operational policy...mostly the realm of operational agencies**

Operational policy is concerned with translating legislation, regulations, and the new strategies of the agency into workable policies and procedures for the organisation.

It's much more in the realm of operational agencies.

The audience is often senior leadership teams or governance groups responsible for implementing reforms rather than Ministers. Although Ministers at times want to see this level of detail on important issues. This will be particularly so where the operational action in question is new (to the agency) or radically different from what was in place. So, any advice papers must be appropriately tailored to the particular audience.

An operational policy function may also include broader functions designed to support the operational or delivery side of the agency, such as business process design, the development of operational procedures and guidelines, operational help desk functions, policy manuals, policy support information, etc.

Similarly, it can involve contracting or formalising links with other agencies or outside groups to provide services or deliver parts of the action.

This policy area is often less glamorous but still critically important to well-functioning policies and agencies. Value it!

Papers may explore a single issue in detail or be an omnibus covering many small but interrelated issues.

### **What makes a good piece of operational policy?**

It's important to ensure that the scale and importance of the issue are upfront, and the level of analysis should reflect the level of importance.

It requires:

- Careful consideration of the detail.
- Considerable operational expertise and input.
- Good knowledge of agency capability, e.g. staff, leadership, IT, systems, business processes etc.

- Understanding of related legislative and regulatory constraints.
- Knowledge of the mechanics and culture of the frontline customer-facing sections of the operation.
- Understanding of user perspectives – including the implications for different user/stakeholder groups.
- Understanding the perspectives of those entities delivering the services, e.g. local government, contractors and providers of services on behalf of the agency.
- Links with other agencies to ensure that changes one agency makes do not adversely impact others' ability to do their jobs.

A monitoring strategy is critical. This should be as real-time as possible, so it tracks the system's performance as it goes – a feature that is especially valuable at implementation time. And then, later, this is how you can identify whether it works as intended and modify it if needed.

#### **What are the main traps?**

Not involving those with operational expertise early enough in the process! Not only can this omission lead to unintended outcomes or increased time and cost, but it also contributes to a lack of buy-in by those responsible for actually doing the work.

Implementing operational policy changes requires fully occupied operational and management staff to take time out of their busy working days and put it into designing and implementing changes in the way things are done. It also has costs! Thus the benefits of the change must be clear.

The best-laid plans can falter - even with a thorough scoping of the issues, some things can still prove difficult or impossible. There is a need to be flexible about how something is implemented to meet the overall objectives.

Known unknowns. There'll always be something you haven't considered.

People differ in surprising ways. They can have odd sets of circumstances that don't fit whatever rules and processes you've designed or assumed. Have a way of dealing with these. E.g. exceptions policies, reviews, complaints procedures etc. And make sure they are in place from day one – when they will probably get a workout.

Communication is critical – to staff, service users, stakeholders and other agencies. You cannot have too much information available. Always have a communications plan, multiple communications channels, and a backup plan if things go wrong.

#### **What sort of organisational capability is required?**

Good working relationships between policy and operational staff are critical, whether within or between agencies.

Experienced and practical people who know the business and how to solve frontline delivery problems.

Adequate resourcing – especially if a major programme of change is being undertaken. Typically it will entail running overlapping systems for a period while the new operation reaches take-off and the old one is still serving clients. This is likely to be costly and needs to be allowed for in the funding.

#### **Responsive policy...the everyday bread and butter of policy work**

Responsive policy is the demand-driven policy work that all agencies have to do.

It's about responding to issues or problems as they arise. They can come up from changes in external circumstances, Ministerial queries, individual cases, or knock on from other agencies. This doesn't mean that these are all quick turnaround, short pieces – some of them may be complex and require a longer and more considered approach. In effect, at that point they can turn into strategic policy.

It also includes responding to the policy proposals of other agencies and providing information and advice on implementation and any likely implications for your agency and stakeholders. That is second opinion advice. See our earlier Masterclass<sup>4</sup> on that topic.

#### What makes good responsive advice?

Critical aspects to doing this well are:

- Nailing the problem – including size and impacts now and in future. This is particularly important – as getting the problem definition wrong leads to the wrong solution being deployed.
- Understanding that other agencies have their aims and their issues and are under pressure to deal with them. A degree of give and take is often vital grist to the mill between agencies. Try and be as helpful as possible – ministers are generally unsympathetic to interagency niggles.
- Providing data and evidence to support the analysis. You might have to think outside the square to do this!
- Identifying the history of the issue – in your own agency, in other agencies and across other jurisdictions. There is no point in reinventing the wheel if it has previously been successfully dealt with. Similarly, deploying a solution that's already been used and doesn't work is equally unhelpful.
- Determining whether this is a short-term fix or whether a more in-depth piece of work is required.
- Responding quickly, at first. And laying out the work required (and timings) to get the issues sorted. It may be that some form of joint work is a good way to approach a resolution.

If so, kick it off as fast as you can to give the team as much time as you can.

#### What are the traps?

The main error is getting the problem definition wrong! Be careful to distinguish between the symptoms of the problem and the cause.

Thinking about the intervention logic is crucial. This is the subject of a recently published Masterclass.<sup>5</sup>

Don't rush. Of course, many of these things will be urgent, but fast and wrong isn't helpful. Some sort of process of triaging the requests to identify simple ones (and ones which have been dealt with before) from the more complex time-consuming ones is critical.

Failing to keep the delivery team involved and informed as the project proceeds. There will inevitably be changes – hopefully small – in the details as the work goes ahead. Making sure the people who are to execute the instructions track these moves means they will not be surprised by the final package.

Being honest with stakeholders (Ministers, senior management, other agencies and concerned citizens) about the likely timing and possible outcome of this work is vital. Most interested parties are eager to see their work completed as soon as possible but over-promising delivery is not a sound strategy.

#### What sort of organisational capability is required?

A knowledge management system (people who remember and access to earlier briefings) which helps you to identify when these issues came up in the past and how they were dealt with then. Being consistent is important. On the other hand, an issue which comes up frequently can be worth a more considered policy development process.

<sup>4</sup> Masterclass no 35 Second opinion advice [https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief\\_10\\_masterclass\\_thinking\\_through\\_the\\_11\\_key\\_papers.pdf](https://www.nzier.org.nz/hubfs/Masterclasses/Central%20Government/brief_10_masterclass_thinking_through_the_11_key_papers.pdf)

<sup>5</sup> Masterclass no 46 Intervention logic, sent in June 2022.

A triaging process which quickly determines the scale of the issue and, therefore, the time that should be spent on it!

There is always more demand for responsive policy than can be done – don't let it crowd out other critical policy work. Stick to your triaging priorities.

Workflow management systems. There's nothing worse than overlooking a request and having senior management or the Minister's Office pull you up on it.

Some sort of quick action process – whereby you can pull together a team to quickly thrash out a serious emerging issue.

That should help you think about what needs to be done and how to develop the plan to deliver on it.

There is also a management perspective. Knowing what type of work any given issue involves and the skills required to do them is key to organising your policy resources. That is, the team structures and areas of focus, setting overall work programmes (including resourcing and timing) and allocating work to particular teams or individuals. The advice about capability above is designed to get you thinking about what skills and capabilities you need for each type of policy analysis.

## In conclusion

As part of the commissioning process and the initial scoping of a piece of work, think about which categories your policy problem fits into.

This paper was written at NZIER, June 2022.

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