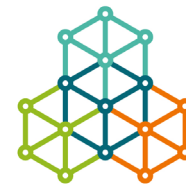


Policy Stewardship

Tier 2 Policy Leaders Workshop

26 April 2017



**The
Policy
Project**

Responsive today,
shaping tomorrow

Background and intent

The Head of the Policy Profession (HoPP) wants to ensure chief executives and their departments understand and meet their policy stewardship responsibilities. Policy leaders (Tier 2s and strategic advisors) came together to discuss what success in policy stewardship would look like. How does policy stewardship relate to other forms of stewardship? What would we be doing if we were doing it well? What might need to change in the system to incentivise and enable good policy stewardship? This report summarises the conversation and the suggested system-level changes to support better policy stewardship.

Participants

Andrew Kibblewhite

Department of the Prime Minister and Cabinet

Anneliese Parkin

Department of the Prime Minister and Cabinet

Andrew Jackson

Ministry of Transport

Andrea Schollman

Ministry of Education

Matt Benge

Inland Revenue

Rajesh Channa

Ministry of Justice

Melleny Black

Department of the Prime Minister and Cabinet

Hamiora Bowkett

Ministry of Health

Paul Stocks

Ministry of Business, Innovation and Employment

Chris Bunny

Ministry of Business, Innovation and Employment

Ruth Shinoda

Ministry for Primary Industries

Mereama Chase

State Services Commission

Rachel Fry

Ministry of Foreign Affairs and Trade

Tony Lynch

Ministry of Defence

David Mackay

The Treasury

Catherine Neill

Ministry of Pacific Peoples

Helen Potiki

Ministry for Women

Ralph Johnson

Ministry of Culture and Heritage

Sandra Preston

Ministry of Social Development

Marian Smith

Ministry of Justice

Clare Ward

SUPERU

Workshop direction

Jeremy Corban

Facilitator

Policy Project team

Sally Washington

Jo Hartigan

Simon Olsen

Jason Tabarias

Andrew Harris

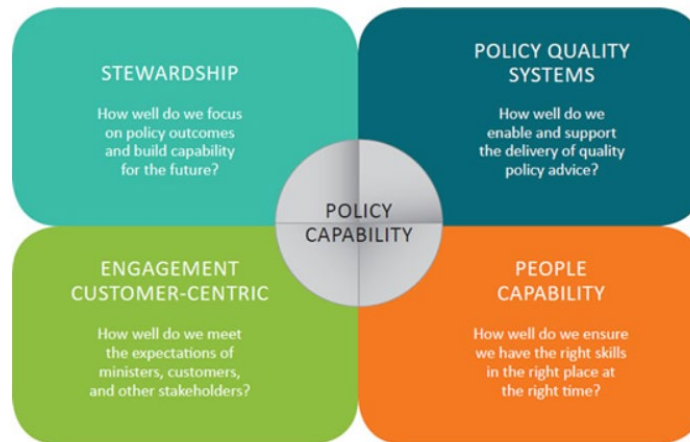
Alpa Modi

What do we mean by policy stewardship?

The 2013 amendments to the State Sector Act formally recognised public service chief executives' stewardship responsibilities. The Act defines stewardship as the “active planning and management of medium - and long-term interests, along with associated advice”. The Act charges chief executives with ensuring that their department has the capability and “capacity to offer free and frank advice to successive governments”.

Other articulations of policy stewardship, some expanding on the references in the State Sector Act include:

- The stewardship component and ‘lines of inquiry’ in the [Policy Project’s Policy Capability Framework](#)
- Comments in the [Prime Minister’s speech](#) at the launch of the Policy Project frameworks
- Speeches by the [HoPP/CE of DMPC](#), the [Secretary of the Treasury](#), and the [State Services Commissioner](#), on aspects of stewardship
- The recent book by Professor Jonathon Boston: [Safeguarding our Future](#).



“We need to be helping shape policy debates and designing policies and programmes to improve the long-term wellbeing of NZ and New Zealanders. And that means anticipating future issues, seizing opportunities and proactively offering advice on the issues we think matter the most.”

Andrew Kibblewhite, Head of the Policy Profession, 23 March 2017

Why policy stewardship?

Policy stewardship is required to ensure:

- policy advisors are able to advise on the issues that matter most for the wellbeing of New Zealanders and the national interests of New Zealand (whether those issues are presenting now or likely to impact in future)
- ministers receive proactive advice to help them determine their priorities and the outcomes they should be looking to pursue (although this needs to be handled sensitively)
- departments are responsive to current ministers and the priorities of the government of the day, but at the same time are developing and maintaining capability to be well placed to give free and frank advice to future ministers and governments.

Chief executives

“...will need to be thinking about what priorities a future government may have. This means that they will need to have a depth of knowledge about issues which might not be on their minister’s current agenda.”

Ministers

“...have a responsibility to ensure their departments are thinking about the challenges of tomorrow. I expect ministers to engage constructively with their chief executives in making space for longer term thinking.”

Together Ministers and Chief Executives

“...need to balance current priorities with the investment in research, analysis and the deep subject matter expertise and capability needed to provide robust advice about future risks and opportunities.”

Then Prime Minister Rt Hon John Key, speech at the launch of the Policy Project frameworks (August 2016)

What does good policy stewardship look like?

In practice, policy stewardship requires investment in capacity and capability beyond the immediate policy preferences and policy priorities of the government of the day in:

- **human capital** (people and skills to undertake the research and analysis needed)
- **knowledge capital** (research, evaluation, evidence and data to inform policy debate and judgments)
- **intellectual capital** (frameworks for analysis to shape approaches to the policy issues)
- **social capital** (relationships and engagement to support foresight and intelligence).

And most importantly, it implies a relationship of trust and confidence with ministers, and a high degree of tact and nous to do it well.



Current practice – how are we doing?

Participants shared their current policy stewardship practice and where they felt their department sat on the continuum to 'well-placed'.

Practice appears to be mixed, both in terms of the nature of conversations and advice to ministers and organisational capabilities and practices to protect resources for policy stewardship.

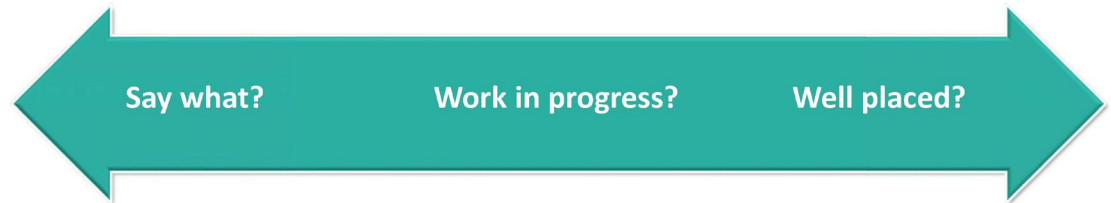
Current practice fell into 3 broad classes: embedded, work in progress and emerging:

Embedded: Some departments see policy stewardship as integral to their business, and have structures and systems in place to support that. These departments tend to have large policy advice functions, work in a less contested (and perhaps more technical) space, inherently requiring a long-term perspective to their work, sometimes backed with a clear and protected stewardship responsibilities.

Work in progress: Many departments noted a high awareness of the need for policy stewardship and strong strategic alignment with their business, but limited capacity to invest much in this space in practice. Typically, these departments were either smaller departments, or smaller policy functions relative to the other work of the department.

Emerging: In some departments policy stewardship is not embedded, with limited ability to influence the policy agenda. Typically, these departments work in more contested policy areas (with many people having a view), often with a minister with a fixed policy agenda, and where sometimes neither policy nor stewardship is held in high regard in the organisation.

Policy Stewardship
How well are we doing?



How could we improve our practice?

The group identified 3 themes for where a shift in practice would help achieve successful policy stewardship:

Authorisation: Stewardship should be more fully recognised and rewarded, within a strong culture of providing proactive free and frank advice. There are already statutory responsibilities for stewardship on chief executives, and the former prime minister sets expectations for ministers. But there is still a way to go before policy stewardship is fully expected and welcomed by ministers, stewardship discussions occur regularly between ministers and policy leaders and stewardship responsibilities are embedded in public service ethos and institutions.

Collective action: More and better sector – and system-level collaboration to develop common priorities and frameworks, and collective narratives and advice is critical. By their nature, stewardship issues will often be more strategic, and will require concerted action across government (and beyond) to address. This is likely to imply a stronger culture of collective assessment and evaluation, and transparency (to other departments, to ministers, and to the public) to shape and support a well-informed policy debate.

Capability: A more systematic and less idiosyncratic approach to investment in stewardship is required. Stewardship requires investment in capability: human, intellectual, knowledge, and relationships – outside those needed for advising on immediate policy priorities. This would include protecting resources to fulfil stewardship responsibilities, intellectual leadership to craft a common set of priorities and frameworks, a strong evidence base regarding the current state, the effectiveness of existing policies, regulation and institutions, and processes for bringing in the customer/citizen voice.



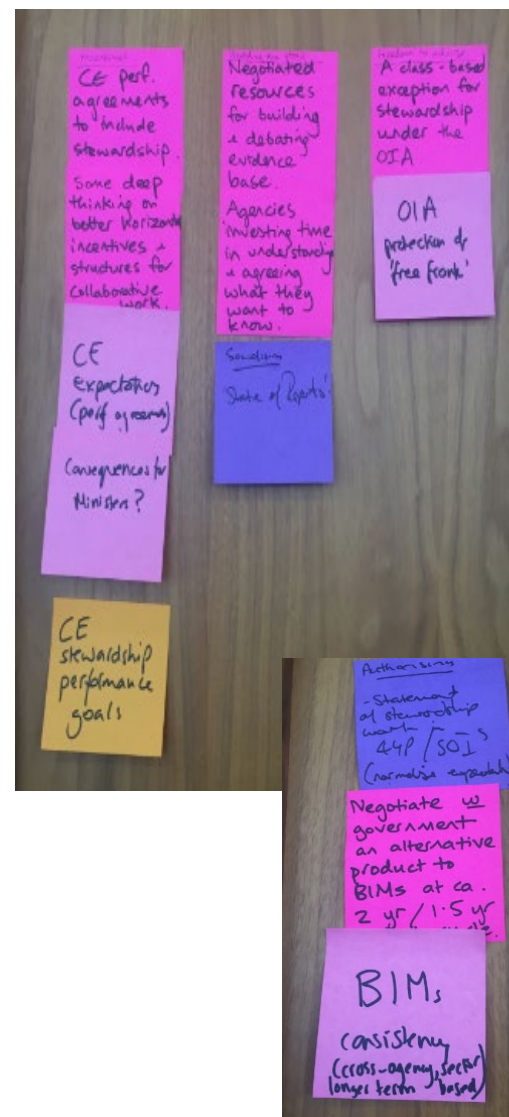
What system barriers to policy stewardship?

In principle there are few if any formal system-level barriers to chief executives pursuing their policy stewardship responsibilities. There is:

- a clear duty in the Act
- endorsement from senior ministers
- a high degree of managerial freedom for chief executives over the use of departmental resources
- high demand from ministers for advice on some of the most pressing stewardship issues.

However, in practice there may be little incentive to see stewardship as a priority, especially when set against more pressing immediate issues that need attention, and ministers who may only tolerate rather than insist on departments investing in stewardship work.

And, given the need for collaboration on many stewardship issues, there are likely to be issues to overcome around coordination, leadership and collective inertia.



What system changes would support policy stewardship?

How might we create an environment that would better support chief executives to deliver on their policy stewardship responsibilities? Policy leaders suggest:



- **strengthening expectations for policy stewardship** in accountability documents such as chief executive performance agreements, and normalising departments' stewardship activities by expectations of policy stewardship in SOIs, 4-year plans and work programmes.



- **creating demand and vehicles for stewardship advice:** some statutory provisions exist for departments to deliver specific stewardship advice (for example long term analysis and outlook reporting, and so on). Consideration could be given to building the expectation and demand for more general and regular stewardship advice, for example mid-term sector-based “BIMs” or similar.

- **supporting cross-agency collaboration on stewardship issues:** a clear sense of priority, clear leadership and accountability and common narratives and frameworks are needed to progress cross-agency stewardship issues. Existing sector groupings provide a good place to start. These may need to be supplemented with guidance on standard approaches to progressing cross-agency stewardship work and greater investment in senior-level cross agency resource to lead such work.
- **better protecting the freedom to advise on stewardship issues:** while the OIA provides grounds for withholding information to protect the confidentiality of advice and to maintain the free and frank expression of opinions, consideration could be given to clarifying and strengthening the interpretation of these provisions to better protect officials ability to provide proactive free and frank advice, including on stewardship or long-term issues.

Conclusion and next steps

Andrew Kibblewhite, Head of the Policy Profession, joined the group at the end of the session.

The group briefed him on their conversation and suggestions for change; ideas for better practice in departments, and system level changes to incentivise and support better policy stewardship.

He undertook to take those suggestions to his chief executive colleagues and the Head of State Services.

Acknowledgements

Thanks to everyone for their energy and insights.

