Policy Quality Framework

A framework and tools for assessing and assuring the quality of policy outputs – development, insights and guidance
The Policy Project aims to improve the performance of the policy function and the quality of policy advice across government. The Policy Project is hosted in DPMC and jointly funded by government agencies with significant policy functions.

Key to the success of the programme is the involvement and ownership of the New Zealand policy community in the design and implementation of the tools produced under the auspices of the Policy Project. In practice, this involves an ongoing conversation with the policy community to:

- Identify, celebrate and share existing good practice
- Build collective ownership of the policy system, the desired future state and a programme of improvement activities
- Encourage and facilitate collective approaches to improving performance or policy capability where it makes sense
- Co-develop new products, tools and resources to improve the performance of the policy function and quality of policy advice across government

The Policy Quality Framework (PQF) is one the key tools co-developed with and for the policy community. It offers a common understanding of what excellent policy advice looks like.

It is supported by the Policy Capability Framework (with a focus on the high performing policy shop) and the Policy Skills Framework (setting out the knowledge, skills and behaviours for policy practitioners).
What is the Policy Quality Framework?

The PQF is an improvement tool. It aims to assist agencies to improve the quality of policy advice.

The framework describes the key characteristics of good quality policy advice. It also describes the processes and practices, or ways of working, likely to enable the production of good policy advice.

The framework provides the foundation for a number of improvement tools including:

- checklists based on the PQF to use during the policy development process
- a ‘start right’ tool to prime for quality up front
- extended guidance on each of the framework elements (a deeper dive into what to try and what to avoid)
- ex post quality assessment tools (for periodic reviews of quality)

The PQF emphasises the importance of looking beyond the individual paper or policy output to the people, relationships, management, capability and organisation/systems that make up the infrastructure supporting consistently good advice (noting that individual pieces of advice are typically not standalone but part of a wider stream of advice).

Why a PQF?

Engagement across the policy community (recorded in the Policy Project Narrative) revealed a common view that, pockets of good practice notwithstanding, policy advice is of variable quality within and across agencies. It is sometimes short on evidence, not well informed by the needs of users or by evaluation or feedback on what has worked (or not). It often fails to adequately factor in implementation.

While there is a proliferation of agency-specific quality frameworks there is no common view of what great policy advice looks like. NZ policy agencies often reinvent the wheel rather than drawing on and building on one another’s policy quality systems.

Current policy quality reporting requirements (for Annual Reports and for the Treasury’s policy measurement exercise) have tended to drive a narrow focus on the ‘technical quality’ of individual policy papers. Quality scores are often more a reflection of how well the paper is written than the quality and robustness of the underpinning evidence and analysis. Many agencies have acknowledged a related over-reliance on external consultants for policy quality assurance and expressed a desire to re-internalise this capability. They seek to move away from a ‘chasing a score’ compliance mindset to one based on good process, constructive feedback, learning and continuous improvement.

In short, there is an appetite for the setting of a common quality standard for policy advice, agreed by the policy community and promulgated by the Head of Policy Profession. The PQF aims to set common expectations for the quality of advice, and provides tools to help lift performance.
How has the PQF been developed?

The PQF has been co-produced with agencies. An Inter-agency Policy Quality Working Group (with 11 agencies represented) acted as a design team. They drew on insights from conversations and workshops with policy analysts, policy managers and the Tier 2 Policy leaders group. A desktop review of current departmental quality processes and tools, a scan of practices in other similar jurisdictions, and a review of the literature further informed the design of the framework.

Prototypes of the PQF were tested and refined by the design group. The PQF was then road tested by a group of volunteer agencies to see how the framework and review tools worked in practice. This road testing phase highlighted the need for an extended range of improvement tools sitting underneath the framework and targeted at different audiences. For example, less experienced advisors said their peers would find some guidance on where to start and what to avoid useful, whereas managers and experienced advisors called for tools to prime and test for quality throughout the policy development process.

The design and iteration process arrived at a set of characteristics of quality policy advice – “What does quality advice look like?” – and an agreed list of ‘enablers’ – “what enables good advice?”

First prototype

Final framework
The Policy Quality Framework

The diagram represents the elements of the PQF. The PQF includes the **characteristics** of quality advice, the **enablers** of quality advice and some **acid tests** or touchstone questions – if advice doesn’t pass these acid test then it is unlikely to be of high quality.
Characteristics of good advice

The Policy Quality Framework (PQF) sets out four characteristics of good policy advice.

The four characteristics at the core of the framework embrace the well established cornerstones of good problem definition, options analysis, confronting trade-offs, and helping the decision maker take an informed decision.

They also emphasize taking account of context, opportunities and limitations, evidence and insights, a pragmatic balance between what would be good to do, what can be done and will have positive impact (is cost effective).

Enablers of good advice

The outermost circles focus on ways of working that enable the delivery of quality advice.

Viewing the advisory process from this process lens can provide new insights into how we can lift the quality of advice and ensure it resonates with stakeholders and decision makers.

The enablers include processes for managing work, working constructively with ministers and other stakeholders and building a repository of knowledge on ‘what works’.

Acid tests for good advice

The five questions are touchstones to keep in mind as advice is developed and at the point of ‘sign out’.

Advice that doesn’t pass these ‘acid tests’ is unlikely to be of high quality.

Acid tests

- Does this equip the decision maker to make fully informed decisions?
- Is the real problem (or opportunity) exposed?
- Does this advice take account of the broader context?
- Does advice make sense of the evidence & insights?
- Can these options really be delivered and deliver results?
Characteristics of quality policy advice

In sum, quality policy advice:

- reveals the problem or opportunity, as well as its size, scope and immediacy
- is clear about what is intended and describes the vision for success: links outcomes, immediate objectives and recommended actions to that intent
- is clear about why the government/agency should intervene
- is well staged and sequenced
- is error free, and meets legal and process requirements (e.g. of Cabinet Office, Treasury).

Each piece of advice:

- starts with a clear purpose
- is timely
- is in a format that fits the purpose and the decision maker's preferred style
- makes action-oriented recommendations and sets out next steps.

- Problem/opportunity diagnosis and solutions are well informed (i.e. by data, evidence, insights, research and/or relevant experts).
- Insights come from diverse perspectives along the ‘outcomes value chain’ (e.g. from customers, operations, frontline staff, regulators, investors, service providers).
- Takes account of stakeholder's views, preferences and stake.
- Is clear about assumptions, uncertainties and gaps in information or evidence and what these mean for the decisions being made.
- Uses analytical frameworks to elevate analysis and make sense of information.
- Considers the context that is shaping the current state (e.g. infrastructure, norms and attitudes, issues of the day, current policies and strategy).
- Reveals relevant prior advice and decisions.
- Describes opportunities that can be leveraged.
- Assesses risks and how they could be managed or mitigated.
- Is forward looking and considers stewardship responsibilities.
- Focuses on the decision maker’s intent and is frank, honest and apolitical about the best way to achieve that.
- Scopes a range of options (including doing nothing).
- Articulates how options can be delivered and confronts what is required for successful implementation.
- Assesses options:
  - focusing on results and impact on outcomes, implementability, and costs & benefits
  - making the choice criteria transparent
  - matching the level of analysis to the scale of the decisions being made.
- Identifies timely indicators that will show “Is this working?”
- Identifies if uncertainty should/can be reduced (and how) before moving ahead, or if an interim or adaptable decision is needed.
Quality Enablers – Advice that is high quality and influential is more likely when:

- Strategies, priorities and issues are translated into a work programme and commissioned policy outputs.
- The overall work programme is manageable, focused, and responsive to changed priorities or phasing requirements.
- The agency is able to prioritise work and direct its resources accordingly.
- We consider resourcing requirements early, so that the right skill sets and expertise are available when required.
- To reduce risks and increase certainty of success, extensive programmes of work are broken into distinct shorter projects.
- The commissioning process is transparent, clear and managed.
- Policy design and implementation is as joined up as it needs to be.
- We agree early on the key components of what to do and how to do each piece of work.
- The roles and responsibilities for governance, management and implementation are clear.
- We think early about who needs to be part of the work and how we will work together.
- Links and dependencies with other pieces of work are clear.
- We choose programme and project management tools and methodologies that are fit for purpose.
- Cabinet, parliamentary, central agency or in-house requirements are identified at the start of new work.
- Time is allowed to assure for quality throughout, not just at final draft stage.
- We agree early on expectations for review, sign out, decision making and the level of planning and control required.
- There is clear accountability for each policy output, project and programme.
- There is a good match between what people are asked to do and their skills and expertise.
- We seek feedback from ‘critical friends’. Peer review is part of how we do things.
- We are ‘strategically opportunistic’ – we seize opportunities, collaborate and draw connections that will support policy intent.
- Work is managed flexibly enough to integrate new information, re-prioritise tasks and make other changes as required.
- Trade-offs between time, quality, risk and completeness are made mindfully.
- Internal decision makers and managers are decisive when required, and flexible if further change is warranted in the future.
- The 80/20 rule of diminishing returns is applied when timeliness is critical.
Policy intent, objectives, direction of travel, appetite for risk and innovation are tested early and often with decision makers and influencers.

The level of communication matches the level of uncertainty and change surrounding the work.

Decision makers are always made aware of the ‘stage’ or completeness of advice. Staged/gated decision making is advised where required.

New information and insights are integrated into the ongoing stream of advice.

We are willing to challenge our earlier assumptions or conclusions in light of new information.

We have identified the expectations of stakeholders. Engagement occurs early and often (unless discretion is required).

We connect with those likely to be impacted by the policy and those who will implement it.

We value insights that are based on the lived experience of the ‘citizen-as-customer’ and the frontline; we know how to generate these insights and use them to inform advice.

We are willing to examine issues beyond institutional boundaries and silos.

We value and cultivate capacity for multi-disciplinary analysis.

We consult with analysts and experts from across our agency (policy, operations and business functions) as well as external co-producers to pre-empt problems and confirm requirements for implementation.

We counter our own biases by checking our thinking with others.

We build relationships with potential delivery partners, experts and key organisations inside and outside of government.

We have built up trust by being responsive to others and engaging openly.

We make the most of our relationship capital to support intent and outcomes.

We are savvy – we understand roles in the policy process, how decisions are made, who makes and who influences them. We use that awareness to help achieve objectives.

Our practice is influenced by lessons learned from past successes and failures.

To build our internal knowledge base and evidence-based understanding of what works, we invest in:

- measuring results and benefits/impact
- feedback loops and fit-for-purpose evaluations to understand what worked, what didn’t, and how to improve
- in house or commissioned research to keep our view of what works fresh and current
- knowledge of expertise and evidence sources outside our agency
- Our advice contains a clear storyline on short, medium and longer term outcomes.

Quality Enablers – Advice that is high quality and influential is more likely when:
Key insights along the way

During the design and testing of the PQF a number of insights emerged related to changing expectations and the context for the design and delivery of policy advice.

Commonalities exist – and don’t

Agencies have fairly consistent policy quality criteria, especially related to ‘hygiene factors’ such as how papers are written and how advice is presented, but there is no obvious consistency of strategies and processes for improving the overall quality of advice. Agencies tend to go it alone and end up reinventing the wheel.

There is scope to build on and share good practice in a range of areas, to the point of agencies becoming ‘centres of expertise’ offering advice and support to peers in a given area (for example, in agile project management, commissioning, peer review panels).

A culture of quality improvement not just audit

Most policy agencies rely on external reviews of their policy quality. These reviews are useful for benchmarking and tracking changes in the quality of papers over time. However, most assessments are limited to periodic reviews of papers which are assessed without any background information on context or process. Many agencies concede that they derive little added value from assessments. There is increasing acknowledgment that assessments only yield returns when linked to follow up improvement activities (which many currently do not) including feedback to authors and calling out where things were done well or where there was room for improvement.

There is also growing recognition that scoring of papers can create perverse incentives, for example to stop striving for improvement at ‘7’ (out of 10), or to focus on what elements are ‘score-able’ rather than what matters (given the intent and context of the policy advice).

Ex post assessments need to be seen as just one element in activities to drive improvements in the quality of policy advice.

Agencies that have invested most in lifting the quality of advice have introduced a range of tools and processes - such as checklists, guidance, peer and panel reviews - and use reviews of quality for learning and development purposes. In short, building a culture of constructive challenge and feedback and a commitment to quality assurance is critical to lifting the quality and consistency of policy advice.
Key insights along the way

The policy cycle is dynamic and iterative

Traditional policy cycle models have high theoretical value, but in practice policy making is much more iterative, much less staged, more (small 'p') political and more bound by relationships and contexts than these models suggest. Indeed, in the 1990s the UK Cabinet Office explicitly rejected the use of policy cycles on the basis that they did not reflect the reality of policy making.

The theoretical policy cycle looks something like this:

In reality the policy cycle looks more like this:

The PQF attempts to span the gap between theory and practice by focusing on the characteristics of quality advice, but also the processes and practices that enable good advice in what, in practice, is a highly dynamic context.

1. Engage in problem definition
2. Propose alternative responses to the problem
3. Choose criteria for evaluating each alternative policy response
4. Project the outcomes of pursuing each policy alternative
5. Identify and analyze trade-offs among alternatives
6. Report findings and make an argument for the most appropriate response
Key insights along the way

Not all advice is created equally

Notions of quality are not fixed but vary depending on the nature of the policy output requested, the outcomes sought, and the level of change required.

The model opposite shows the relationship between the type of advice sought, and the skills and capability required to deliver it. It indicates the level and detail of analysis, time, management tools etc., needed to deliver quality advice.

An understanding of intent and the level of change required needs to be part of the planning process, allocation of resources and associated risk management, so that ‘big’ policy changes get the right wrap-around focus and support.
Key insights along the way

Results and implementation matters

There is an increasing expectation of ‘frontloaded advice’ that is specific about intended impact and results of the policy change, and has a mechanism for tracking benefits (e.g. through benefits realisation and/or planned evaluation). It should also weigh up expected benefits against costs (exemplified in Regulatory Impact Assessments). This highlights what is desirable, possible and viable (seen in increased standards for business cases, and in practices such as prototyping and testing ‘what works’ at the intersection of frontline and customers). Advice also needs to confront implementation – giving a clear picture of what the policy would look like on the ground and high level view of what it would take a to deliver what is recommended.

The best advice draws on multiple perspectives

Policy advice increasingly needs to draw on a wider range of perspectives including from ‘the citizen-as-customer’, big data, frontline staff and experts inside and outside of government. This requires particular skillsets and a deliberate approach to gathering and generating evidence and insights from multiple domains. It means being able to distil information and insights from multiple sources into workable policy options. These skill sets are included in the Policy Skills Framework.

Who is the customer?

Our public management model has emphasized the message that “the Minister is the customer [of advice]”. This means that agencies need to negotiate a work programme that meets the Minister’s agenda and subsequently provides advice that helps each Minister meet their policy intent. We also need to understand the drivers for Ministers and frame advice accordingly. However, the ‘Minister as customer’ scenario should not dissuade us from providing free and frank advice or from exercising stewardship (maintaining the capability to provide free and frank advice to successive governments). The Head of the Policy Profession set out expectations on free and frank advice in a speech on the subject.

The drive for greater citizen engagement in government also calls for advice centered around end-users / beneficiaries, who we also sometimes refer to as “customers”. We should not trip over semantics. There is not an either-or but a ‘both-at-once’ expectation that we deliver quality advice to ministers as the customers for policy advice and deliver policy outcomes that add value to the lives of New Zealanders (as the customers of good policy). This was put plainly by the Minister of Finance when he met with the Tier 2 Policy Leaders group:

Ministers are the intermediate customer. The ultimate customer is the public you are serving – the industry we are regulating, the vulnerable people we need to support.
Key insights along the way

Planning and management is crucial for quality

Policy professionals are increasingly expected to be good planners and managers of the policy process. Agencies are giving attention to sharper commissioning processes, and striving for clarity about policy scope and intent, as well as the effort and resourcing required.

Some agencies are seeing that they need to more actively manage the work programme overall. Explicit trade-offs to manage the workload are part of this scenario (‘if we do this then we’re unlikely to have capacity to do that’). Work programming needs to factor in the ability to respond to emergent priorities of the Minister, to participate in cross-ministerial initiatives, and to give due attention to agency-generated priorities including investment related to chief executives’ stewardship roles.

Larger scale or higher stakes policy requires the rigour offered by project and programme management methodologies. However, standard project management methodologies that value control over agility are not well suited to the policy context. Agile project methodologies may be more suitable but still tend to be too IT and product focused. There are some promising bespoke methods being developed in NZ policy shops that could be built on and shared.

Managing work programmes in order to be responsive to immediate demands while simultaneously building capability to deliver quality advice in future requires good information about capability. The Policy Capability Framework provides a self-assessment tool for agencies to review their capability and is an important complement to the PQF.

Effective relationships

The ability to act as a broker, to negotiate and to sustain working relationships across agencies, as well as with organisations external to government, and with groups within the agency (e.g. with functional teams like finance, legal and procurement) is important to delivering quality policy advice.

Communication is equally important (and part of effective working relationships). This is especially true when there are high levels of uncertainty or change. Good communication is required for example, to manage changes from initial commission to final deliverables, and for being able to incorporate the latest information into advice.

Advisors also need to stay in touch with the decision maker. Testing early and often with the Minister, as well as with senior leadership, key agencies and other stakeholders (including the user where practicable) will reduce risk, minimize rework and can build buy-in to the advice that is ultimately given. This approach also resonates well with innovation and design principles of being willing to “fail faster to learn harder”.

The skills and capabilities required for effective relationship management and communication are spelt out in the Policy Skills Framework.
What is critical to the success of the PQF?

**Functionality** – meaning the PQF must

- provide a foundation for assuring the quality of process as well as outputs
- be able to be used as a foundation for quality assurance during policy development
- be able to be used as a foundation for ex post assessment tools
- be able to diagnose areas for improvement that will lift quality

**Usability** – the framework must be:

- easy to use
- easy to access
- striking the right balance between effort, efficiency and effectiveness
- developed enough to be readily adopted by agencies
- robust enough to retain core integrity, but can be adapted by agencies

**Rigour** – the PQF must

- give assurance on common failure points
- uphold modern expectations and specific requirements for ‘good’ policy advice

**Maintenance**

- it must be able to be refreshed periodically to incorporate ‘the new normal’ as it changes over time.
A peer review checklist for providing feedback on draft advice.

Ex-post assessment guidance to provide information on panels and processes

Ex-post assessment template for reviewing the quality of advice and analysis in policy papers

How the PQF was developed, insights and applications