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Public Impact
A BCG FOUNDATION

We know New Public Management fails. What else can we do?

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Overview

Overview of Human Learning Systems as alternative public management approach

- What is Public Management?
- Why is complexity relevant to Public Management?
- The Human Learning Systems approach

What is the strategy to bring about change?

- Paradigms and paradigm shift
- Our role in creating paradigm shift

Human Learning Systems in practice

- Plymouth example

What is Public Management?

Public Management is how Government plans and organises its work

(Sometimes called 'Public Administration')

New Public Management: “Markets, Managers, Metrics”

Metrics: public service objectives must be measurable

Managers: We create a class of workers whose job it is to test whether desired objectives are being achieved

Markets: The best way to achieve value for money in meeting these objectives is to get firms to compete to deliver desired metric data

Failure of NPM

NPM does not work in complex environments.

It creates gaming, perverse incentives, and makes the job of public service harder.

**“The unconscionably long death of
New Public Management”**

Sir Peter Housden (2016) Rethinking Public Service

“So what else can we do?”

Embrace the complexity of the real world.

Complexity

Why is complexity relevant?

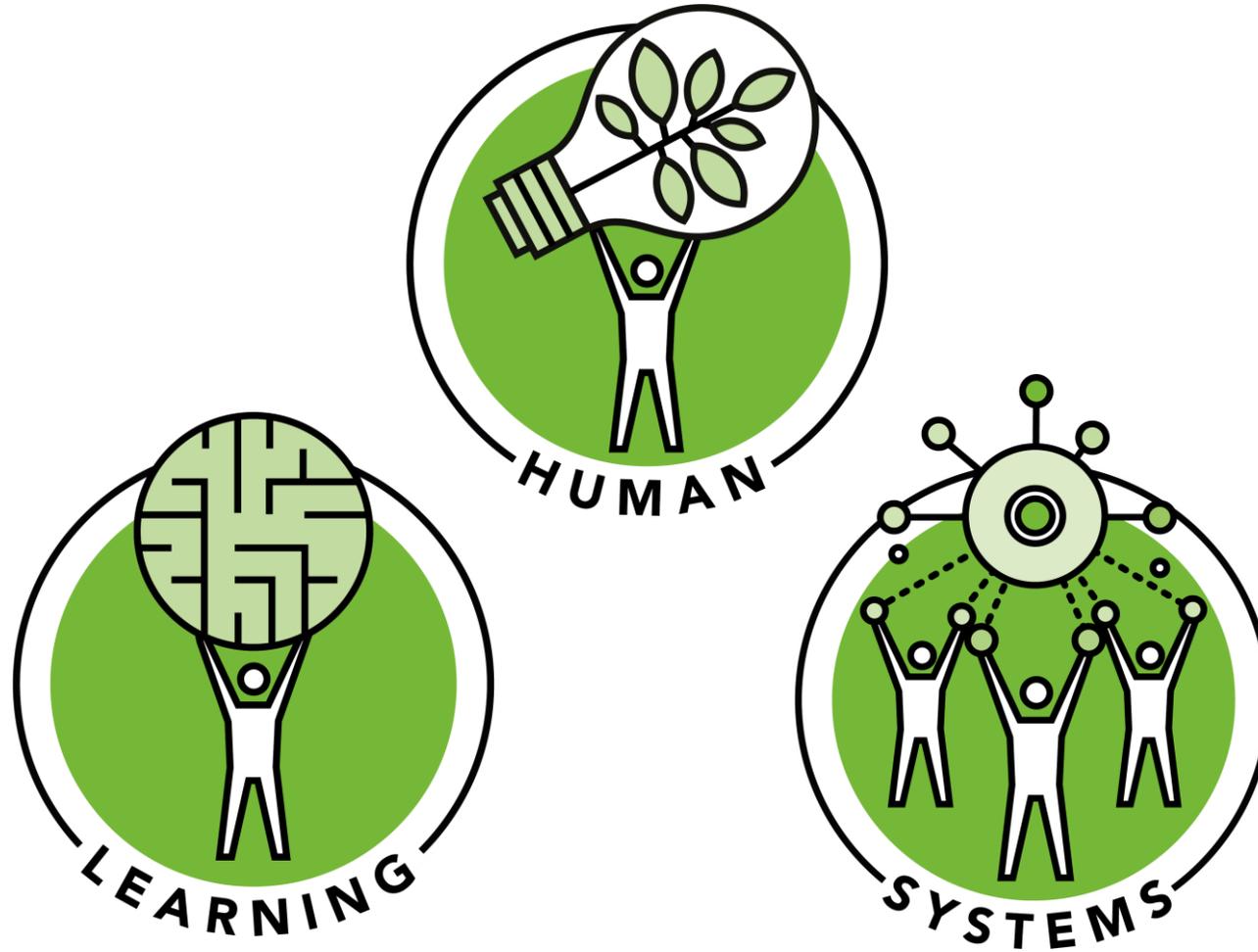
Our assertion:

Complexity is important because it describes the fundamental processes by which the **outcomes** we care about are made.

If we fail to understand and embrace complexity, we will not be able to create the outcomes we seek.

What does complexity require of us?

- The capacity to respond to **variety** - each person's strengths and needs are different
- The ability to **adapt to change** - the context in which social interventions are undertaken constantly changes
- The ability to **shape systems** whose behaviour can't be reliably predicted, and which no one controls.



www.humanlearning.systems

Key ideas

Funding, Commissioning and Managing in complexity involves:



Service Purpose: Meeting Human strengths & needs



Management: Focus of management is creating conditions for learning and adaptation



Leadership: Nurture healthy Systems to create positive outcomes - be a System Steward



Human



To be Human, put on your VEST:

- Respond to **Variety** of human need and experience
- Use **Empathy** to understand the life of others
- View people from a **Strengths-based** perspective
- **Trust** people with decision-making



collaborate
for social change

Learning



In a complex environment, **learning is a continuous process**

There is no such thing as “what works” - because “what works” is always changing.

“What works” is a continuous process of learning and adaptation.

= funders and commissioners are “purchasing” the capacity for organisations to **learn and adapt.**

Learning

Learning is enabled by:

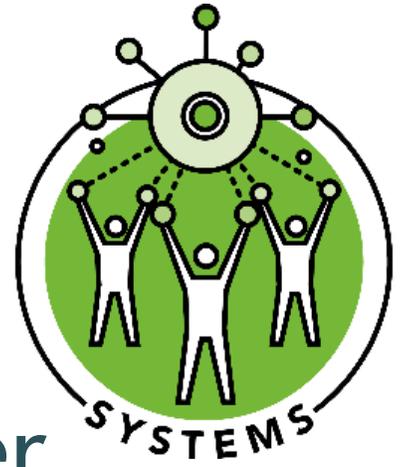
- Funding for learning, not 'results'
- Creating a learning culture:
 - Removing competition
 - Creating a positive error culture
 - Formal and informal spaces for learning
- Using data to learn





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Systems



Hypothesis: Healthy systems produce better outcomes

Who looks after the health of a system?

Role of **System Stewards**

Implications:

No targets – they prevent flexible, bespoke responses and they make the work less efficient

Build trust – you can't assume it. Work on your relationships.

Learn together – co-produce, experiment. Talk about what didn't work

Everyone's voice is important - work to make everybody heard

Build new forms of accountability/responsibility - mutual accountability and personal responsibility

Paradigm shift

Adoption of **Human Learning Systems** approach
is an example of **paradigm shift**.

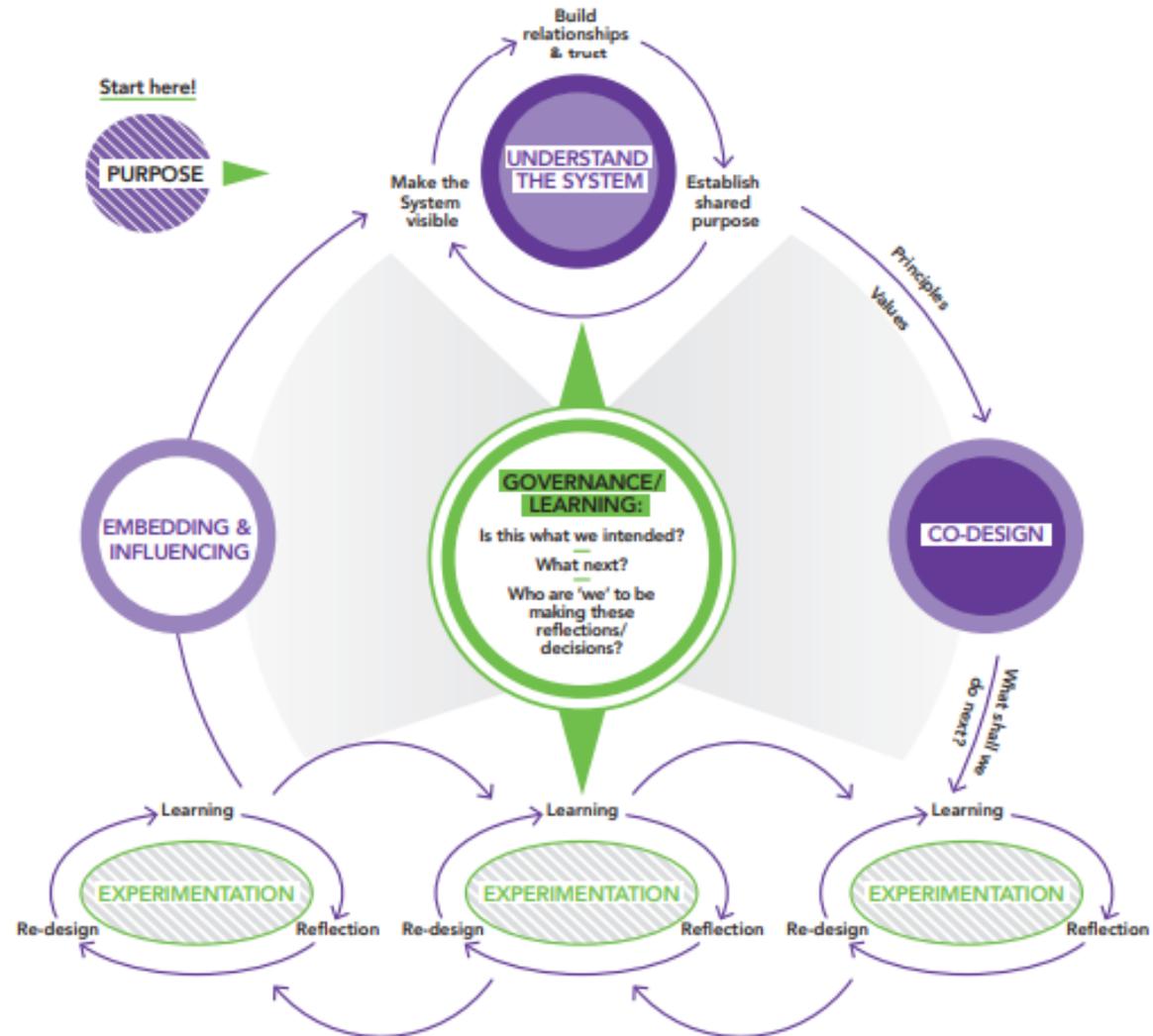
It's not just a different set of **practices or tools**

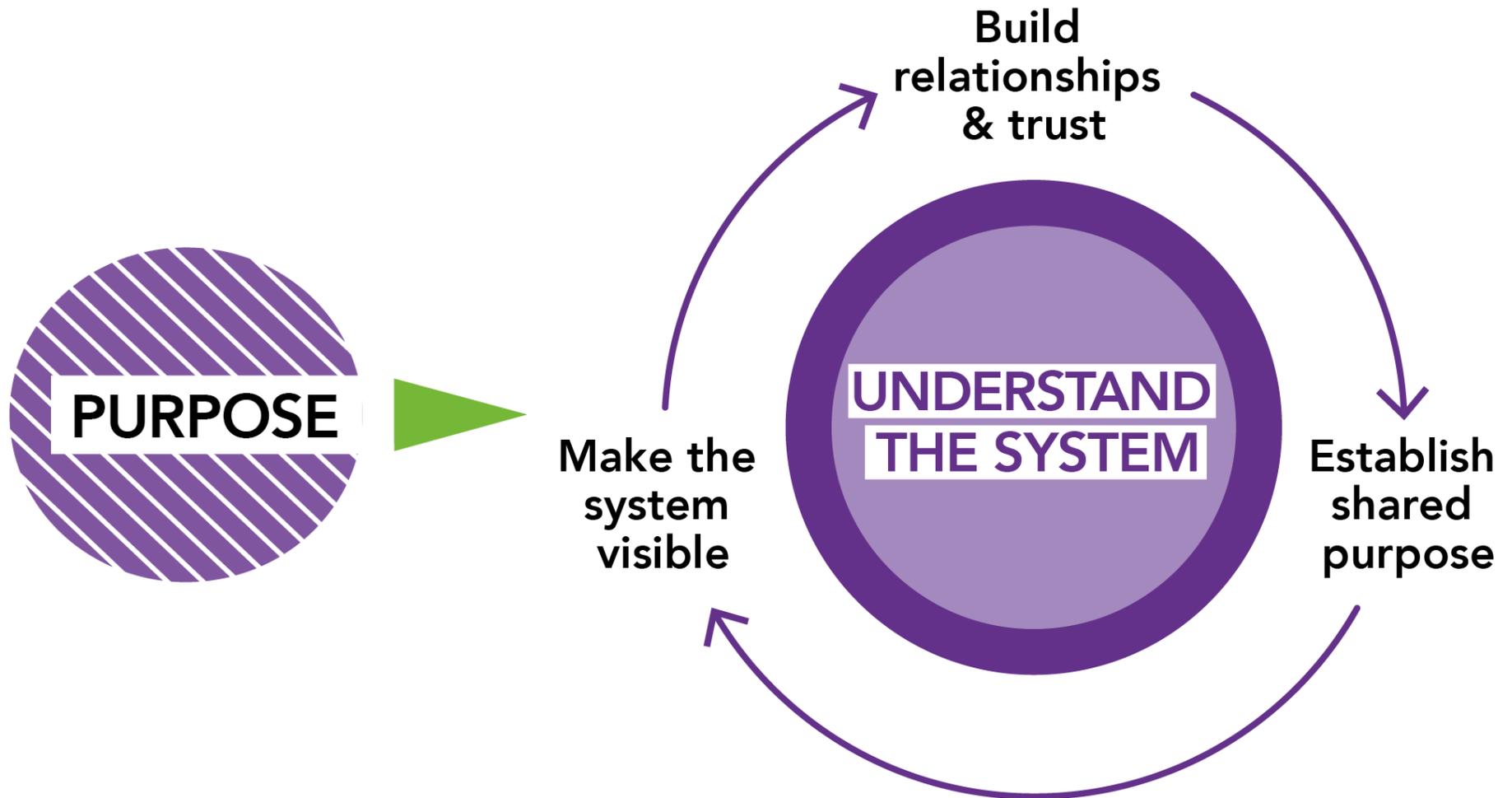
From: Control mindset

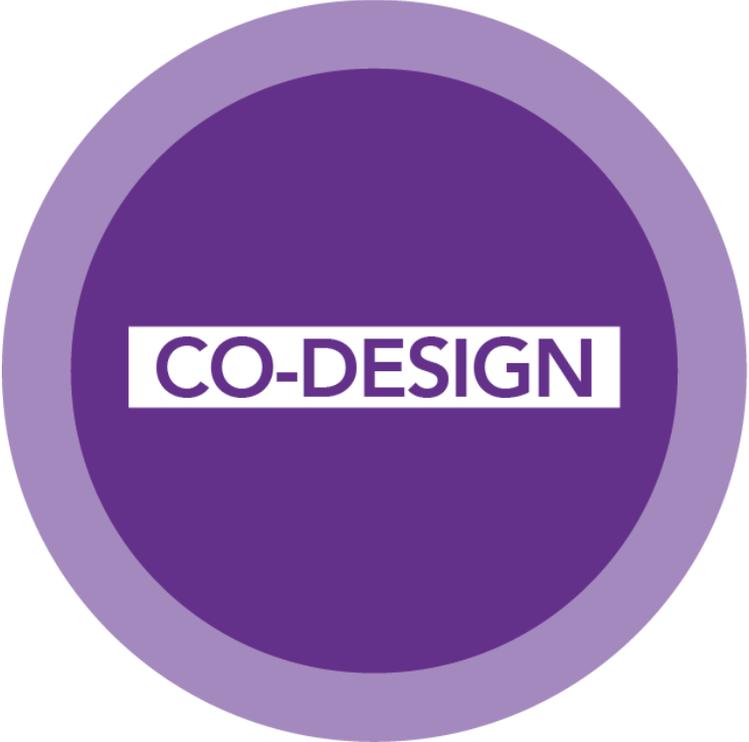
To: Enablement mindset

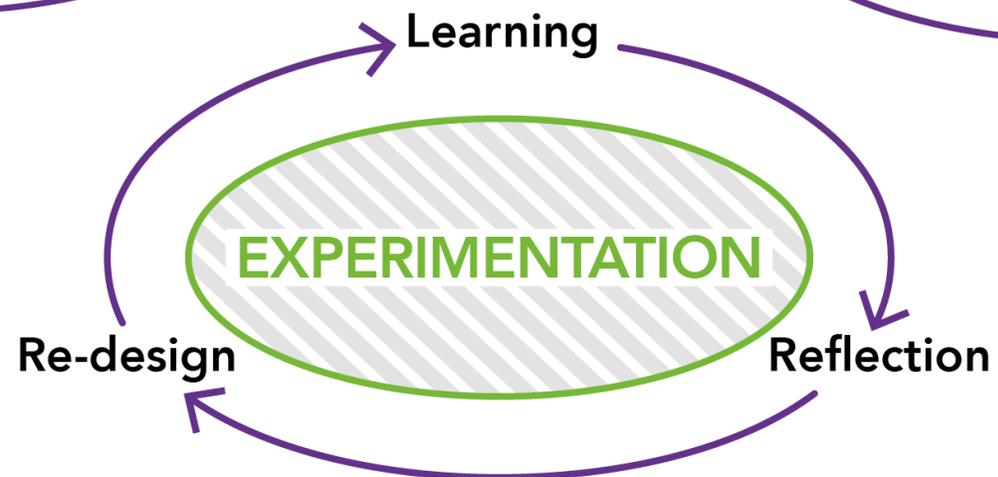
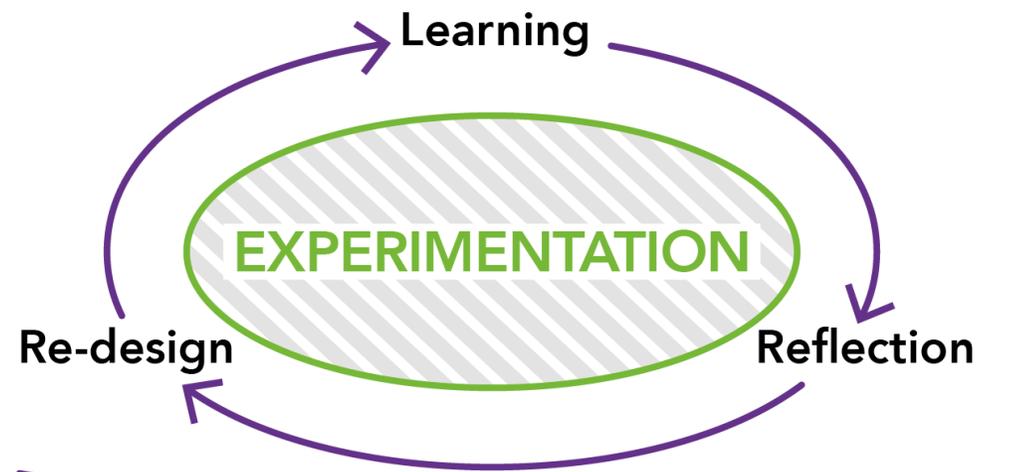
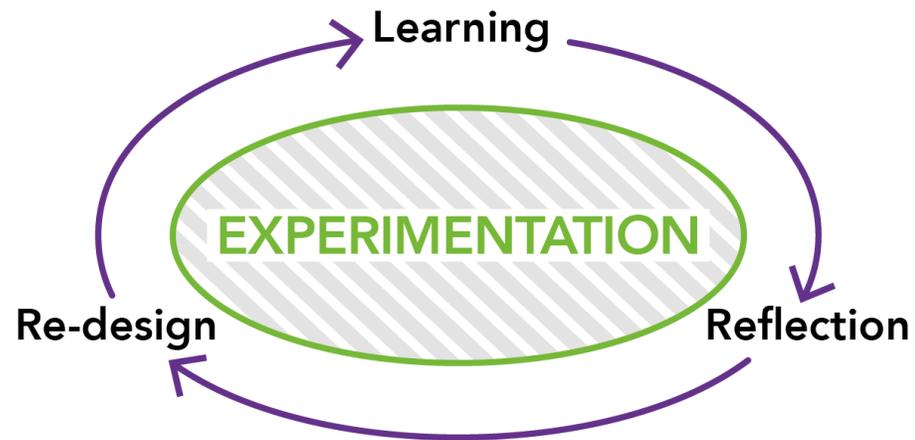
Finding and nurturing intrinsic motivation
Creating a system which makes this real

How do people implement this approach?













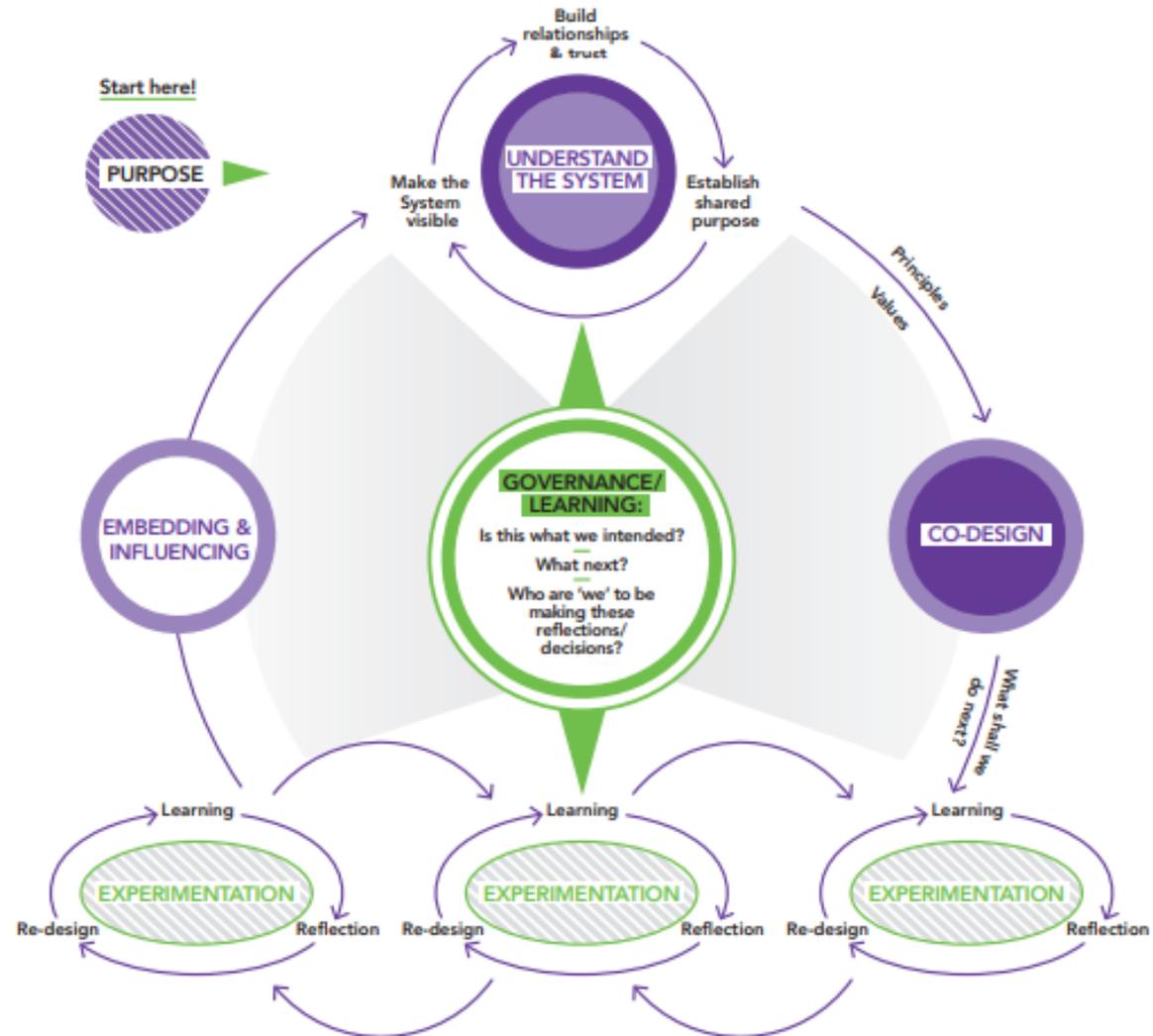
**GOVERNANCE/
LEARNING:**

Is this what we intended?

—
What next?

—
Who are 'we' to be
making these
reflections/
decisions?

Human Learning Systems - life cycle of change





**How can you bring about
this change?**



Experiment, experiment, experiment

Where is the energy to try something different? Who has experienced failure of NPM?

What size of experiment can you create permission for: big enough to be meaningful, small enough for it to be ok for things to go wrong

Be rigorous: if this is an experiment, how will you learn?

Don't waste energy on the sceptics: build a coalition of the willing



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Whole systems for whole people
The Plymouth Alliance for Complex Needs

Gary Wallace
Office of the Director of Public Health
Plymouth City Council

Acknowledgments



- We used the Leadership Centre to facilitate our system exploration
- We used Linda Hutchinson to facilitate our work around alliance contracts and there is information here <http://lhalliances.org.uk/> on alliance contracts. I am using two of her slides on Alliance contracts.

Plymouth Integrated Commissioning



Created **ONE** system:

- Integrated governance arrangements
- Four Strategies
- Commissioning of an integrated health and social care provider for the city

Creating **ONE** budget:

- Section 75 between NEW Devon CCG and PCC
- Integrated funds £638 million gross (£462 million)
- Risk share and financial framework

People and place:

- Relationships
- Trust
- Co-location in one building

An Alliance is ...



- A vehicle to share risks, responsibilities and opportunities
- A way of working based on alignment around the outcomes and commitment to the principles and behaviours
- Not a legal entity; participants retain own identity and internal controls

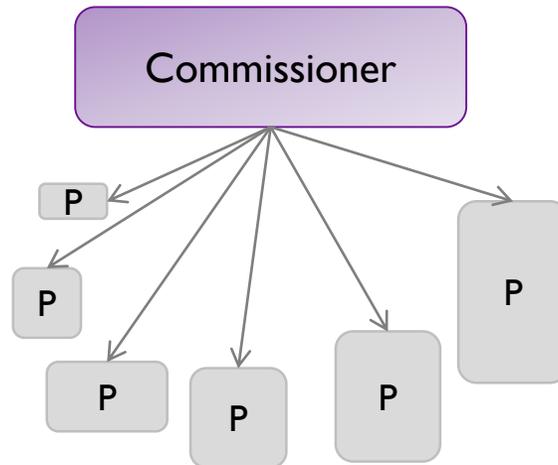
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Alliance contract

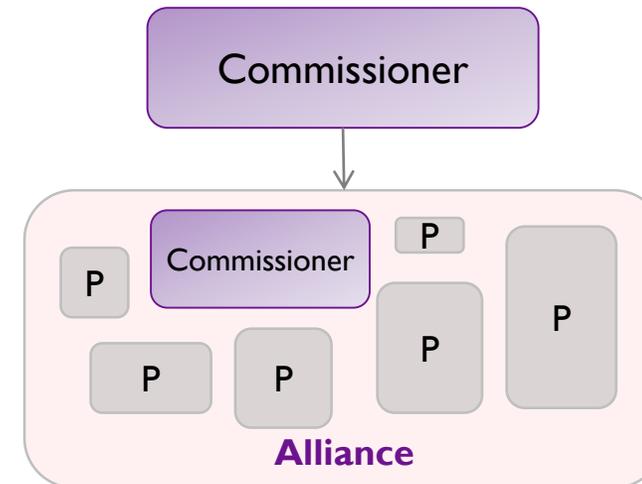


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Traditional contract



Alliance



Alliance principles



PLYMOUTH

All of Us commit to working to Alliance Principles which are:

- (a) to assume collective responsibility for all of the risks involved in providing services under this Agreement;
- (b) to make decisions on a 'Best for People using Services' basis;
- (c) to commit to unanimous, principle and value based-decision making on all key issues;
- (d) to adopt a culture of 'no fault, no blame' between the Alliance Participants and to seek to avoid all disputes and litigation (except in very limited cases of wilful default);
- (e) to adopt open book accounting and transparency in all matters;
- (f) to appoint and select key roles on a best person basis; and
- (g) to act in accordance with the Alliance Values and Behaviours at all times.

together the "Alliance Principles".



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THE CASE FOR CHANGE

Complex Needs



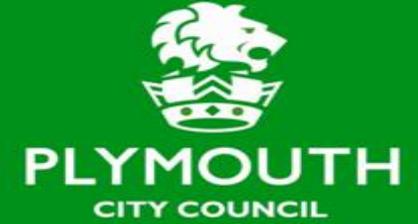
- Process started 2012 with lottery bid – involved over 70 services, 400 people using services and their carers, elected reps, key decision makers
- Meetings, themed groups, market events, twitter, webpage, 1:1, published evidence.
- Produced a very rounded picture of the problems and a very comprehensive vision of the best way to overcome them
- Refreshed 2015 and 2016 - led by services and people using them

Commissioning – broad themes



- Seen as top-down, opaque, and disempowering process
- ‘Master – servant’ relationship rather than an inclusive, partnership between commissioners, services and service-users, as well as their families and communities
- Commissioning carried out in silo’s with little regard to what other ‘silo’s’ are doing
- Commissioning for near horizons, rather than as part of a long term strategy
- Commissioning as a problem setter, rather than a problem solver

Service Provision



- Service users often feel ‘done to’, rather than ‘worked with’ and, as a result, they feel disempowered and marginalised
- There is a mismatch between what workers value about their work and what consumers value – specialisms and expertise vs authenticity, warmth, persistence
- Services were largely unaware of the detail of what other services provide
- Labels and Thresholds have become barriers to access, rather than enablers. Often driven by targets.



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UNDERSTANDING THE SYSTEM

Starting Question



In an ideal world (and within available resources) what would the system for people with complex needs look like from the perspective of 'system users' and how would we know?

Approach



- **Workshops** provided theories, tools and time to plan action together.
- **Fieldwork** gave support to explore ideas in more depth, gather new information and test new ideas.
- **Learning labs** offered coaching individually and collectively to reflect on our learning as systems leaders.
- **Mass co-production** gave representative feedback
- We are constantly trying to build **empathy, insight** and **understanding** for everybody in the system

The process in steps (exploration phase)



- Sharing why we are where we are
- Introduction to systems and system leadership
- Identifying the value we wanted to add to the system
- Creating 'empathy maps' – building understanding of life in a complex system
- Agree areas of focussed enquiry
- Planning fieldwork to build relationships with people through the enquiry (witnessing)
- Sharing our fieldwork stories

The process (exploration phase)



- Reframing enquiry questions from a persons perspective
- Fieldwork round 2
- Synthesis of enquiry learning
- Horizon scanning – data, money, policy, research etc
- Repeat until all feel we have a rounded understanding



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**AGREE WHAT WE WANT TO
ACHIEVE**

Reaching Agreement and co-design



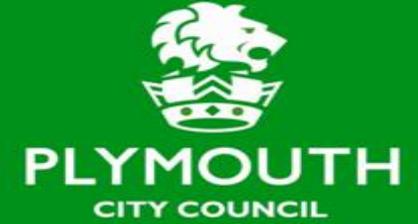
- There is no 'magic' to this phase
- Iterative discussion
- Referring back to fieldwork
- Engaging decision makers
- Identifying cultural differences that need work
- Checking back with each other and with our people
- Identifying rapid prototypes to test ideas

Experimentation



- Not so much a phase, more a constant process
- Good ideas are not an artefact of hierarchy, anybody can have one
- Our practice is to encourage everybody to try things – it is infectious
- Minimal governance around this. Is it legal? Is it safe? If yes then go for it!
- Gather the learning (good and bad, it's all learning) and repeat or try something else
- Embed what has worked well (but be prepared to change it if learning or circumstances change)
- This is as much about introducing thoughtful (as opposed to routinised) approaches as the experiments themselves

Culture



- Most of the issues we encounter are cultural rather than structural
- We only invent new structures that support culture change and system learning loops
- Most of what we are doing is about building new culture together
- We work hard to build empathy between system actors
- We try to reframe problems positively eg rather than resistance we recognise that people are highly affiliated to their services
- Our role as leaders is build new affiliations by engaging people in experiments, prototypes, co-design and integrated delivery
- As Mark Smith says, 'we don't need new public servants, we need new public services'

Some stuff



- We still collect data on mandatory targets but we treat them as aids to learning, we do not performance manage them
- We are constantly wrestling with metrics that tell us about how the system is functioning and how we understand 'success' in asset based ways
- We have a relentless focus on what actually matters to people
- We are working to develop assurance mechanisms rather than accounting mechanisms/governance
- In HLS you reach a point where it is hard to communicate with NPM because we have no familiar landmarks for them. It requires a lot of work, transparency and openness to overcome this.