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**Policy with  
impact**

**New approaches to  
policymaking**

*Jake Thorold*

April 2017

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For their input and support, thanks are owed to: at the RSA Jonathan Schifferes, Ian Burbidge, Janet Hawken, Amanda Kanojia, Charlotte Alldritt, Anthony Painter and Kenny McCarthy; at the Centre for Public Impact Harriet Loos, Danny Buerkli, Amy Noonan, Adrian Brown and Nadine Smith; the speakers at our seminars Dr Andrea Siodmok, Dr David Halpern, Barry Quirk, Dr Jill Rutter and Gavin Kelly. Finally, particular thanks to Matthew Taylor for his support throughout this project.

## **About the author**

**Jake Thorold** is an intern in the Public Services and Communities team at the RSA. He has a background in history and filmmaking and previously worked for Clinton Global Initiative in New York.



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# Chairs' forewords

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I was pleased to contribute to the RSA's joint seminars with the Centre for Public Impact, and welcome this short summary of our discussions. With the national political agenda now dominated by the UK's departure from the European Union and with the long shadow of austerity often leading to pessimism about the capacity of policy to improve outcomes, it is important not to just to critique the high incidence of policy failure but to explore how things could be different and better.

While this report glides lightly over a huge range of issues and debates, we hope its value lies in providing some fresh impetus to a much needed debate about 21st century policymaking. In a world of fast changing public attitudes and expectations, complex challenges and even more radically changing technological possibilities our political and policymaking systems can seem remarkably immune to the kind of radical reset they surely need. We need not just new ideas but new partnerships – like that between the RSA and CPI – that start to develop a consensus about the key features of a policymaking framework more likely to succeed. This emerging consensus needs to stretch from enlightened people inside the system to the wider policy community and the public. The RSA hopes to make the reform of policymaking and the modernisation of public institutions and services a major theme of our future work. This discussion paper is a useful starting point.

I should end by thanking Adrian Brown and his team at CPI for their partnership, and commending the work of RSA intern Jake Thorold who took this project from inception to successful completion in a matter of a few months.

**Matthew Taylor**  
Chief Executive  
RSA

*Policies that achieve tangible, positive impact.* Easy to aim for yet so difficult to deliver – despite the best efforts of ministers and civil servants alike.

Even without the looming shadow of the Brexit negotiations, the political terrain is pockmarked by challenges large and small. From social care funding shortfalls to NHS woes to economic insecurity, the outlook is uncertain at best. That's why there is no better time to examine how to improve policymaking – we've all got a stake in making sure that government performs as well as possible.

The recent seminars hosted by the RSA and the Centre for Public Impact sought to help turn this vision into reality. Bringing together government leaders and an eclectic group of stakeholders resulted in fresh insights and exchanges, best practices and new connections. Already, it is clear that navigating the path ahead will require such discussions and interactions to proliferate in the weeks and months ahead.

I have had the good fortune to work with Matthew Taylor for a number of years and this programme of work has been a vivid reminder of his deep qualities and insights – clearly shared in abundance by the wider RSA team. My thanks and gratitude for their efforts and fine collaboration.

This discussion paper is very much the beginning of a process. Doubtless there will be many twists and turns along the way. But while change is never easy, this is no time to pull back. The prize of better outcomes and stronger policymaking await.

**Adrian Brown**  
Executive Director  
Centre for Public Impact

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# Summary

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The Centre for Public Impact (CPI) and the RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) have been collaborating to explore how government policymaking systems and structures could be improved to deliver more impactful policymaking. With the support of CPI, the RSA convened two seminars in February 2017 to consider this topic in more depth, bringing together Whitehall policymakers, local government figures, charities and academics. We hope that this work contributes to an ongoing conversation concerning how policy can do better in its critical function: achieving positive impact for citizens.

This report builds upon an initial stimulus paper distributed to seminar attendees by drawing on insights offered at the two sessions. We'd like to thank the attendees for their valuable contributions. Rather than a comprehensive manifesto for how to revolutionise policymaking, this report offers the outline of a new consensus and gives direction for further inquiries into improving policymaking.

This report explores CPI's recent Public Impact Fundamentals research and the RSA's call for policymakers to 'think like a system, and act like an entrepreneur'. In combination these frameworks suggest that policymakers need to be alert to a broader range of factors drawing upon a wider and more experimental set of methods and insights. In particular, our seminars emphasised that policymaking processes need to understand legitimacy as a key factor in success, and consider the methods by which it might be generated in advance of a policy intervention.

Legitimacy for any given policy does not, of course, exist in a vacuum from the broader political context. Policy often fails not due to its own flaws, but because of dynamics in the broader political landscape. This points to a major challenge posed at the workshops concerning the relationship between politics and policy, which can be counterproductive and uncomfortable. This report suggests that substantive change may require political and policymaking processes to be reformed in concert although a detailed consideration of this is beyond the scope of this paper.

This paper is structured around the following core questions:

1. Why is a focus on policymaking processes important?
2. Considering a new policymaking framework
3. How can government move towards a new policymaking system?

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# Why is a focus on policymaking processes important?

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## A 'crisis of legitimacy'?

Government and democratic politics more broadly is at present experiencing what could be described as a 'crisis of legitimacy'. Public confidence in politicians is low, with little belief that government has the ability to solve 'wicked' problems such as low living standards, intergenerational cycles of poverty locally and strain on the NHS driven by increased demand from a population living longer. It has been further undermined in the UK by scandals such as MP's expenses and divisiveness of events including last year's European Union referendum. Stakeholders and the public feel increasingly disengaged and disenfranchised by politics, resulting in a backlash against what is pejoratively labelled as the 'status quo'.

Statistics lend support to this thesis. Yougov found in 2015 that just one in 10 people believed that British politicians want to "do what is best for the country", while just 20 percent believed that politicians possessed the technical knowledge needed to "address the problems that Britain faces today".<sup>1</sup> A 2016 study showing that less than 30 percent of Britons born after 1980 believe it to be essential to live in a democracy is troubling.<sup>2</sup>

Public policy failure is both a cause and effect of this 'crisis of legitimacy'. Regular policy failure and accompanying media coverage contribute to a perception of government inadequacy. This in turn makes successful and impactful policymaking harder to achieve. First, it is less likely that a policy will be given the necessary support by the public and other critical stakeholders to enable it to achieve public impact. Second, even when a policy has met its stated goals, people don't perceive its public impact.

1. Jennings, W. et al (2014) *Political disaffection is rising, and driving UKIP support*. London: YouGov. Available at: <https://yougov.co.uk/news/2014/10/29/political-disaffection-not-new-it-rising-and-drivi/>

2. Mounk, Y. and Foa, R.S. (2016) The Signs of Democratic Deconsolidation. *Journal of Democracy*. 27(3). Available at: <http://www.journalofdemocracy.org/sites/default/files/Foa%26Mounk-27-3.pdf>

Media consumption statistics support the notion that public impact often gets ignored. Data points to a majority more interested in endless scrutiny (whether valid or sensationalist) of public service and policy failures, as opposed to successes.<sup>3</sup> People seek – and, in the age of online news and selective social media ‘bubbles’, are exposed to – information that confirms their existing viewpoints.

Reforming public policymaking is, of course, not the only route to tackle the multifaceted nature of the crisis of legitimacy, but it has a role to play. Retaining current policymaking structures risks entrenching the problem further: producing more policy failures resulting in further disaffection, and wasting public resources. More than ever we need to understand how to achieve better social, economic and environmental outcomes through policymaking, and consider new and creative processes that are responsive to the current moment and the expectations and aspirations of citizens.

Improving public policymaking is a significant undertaking, especially as the UK government faces a set of intensifying long-term challenges. Many government interventions now operate in a climate of volatility, uncertainty and complexity. New data and digital capabilities demand that government operate faster in circumstances difficult to predict. Moreover government is subject to perpetual media scrutiny with its decisions dissected instantly and often ruthlessly by disgruntled voices on social media and elsewhere.

There are, however, ample opportunities for change amidst this challenging situation. Technology has provided us with better mechanisms than ever with which to listen to citizens, gather valuable data and deliver strong messaging on policy reasoning and purpose. More broadly, failure – real and perceived – has produced an appetite for change born from a growing acceptance that government cannot go on with ‘business as usual’. This window of opportunity makes this a timely moment to consider questions of public policymaking reform.

A difficulty with attempting to develop novel frameworks to improve the processes of policymaking is that the volatility, uncertainty and unpredictability of politics can get lost in abstract considerations of ‘how things could be better’. Policymaking is often driven by short-term considerations such as political crisis or media scrutiny, leaving no time or room for the kind of systemic policymaking approach that we advocate. We address this, albeit briefly, in the final section of this report. Policymaking will always be subject to these type of pressures and rushed – and inevitably failed – policy will continue to be a feature of Whitehall. Nevertheless, the modes of thinking that we advocate can reduce these instances, as a culture of policymaking predicated on systemic thinking, user centred design and iterative approaches takes root.

3. See Voltmer, K. (2009) The media, government accountability, and citizen engagement in Morris, P. (ed.) *Public Sentinel: News, Media and Governance Reform*. Washington, D.C.: The World Bank. Available at: <https://www.hks.harvard.edu/fs/pnorris/Acrobat/WorldBankReport/Chapter%206%20Voltmer.pdf>

## The decline of New Public Management

The history of public management and the processes of policymaking is long and complex, and would require multiple books to review comprehensively.<sup>4</sup> Nevertheless a broad sweep of the major trends in the UK over the last half century may be useful in illustrating the current context.

New Public Management (NPM) was the dominant public sector reform ideology of the late 20th century in the UK and United States.<sup>5</sup> At its core, NPM emphasised that the delivery of good policy was borne from effective management structures centred on principles of efficiency and accountability previously more commonly associated with the private sector. The ideal civil servant shifted from the creative policymaker to the competent public manager: the person who got things done. Closely linked to the ascendancy of neo-liberalism in the 1980s, NPM advocated the transposition of business and market principles and management techniques into the public sector. This model prioritised lithe, efficient structures, epitomised by large-scale instigation of arm's length bodies – or 'quangos'— free from the stifling bureaucracy and political interference of government. Incentives regimes were also altered through extensive introduction of targets, delivery strategies in government, as well as financial rewards for high performing public servants. This was coupled with a new emphasis on accountability, expressed through rigorous data collection and inspection regimes led by new bodies such as Ofsted.

Neo-liberal influence was perhaps most obvious in the introduction of competition logics to the public sector. Public sector providers were made to compete with each other and non-governmental contractors in an effort to drive down costs and improve efficiency. The extent to which NPM achieved a level of cross-party consensus can be traced, for example, in the continuation by New Labour of market-oriented innovations in the NHS begun by the previous Conservative administrations of Margaret Thatcher and John Major.<sup>6</sup> The Labour government's 1999 *Modernising Government* white paper was heavily couched in NPM-type language as it set out how the Government planned to go about 'renewing our country for the next generation', guided by principles of 'best value / best supplier' and 'the quality and efficiency of services'.<sup>7</sup> While in part designed to dismantle unpopular Compulsory Competitive Tendering imposed on local public services provision by John Major's government, the Labour Government's 1999 adoption of 'Best Value', with its call for 'economic, efficient and effective services', is a further case in point.<sup>8</sup>

Since the turn of the millennium, however, the NPM consensus and the record of its impact has been increasingly challenged. As Wolfgang Dreschler summarises, 'in 2000, NPM was on the defensive, as empirical findings spoke clearly against it. In 2005, NPM [was] not a viable concept

4. See, for example, Dorey, P. (2014) *Policy Making in Britain: An Introduction*. London: SAGE Publications.

5. Dreschler, W. (2005) The Rise and Demise of New Public Management. *Post-autistic economics review*. 33(2).

6. Alcock, P. (2008) *Social Policy in Britain*. London: Palgrave Macmillan.

7. Strategic Policymaking Team Cabinet Office (1999) *Professional Policymaking for the Twenty First Century*. Available at: <http://dera.ioe.ac.uk/6320/1/profpolicymaking.pdf>

8. See Local Government Act 1999. Available at: <https://web.archive.org/web/20060228014729/http://www.opsi.gov.uk:80/acts/acts1999/19990027.htm>.

anymore.’ More recently, a 2015 review of NPM by Christopher Hood and Ruth Dixon argued that the NPM reforms had produced little evidence of cost savings or service improvement.<sup>9</sup>

Alternatives to NPM also emerged as this criticism gathered momentum. Initiated by Harvard professor Mark Moore in the mid-1990s, a robust critique of NPM has emanated from the notion and theory of Public Value. Questioning the assumptions of NPM, Public Value was driven by a conviction that “the social values inherent in public services may not be adequately addressed by the economic efficiency calculus of markets”.<sup>10</sup> In contrast to ‘Best Value’, Public Value emphasised a shift away from the primary focus on results and efficiency toward the achievement of the broader governmental goal of ‘public value creation’.

The emergence of Public Value has, however, done more to deconstruct a previous consensus of NPM than define a new one. As Williams and Shearer note, there is a “lack of clarity over what Public Value is, both as a theory and as a descriptor of specific public actions and programmes”.<sup>11</sup> While the UK government has been influenced by Public Value,<sup>12</sup> it has not found systematic expression in the manner in which policymaking is conducted or conceived. As a result many NPM reforms and processes remain embedded in government.

## New directions

There have been a range of efforts over the last decade or so to define a coherent alternative to NPM. Declaring in an influential 2005 essay that ‘New Public Management is Dead’, Patrick Dunleavy argued that the era of digital governance had arrived, bringing with it a new organisational paradigm predicated on reintegrating functions into the governmental sphere jettisoned under NPM, adopting holistic and needs-oriented structures, and progressing digitalization of administrative processes. As well as deploying IT and digitization as a means to improve internal government processes, Dunleavy emphasised that the entire relationship between citizen and state could be transformed based upon principles of transparency and engagement.<sup>13</sup>

9. Hood, C. and Dixon, R. (2015) *A Government That Worked Better And Cost Less?: Evaluating Three Decades of Reform and Change in UK Central Government*. Oxford: Oxford University Press.

10. Hefetz, A. and Warner, M. (2004) Privatisation and its Reverse: Explaining the Dynamics of the Government Contracting Process. *Journal of Public Administration Research and Theory*. 14(2).

11. Williams, I and Shearer, H. (2011) Appraising Public Value: Past, Present and Futures. *Public Administration*. Available at: <http://www.birmingham.ac.uk/Documents/college-social-sciences/social-policy/HSMC/publications/2011/appraising-public-value.pdf>.

12. See, for example Kelly, G. et al (2002) *Creating Public Value*. Strategy Unit, Cabinet Office. Available at: <https://www.sgb.gov.tr/IPA%20Projesi/1.%20Bile%20C5%9Fen%20-%20E%20C5%9Fle%20C5%9Ffirme/E%20C4%9Fitim%20Sunumlar%20C4%9FDe%20C4%9Feri%20-%20Politika%20Analizi%20ve%20De%20C4%9Ferlendirme/%20C4%9Fongilizce%20Dok%20C3%9Cmanlar/Petrus%20Kautto/%20C4%9FBolgili%20Dok%20C3%9Cmanlar/Creating%20Public%20Value.pdf>.

13. Dunleavy, P. (2006) New Public Management is Dead – Long Live Digital-Era Governance. *Journal of Public Administration Research and Theory*. 16(3).

In recent years government has moved to embrace digital innovations along these lines. In a 2012 white paper, *Open Data: Unleashing the Potential*, the Coalition Government sought to make government data easily accessible, transparent and understandable. The aspiration was for the public to serve as ‘armchair auditors’: a kind of ‘crowd sourced’ accountability method predicated upon citizens using newly ‘opened up’ information to hold public bodies to account.<sup>14</sup> It was hoped that open data would incentivize better choice and ultimately better outcomes for public services. As explained in the 2012 Department for Work and Pension’s *Open Data Strategy*, for example, ‘public reporting of data promotes higher quality and more efficient services, choice and accountability.’<sup>15</sup>

Coterminous have been efforts to improve policymaking through enhanced interdepartmental data sharing within government. Since 2010 better data sharing and management across government has been pushed as a way to avoid duplication of effort and guide better evidence-based policymaking. The various national ‘what works’ centres introduced in 2013 have formed an important part of this agenda, intended to develop effective and scalable policy based upon principles of enhanced data and best practice sharing. An admission in the recent Government Transformation Strategy (GTS) that ‘we need to get better at sharing data across organisational boundaries in ways that citizens are comfortable with’ indicates however that public concerns concerning privacy and security remain strong a significant barrier to effective data sharing between departments and agencies.<sup>16</sup>

While government continues to push data and digital as important new policymaking tools, in particular through the Government Digital Service, the transformations envisaged by Dunleavy to create a novel, NPM-replacing data and digital driven policymaking paradigm remain some ways off. Furthermore, there are also legitimate concerns around whether a model of ‘policymaking as science’ is even a desirable goal.<sup>17</sup> While data and digital capabilities will continue to be a critical part of policymaking, they should be thought of as one useful tool among others, as opposed to the core basis of a novel policymaking model.

While not a philosophical approach to policymaking of itself, it is important to acknowledge that the primary contextual driver for policymaking since 2010 has been one of austerity. Amidst this agenda important shifts in the broader policymaking context have been pioneered, most notably a novel devolution agenda signalled by the Chancellor of the Exchequer’s Northern Powerhouse launched in the summer of 2014 and

14. Cabinet Office (2012) *Open Data: unleashing the potential*. Available at: <https://www.gov.uk/government/publications/open-data-white-paper-unleashing-the-potential>.

15. Department for Work and Pensions (2012) *DWP Open Data Strategy*, p.4. Available at: [https://data.gov.uk/sites/default/files/DWP%20Open%20Data%20Strategy\\_10.pdf](https://data.gov.uk/sites/default/files/DWP%20Open%20Data%20Strategy_10.pdf)

16. See, for example, The Guardian Editorial Team (2016) ‘The Guardian view on data sharing: the privacy of citizens in being eroded’. Available at: <https://www.theguardian.com/commentisfree/2016/oct/16/the-guardian-view-on-data-sharing-the-privacy-of-citizens-is-being-eroded>.

17. See Schifferes, J. (2015) *The role of ignorance in policy-making* [blog] RSA, 18 February 2015. Available at: <https://www.thersa.org/discover/publications-and-articles/rsa-blogs/2015/02/the-role-of-ignorance-in-policy-making>

informed by the RSA's City Growth Commission.<sup>18</sup> A renewed emphasis on localism shifts the locus of policymaking with the potential outcome that a new policymaking approach could be best defined and deployed locally, attuned to citizen opinion and particularities of place.

Therefore while this CPI/RSA project has focused largely on policy-making processes in central government, it is important to be alert to the potential applicability of the type of models we suggest to different levels of government. The RSA's advocacy of an inclusive growth agenda predicated on a further transferral of powers offers a compelling model for how local government could be empowered to experiment with novel policymaking frameworks.<sup>19</sup> Following years of a trend towards centralisation of policymaking and firm Whitehall control of local government budgets in England, new models are beginning to emerge. The recent move to a joint placebased service commissioning for health and social care in Greater Manchester founded upon the control of budgets at the combined authority level is the most developed example of this. Approaches of this kind permit incentives and accountability structures to be tailored to particular conditions, allowing for policymaking processes to be fitted to local particularities.

Nevertheless, while enhanced data capabilities and a resurgent devolution agenda represent important new developments and contextual drivers for policymaking, we are still without an overarching intellectual framework to replace NPM. Our research and seminars with CPI have aimed to signpost new directions by which this might be addressed.

18. The RSA City Growth Commission (2014) *Unleashing Metro Growth: Final recommendations of the City Growth Commission* [report]. RSA. Available at: <https://www.thersa.org/discover/publications-and-articles/reports/unleashing-metro-growth-final-recommendations>.

19. RSA Inclusive Growth Commission (2017) *Inclusive Growth Commission: making our economy work for everyone* [report] RSA, p.33. Available at: <https://www.thersa.org/discover/publications-and-articles/reports/final-report-of-the-inclusive-growth-commission>

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# Considering a new policymaking framework

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## Emerging new approaches

In the 2017 Government Transformation Strategy (GTS), a goal was set to deliver ‘a government that puts the citizen first and meets their needs in a modern, efficient way: one that can adapt and change quickly to meet the needs of the country’.<sup>20</sup> By harnessing new digital capacities, the GTS urges ‘full departmental transformation – affecting complete organisations to deliver policy objectives in a flexible way.’ Meeting these lofty aspirations will require government to reconsider and transform the manner in which it conducts policymaking.

The GTS draws upon novel and innovative approaches to policymaking pioneered in recent years. Writ large in its recommendations is the proliferation of design principles, a method of policymaking centred upon user engagement, iteration and intelligent use of data.<sup>21</sup> Chief among the proponents of this method have been ‘policy labs’, which have spread in national and local governments around the world. In 2014 the UK government aligned with this trend with the introduction of the Cabinet Office’s Policy Lab.<sup>22</sup>

Led by Dr Andrea Siodmok, a speaker at our first seminar, Policy Lab has pioneered the use of design principles and new methodologies – such as ethnographic research, systems mapping and user-centred design – in an effort to develop innovative new solutions within English policymaking. Policy Lab works across government and looks to equip policymakers with new skills and techniques, through a series of live policy projects that work within the existing organisational culture and constraints. Dr. Siodmok explained at our seminars that she sees a critical role for her team being to evolve policy making systems to keep pace with contemporary contexts:

20. Cabinet Office Government Digital Service (2017) *Government Transformation Strategy*. Available at: <https://www.gov.uk/government/publications/government-transformation-strategy-2017-to-2020/government-transformation-strategy>.

21. See Government Digital Service *Design Principles*. Available at: <https://www.gov.uk/design-principles>.

22. Kidson, M. (2014) *Organising Policymaking: A discussion paper on emerging trends*. London: Institute for Government. Available at: <https://www.instituteforgovernment.org.uk/sites/default/files/publications/Organising%20Policy%20Making%20-%20final.pdf>

“If we accept that systems are complex and are only going to become more so, we need to work together to build frameworks that work in those contexts”.

**Dr Andrea Siodmok, Head of the Policy Lab, 22 February 2017**

Another important recent innovation has been an incorporation of the insights of behavioural science into policymaking processes through the government’s Behavioural Insights Team. Led by Dr David Halpern, who spoke at our second seminar, the Behavioural Insights Team (BIT) has made the case for policymaking to be informed by the fundamental patterns of human behaviour in specific contexts, and championed the deployment of extensive testing and trialling to create a robust evidence base of what works prior to scaling. Speaking of how the BIT has gradually attained wider legitimacy in Whitehall, Halpern explained:

“Our strategy was to pursue conversion rather than compliance. We have looked to persuade the system empirically and by training policymakers through seminars and workshops so that they can use the tools themselves. Sometimes you can achieve much more change over time in Whitehall through ‘marginal gains’ rather than a big bang attempt – it’s a case of the tortoise rather than the hare.”

**Dr David Halpern, Chief Executive of the Behavioural Insights Team, 28 February 2017**

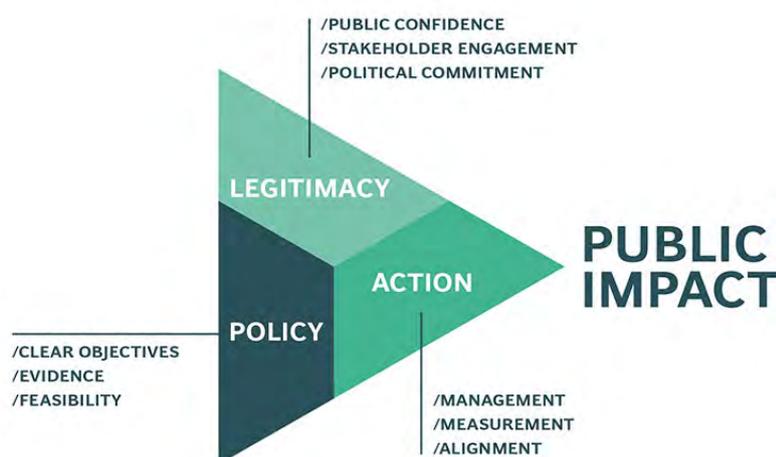
These innovations offer exciting new avenues to improve policymaking processes, but have yet to be brought together in a manner that represents a systematic new framework approach to policymaking. In concert, the insights of CPI and the RSA offer guidance for how this might be defined, and how a ‘new consensus’ might be identified.

## The Centre for Public Impact's Public Impact Fundamentals

By identifying the multitude of factors that affect whether a policy will achieve its desired impact the Centre for Public Impact's research provides an important starting point. Eschewing the efficiency and cost saving mantras of NPM, CPI build upon notions of Public Value to offer a new guiding principle: impact.

CPI's analysis of over 200 public policy case studies worldwide has enabled them to develop a broad framework detailing the key shared characteristics of impactful policies. Its three Fundamentals, each with three composite 'elements', are illustrated in Figure 2. Perhaps the most important contribution made by CPI is the manner in which their findings push us to think about policy not merely in terms of design or implementation, but simultaneously through the lens of public legitimacy. The Fundamentals and their elements suggest that governments need to think about policymaking in more holistic terms, and therefore adapt policy-making structures to better enable this kind of approach.

**Figure 1: The Public Impact Fundamentals and elements**



Source: Centre for Public Impact

The need for policymakers to consider Policy, Legitimacy and Action in unison is underscored by an analysis of the importance of balance between the Fundamentals. Initial analysis of CPI data<sup>23</sup> undertaken by the RSA suggests that it not just the aggregate score across its three main criteria that predict success – rather, it appears that the balance between the CPI Fundamentals is also an important factor in determining the likelihood of a positive outcome.

By giving each policy initiative in CPI's set of case studies a numerical score for each of the three Fundamentals (based on the assessments made by CPI) and then analysing these scores against the overall impact of the initiative we found evidence that balance between the three scores was

23. This data is drawn from the Centre for Public Impact's 'The Public Impact Observatory'. Available at: <https://www.centreforpublicimpact.org/observatory/>

correlated with impact.<sup>24</sup> In our data analysis work, the policies overall deemed ‘strong’ in terms of impact had the least variation in scores between the three Fundamentals.

While these findings are preliminary, they indicate that policymakers need to focus not just on improving scores in each Fundamental individually but also on how to ensure that a policy finds the right balance. While it may not be that every policy requires the same or exact balance, the suggestion is that policymakers need to think of the three Fundamentals as being of equal importance. The question then becomes how to better equip policymakers to design policy and implementation processes that achieve the requisite balance across the Fundamentals.

At our first seminar attendees offered their reflections on the value of the Public Impact Fundamentals. The applicability of frameworks for understanding what are always complex realities shaped by specific contexts of time and place was interrogated. On the other hand, the usability of the framework was praised and suggested as having utility in contexts not limited to policymaking, such as for charities that are also seeking to create impactful policy and make difficult decisions regarding how to use limited resources.<sup>25</sup>

“Frameworks like this can never explain everything, but they can get you pointing in the right direction. They should be thought of as a compass, not a roadmap.”

**Matthew Taylor, Chief Executive, RSA, 22 February 2017**

A second theme of conversation was the role of legitimacy. It was suggested that legitimacy is an important but often under-appreciated contributing factor that can influence the chances of success. Too often, however, it is ‘tacked on’ as an afterthought, rather than being considered as a critical precondition of success. Our current understanding of what influences legitimacy and how we might address what appears to be declining legitimacy is relatively weak.

“We need to rethink the way that we consider legitimacy. Rather than starting with ‘we have an idea or policy, where can we get some legitimacy from?’ politicians need to be better at gauging the public mood continually, and accepting that other people might have better ideas than them.”

**Seminar Participant, 22 February 2017**

“It’s evident that we need a much better understanding of legitimacy and where it really derives from. We’ll be looking to explore this much further in the coming year.”

**Adrian Brown, Executive Director of the Centre for Public Impact, 22 February 2017**

24. The scores assigned were based on assessments made by the Centre for Public Impact to grade its case studies in terms of its identified nine ‘elements’ of good policies [see Fig. 1, p.3]. Each element was ranked either ‘poor’, ‘fair’, ‘good’ or ‘strong’, which were then translated into numerical scores of 1-4 (poor-strong) from which averages were calculated to provide three distinct scores for each of the three ‘Fundamentals’.

25. Loos, H. & Thorold, J. (2017) ‘The Public Impact Fundamentals can help charities turn ideas into impact’ [blog]. The Paul Hamlyn Foundation. Available at: <http://www.phf.org.uk/news/public-impact-fundamentals-can-help-charities-turn-ideas-impact/>.

Insights like this strengthen the argument that policymakers need to be cognisant of a broader range of factors, including but not limited to legitimacy. Policymakers need a better, systemic way to approach the complexity of ‘how change happens’ in order to develop better strategies for when, how and in what areas to act.

### **‘Thinking like a system, acting like an entrepreneur’**

With this challenge in mind the RSA is developing and applying a model of change entitled ‘thinking like a system, and acting like an entrepreneur’ (TLS/ALE). This framework is an approach to seeing the wider system and identifying and testing the most promising ways to catalyse change in that system. It draws inspiration from a number of approaches and disciplines, influenced by insights from design thinking, systems thinking, cultural theory, theories of management, and discourses on leadership. It is a method with which to approach a particular challenge and a way of achieving a common understanding of the issue and the actions that can be taken to address it. While much systems thinking has been criticised for leading to ‘analysis paralysis’, the TLS/ALE model is predicated on systems thinking revealing the most realistic opportunities for action.

As opposed to than defining a policy problem and looking for solutions, the approach means looking at an issue from multiple angles, accepting multiple definitions, and bringing together a range of participants with a stake in the problem to work through structured processes. The diversity of actors, the wider environment, the convergence and divergence of priorities, the barriers to change and the opportunities present are captured in this process. Processes like this can aide policymakers to develop a sophisticated accounts of the range of factors that CPI identify as critical to achieving public impact.

Rather than reaching for traditional policy levers, TLS/ALE instead encourages policy-makers to look for points of leverage to most effectively achieve impact. They ‘push what will move’ with the acknowledgement that certain changes might be beyond reach at present. They try things, using ‘safe-fail’ experiments to gain rapid feedback and to iterate.

“Rather than thinking about policymaking as banging one nail on the head, we need to think about the bigger system in which a policy operates to see whether a change is actually sustainable once you turn your attention to the next challenge. To do that you need to figure out how an intervention will relate to the existing policy ecosystem.”

**Matthew Taylor, Chief Executive, RSA, 22 February 2017**

Part of this framework deploys the RSA’s development of an approach known as ‘cultural theory’. Championed by Christopher Hood and others, cultural theory offers a framework for understanding the mechanisms through which people are compelled or energised to act. The theory identifies three primary styles of social coordination organisation: the hierarchist, egalitarian (or solidaristic) and individualist approaches, as well a fourth, the fatalist, which is sceptical about the possibility of change.<sup>26</sup> Each approach defines a different source of power that can be

26. Christopher Hood (1998) *The Art of the State*. Oxford: Oxford University Press.

deployed or activated to motivate change, as illustrated in the following table:

Style of organisation	Mechanism of driving action
Hierarchical	Refers to hierarchical forces such as authority, strategy, regulation; the top down laws, institutions and levers that government has at its disposal to compel people to act in certain ways.
Egalitarian/ solidaristic	Emphasises belonging, values and the idea of justice as important motivations for citizens.
Individualist	Speaks to the power of self-interest (enlightened or otherwise) to drive change and innovation.

Cultural theory considers each of its styles of organisation, or ‘world views’ as they are sometimes known, as being inherently in tension with each other. As each world view contains within it the drive to be dominant, policy designers need to try to hold them in creative balance. Achieving successful policy outcomes requires finding the correct balance between the three ways of acting in the world, unlocking each but not allowing any to become dominant. In a policy context, for instance, a policy objective too reliant on top-down, hierarchical interventions may spark a backlash from a solidaristic perspective of those who want to emphasise community engagement in policy decisions or from individualists who crave the space for autonomy and competition.

We can map the system to understand the nature of hierarchy, solidarity and individualism in that context. Are authority and rules, values and affiliations, personal incentives and motivations pulling together or clashing against each other? Mapping in this way can assist government to identify where in a system there are opportunities to make less dramatic adjustments to bring these forces into better alignment. It is here that the techniques of Policy Lab and insights of behavioural science ‘nudges’ are so valuable – as tools through which to help ‘map the system’ and develop creative approaches to capitalise on identified opportunities.

Armed with this methodology, rather than seeking to create ‘silver bullet’ solutions to a policy problem the policymaker may see their purpose as a series of smaller, more targeted interventions which work to bring drivers and perspectives (ie the three approaches) into closer alignment, therefore creating the conditions for success for bigger policy interventions down the road, and finding the optimum balance between Policy, Action and Legitimacy in CPI’s framework. This is the ‘act like an entrepreneur’ element – identify the leverage points that you can influence to align the system for more comprehensive and lasting change later on.<sup>27</sup>

Acknowledging the range of factors highlighted as important by CPI requires a new way of thinking about policy. CPI challenges policymakers to think more holistically, attentive to the broader context in which their policy will seek to impact. We argue that to do this policymakers need to be armed with a new approach informed by ‘thinking like a system, acting like an entrepreneur’. Together this approach and the framework provided by CPI points to the possible basis for a new framework: guided by principles of public impact, developed and delivered through holistic and agile government.

27. Meadows, D. (1997) *Leverage Points: Places to Intervene in a System*. Available at: <https://www.bfi.org/sites/default/files/attachments/pages/PlacesInterveneSystem-Meadows.pdf>.

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# How can government move towards a new policymaking system?

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## Adapting policymaking structures

It is important to recognise that the UK government has made positive steps in this direction. The emergence of Policy Lab has signalled a commitment to new methods, serving as an experimental space for policymakers to trial new policy ideas using open policy principles and creative techniques. Alongside utilising insights from ethnography, behavioural science, and data science, Policy Lab moves beyond policy design processes which compartmentalise the different aspects and stages of a policy. Rather, it brings together small teams containing diverse skill sets to collaboratively take ownership of a policy from design to implementation.

These promising beginnings need to go further and ‘escape the lab’ in order to effect true system change. Policymakers need to conceptualise their work not just as producing well-designed policy in Westminster enclaves; instead they need to be empowered to develop a wider lens, enabling a more diverse policymaking community to appreciate the dynamics of whole systems of change. A barrier to this at present is siloed operating structures: as noted by King and Crewe<sup>28</sup>, ministers, advisers and top civil servants rarely involve the people who will have to implement (or “deliver”) their policies or those who would have relevant experience of implementation. In other words, legitimacy, policy and action are presumed to be the function of different groups of people and are not considered holistically. By not exposing policymakers to the whole system, we circumscribe their understanding of the system in which they operate.

Rather than thinking of policy creation and implementation as different phases delivered by different bodies, policymakers should be seen as partners in delivery or at a minimum connected to implementation teams through stronger feedback loops. The Government Transformation Strategy has recently recognised this issue, pledging to work towards ‘bring[ing] policy and delivery to enable services to be delivered in a learning and iterative environment, focused on outcomes for citizens.’<sup>29</sup>

Only by thinking and operating in this way can policymakers acknowledge the range of attendant pressures and motivations in which they and

28. Crewe, I. & King, A. (2013) *The Blunders of Our Government*. London: OneWorld Publications.

29. Cabinet Office Government Digital Service (2017) *Government Transformation Strategy*. P.6. Available at: <https://www.gov.uk/government/publications/government-transformation-strategy-2017-to-2020/government-transformation-strategy>.

a potential policy will operate. Previously the RSA has advocated for the government to shift away from departmental heads towards instituting leaders of ‘change teams’ consisting of individuals with varied skills in, and even outside, of government.<sup>30</sup> Rather than the siloed practices of present, these change teams could address a challenge as they saw fit from inception to delivery. By reducing the division between policy design and implementation policymakers can be genuinely supported to think systemically, and act entrepreneurially.

Proximity to the levers of action could enable policymakers and their teams to rapidly identify and address policy flaws – a level of agility and dynamism not present in most current policy processes. The difficulties of implementing Universal Credit, for example, could have been significantly reduced, or even avoided at the policy design stage, had this kind of relationship existed. This approach is similar to that favoured by successful private sector entrepreneurs and designers: rather than push a policy or product out and then leaving it to sink or swim in the currents of the real world, design teams are ideally engaged in an ongoing process of feedback and adjustment to arrive at a better end product. Cabinet Office’s Policy Lab’s Laurence Grinyer has emphasised, for example, the need for policymakers to be “willing to spend the time going back and improving, iterating, learning and obsessively making policy better, over and over again”.<sup>31</sup> As the GTS aspires to, policy should be created ‘by creating early prototypes and iterating quickly based on evidence and feedback.’<sup>32</sup>

This type of iterative approach is certainly more time-intensive and a difficult proposition in a period of austerity and strained resources. Given this, other organisations, such as think tanks and universities, will have an elevated responsibility to assist government by providing robust analysis and access to valuable insights on a policy initiative. One contribution could be to help policymakers gain understanding of the viewpoints a more diverse range of citizens as they refine and redesign policies. Initiatives such as Nottingham Civic Exchange (based at Nottingham Trent University) and Newcastle City Futures (led by Newcastle University) are prioritising this kind of engagement and could provide policymakers with new avenues to involve citizens in policy-making.

Adopting a more entrepreneurial, collaborative and iterative process as opposed to ‘the policy production line’ also necessitates a different approach to failure. New interventions may not initially or even ever succeed, but learning from those failures is valuable. Whitehall is crippled by a pervasive fear of failure, which stymies learning and improvement. Policymakers rapidly distance themselves from misfiring policies. As Grinyer writes of the future of policymaking: “We will need more policymakers to be willing to share their problems, and allow us to learn together about how we apply new ideas and ways of working in real

30. Taylor, M. (2016) *Policy and Politics: all or nothing?* [blog] RSA, 17 July 2016. Available at: <https://www.thersa.org/discover/publications-and-articles/matthew-taylor-blog/2016/07/policy-and-politics-all-or-nothing>.

31. Grinyer, L. (2016) *Imagine a new mindset: the policy designer*. Open Policy Lab. Available at: <https://openpolicy.blog.gov.uk/2016/08/12/imagine-a-new-mindset-the-policy-designer/>

32. Cabinet Office Government Digital Service (2017) *Government Transformation Strategy*. P.11. Available at: <https://www.gov.uk/government/publications/government-transformation-strategy-2017-to-2020/government-transformation-strategy>.

policy problems. We'll need to create an environment of trust that openly embraces the risks – and learning – associated with innovation.” Only by allowing policymakers to fail, and acknowledge and learn from failure, can we move towards the kind of holistic, creative policymaking that insights from CPI's Fundamentals and ‘think like a system, act like an entrepreneur’ demand.

### **What are the barriers to change?**

Delivering change of this kind in Whitehall is a considerable challenge. Fear of a ‘failed’ policy, resulting in an uncomfortable hearing in front of the Public Accounts Committee (PAC), for example, can be a disincentive to experimental thinking. Similarly, it is tough for government to trial, fail and adapt in a context of intense media scrutiny in which the court of public opinion can be damning. Furthermore, operating in new ways requires a shift in the types of skill sets recruited into and developed through progression and training programmes in the civil service.

But perhaps the biggest challenge, and one persistently posed at our seminars, is that policymaking never emerges from the messiness and complex motivations of politics. As Barry Quirk explained:

“Government consists of three very different disciplines: the ‘art’ of politics, the ‘science’ of policy and the ‘craft’ of management. To deliver consistently impactful policymaking, we have to find better ways for these people to work together.”

**Barry Quirk, Chief Executive of Lewisham Council, 22 February 2017**

A risk in focusing solely on policymaking is that an assumption is potentially made that outcomes can be substantively improved merely by providing policymakers with better tools, frameworks and methods of thinking able to facilitate a more holistic process. Often problems inherent in a policy arrive earlier, as politicians rush policy development, driven by a crisis, media scrutiny, parliamentary debate or party machinations rather than systemic deliberation. These kind of pressures can cause tension between ‘politics’ and ‘policy’. At its worst, politicians give rushed, ill-thought-through directives to their civil servants who then are forced to make the best of what they probably know is destined for failure. At their best, a strong and shared co-created vision can result in positive action, an example being the recent introduction of the plastic bag charge.

“Before we get to the point of actually designing it, policy needs to properly ask ‘what is it that we’re trying to do?’. Only when you’ve done that properly can you be sure to be going in the right direction.”

**Dr Jill Rutter, Programme Director at the Institute for Government, 28 February 2017**

A significant driver of poor policy planning is that the timescales for pushing out policy are often far shorter than the time needed to gather proper evidence or conduct the systems analysis that we’re advocating, for example. As pointed out by Gavin Kelly, the length of a randomised control trial is on average eight times longer than that of the average ministerial term.

“It takes about 10 years to really start to make change, but politicians don’t have 10 years. The timescales for change and for politics just don’t add up.”

**Gavin Kelly, Chief Executive at the Resolution Trust, 28 February 2017**

Linked to short timeframes is the challenge posed to policymaking by the culture of competition and opposition between parties and administrations. This has resulted in ‘policy vandalism’, where good policies are ditched simply because they emerged from a different administration. Recent UK examples include the Future Jobs Fund.

“We need to have a higher bar of accountability when it comes to ditching previous administration policies. Policies that work should be kept rather than dropped for reasons of political posturing.”

**Gavin Kelly, Chief Executive at the Resolution Trust, 28 February 2017**

These problems are complex and beyond the scope of this report to substantively address. They bring focus, however, to two important points. Firstly, if focusing solely on the process of policymaking we need to be realistic about the level of change that we can hope to achieve while still believing that new, holistic approaches to policymaking are valuable. Secondly, as Matthew Taylor has suggested elsewhere, to achieve a higher degree of change it may be that both politics and policy need to be reformed hand in hand, rather than as separate entities, in order to incentivise better relationships between the tripartite of politics, policy and public management identified by Barry Quirk.<sup>33</sup>

33. Taylor, M. (2016) *Policy and Politics: all or nothing?* [blog] RSA, 17 July 2016. Available at: <https://www.thersa.org/discover/publications-and-articles/matthew-taylor-blog/2016/07/policy-and-politics-all-or-nothing>

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# Conclusion

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The collaboration between the RSA and the Centre for Public Impact has produced valuable insights into how new approaches to policymaking processes might be developed to improve policy success rates and level of impact. Building upon the pioneering work of initiatives such as Policy Lab and the Behavioural Insights Team, we are advocating for a novel approach that is more holistic and systemic in its thinking, alert to the range of factors and drivers that will determine whether a policy will succeed. Crucial among these factors are those identified by CPI as the Public Impact Fundamentals: policy, action and legitimacy.

Moving our current system in this direction is a major challenge, often blocked by ingrained practice, systems inertia, a fear of failure and related aversion to experimentation. It is also vital to acknowledge the significant barriers to change posed by the nature of our political system. Given these challenges, it is critical that the case for change is consistently made. Debate on what a different approach could look like needs to be enriched, building a collective effort and movement committed to altering our policymaking approach. Conversations facilitated by the RSA and CPI should help contribute towards this.

The RSA (Royal Society for the encouragement of Arts, Manufactures and Commerce) believes that everyone should have the freedom and power to turn their ideas into reality – we call this the Power to Create. Through our ideas, research and 28,000-strong Fellowship, we seek to realise a society where creative power is distributed, where concentrations of power are confronted, and where creative values are nurtured.



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