Exploring the new world: Practical insights for funding, commissioning and managing in complexity

Toby Lowe
Dawn Plimmer
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I’m delighted to welcome this timely follow up report: Exploring the New World: Practical insights for funding, commissioning and managing in complexity. Our lives are complex. We are complex individuals, living in assorted communities, dealing with varied challenges – which are particular to us and yet may also be universal – and trying to navigate our way around often rigid systems.

Too often, those who hold power – and resource – can dilute these complexities. They have looked to make the challenges come to them, to fit their model and to tick their box, to define their work on the basis of what they want, rather than what’s right for the community.

But we are seeing a shift. The research undertaken for this report show that funders and commissioners recognise that change is happening, and they are seeing this manifested in their own organisations. Recognition of complexity, and working with it, rather than against it, is becoming more common. At the National Lottery Community Fund we grapple with this issue ourselves and seek to engage and involve people and communities more effectively in our work.

Part of this shift is taking responsibility for our impact beyond our immediate sphere of influence, acknowledging that what we do affects not just those we have a direct relationship with, but the wider ecology as well. We are not lone rangers, and we shouldn’t seek to be. Our strength lies in positive collaboration, in honesty, openness and generosity in sharing what does and doesn’t work – and in hearing, acknowledging and responding to others’ views on this, too.

Those who hold power should take a collaborative and generous approach to leadership – thinking about their role as part of a bigger whole. They should be willing to be flexible and take risks, to see and value the complexity of the problems they are trying to address.

Welcoming the knottiness of the world feeds into a more equitable relationship between funders and communities – valuing learning and improving, rather than proving; asking what matters, not what’s the matter; and putting people in the lead, instead of prescribing the solution.

As the report explores, this isn’t the easy path. It takes time to build relationships and trust. It requires us to be people-driven rather than focused on process, and to take decisions which require professional judgement and empathy, whilst creating a more community-led response to the challenges we face. This approach will raise profound challenges for those of us who assess risk and demonstrate accountability. We will need to re-calibrate our thinking for a complex 21st century world.

Dawn Austwick
Chief Executive National Lottery Community Fund
The Tudor Trust tries to fund in a relational way, spending time getting to know those we want to support and building an understanding of the world they are working in. We trust the groups that we fund to know what is needed in their communities and aim to build an open, straightforward relationship that helps them in their often difficult work. Some time ago our trustees decided to stop focusing on restrictive funding programmes. They wanted to recognise the complexity of peoples’ lives and organisations’ needs, trying to respond in a way that felt appropriate. At times we have struggled to articulate our sense that this is a useful approach to grant making: this report is now helping us to do this and challenging us to go further.

Supporting and engaging with this research helps us be more intentional about our practice and understand better what being a ‘complexity friendly funder’ might mean. As yet we don’t have any definitive answers but being a fellow traveller in the research should open up some interesting possibilities. I hope others also find it affirming, inspiring and helpful.

Christopher Graves
Director, Tudor Trust
This report is built on the collective wisdom and innovation of an incredible set of people and organisations. Over 500 organisations in the UK alone have taken part in discussions about ‘human, learning, systems’ practice in the last year – far too many to acknowledge properly.

We’d specifically like to acknowledge the time, support and ideas we’ve received from these organisations:

**Public sector**
- Bicester Healthy New Towns
- Bristol City Council
- Devon County Council
- Gateshead Council
- Glasgow City Health and Social Care Partnership
- Healthcare Improvement Scotland
- Kirklees Council
- Middlesbrough Council
- Northumberland, Tyne and Wear NHS Foundation Trust
- Orkney Scottish Health Council
- Plymouth City Council
- Scottish Government (National Adult Social Care Reform Programme)
- South Tyneside Council

**Charitable foundations and other funders**
- Ballinger Trust
- Barnwood Trust
- Blagrove Trust
- Cripplegate Foundation and Islington Giving
- Lankelly Chase Foundation
- National Lottery Community Fund
- Tudor Trust
- Whitman Institute
Organisations working on the ground:
• Changing Lives
• Cornerstone
• Golden Key, Bristol
• Hamoaze
• Locality
• Mayday Trust
• Shekinah
• Simon Community
• Wallsend Children’s Community

We would also like to acknowledge the fellow travellers who are exploring how to effectively respond to complexity. In particular, thank you to our colleagues Max French and Melissa Hawkins at Northumbria University, Christine Elliott and the wider team at Collaborate, and Matthew Snape at Newcastle University. And thank you to Voluntary Organisations’ Network North East (VONNE) and Locality for co-hosting events with us as part of this work. We have also valued the collaboration and generosity of GO Lab, at Oxford University, who kindly shared early findings from their report ‘Rallying Together’, which will be published at the end of March 2019. We would also like to give special thanks to the funders of the work that fed into this report, the National Lottery Community Fund and the Tudor Trust.

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EXECUTIVE SUMMARY

The world is complex. If we want to contribute to creating positive social outcomes, we must learn to embrace this complexity. This is the New World that funders and commissioners are discovering:

- **People** are complex: everyone’s life is different, everyone’s strengths and needs are different.
- **The issues** we care about are complex: issues – like homelessness – are tangled and interdependent.
- **The systems** that respond to these issues are complex: the range of people and organisations involved in creating ‘outcomes’ in the world are beyond the management control of any person or organisation.

Building on the findings from our previous report, *A Whole New World*, we have spent the last 12 months working with a growing movement of funders, public sector commissioners, and organisations working on the ground to begin to explore this New World: to find examples of practice that will help people to navigate it effectively.

This report explores the key features of their response: working in a way that is **human**, prioritises **learning** and takes a **systems** approach.

The purpose of this report is to share emerging practice by providing practical examples of what it looks like, and to explore the changes funders, commissioners and organisations working on the ground have made to work in this way. This is what we have found a **Human, Learning, Systems** (HLS) approach entails:

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1. **HUMAN**

People who work in a way that is informed by complexity use the language of ‘being human’ to describe what they do.

This means recognising the variety of human need and experience, building empathy between people so that they can form effective relationships, understanding the strengths that each person brings, and deliberately working to create trust between people.

Managers talk about ‘liberating’ workers from attempts to proceduralise what happens in good human relationships, and instead focus on the capabilities and contexts which help enable these relationships. They talk about providing support that is bespoke.

For funders and commissioners, being human means creating trust with and between the organisations they fund. Trust is what enables funders and commissioners to let go of the idea that they must be in control of the support that is provided using their resource.

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1 Through this work we’ve found that language needs to change in line with practice. This language is yet to emerge, but we’ve tried where possible to avoid terms that do not reflect a ‘human’ approach such as ‘frontline.’
“IT’S ABOUT BEING HUMAN. IT’S ABOUT LEARNING. IT’S ABOUT UNDERSTANDING YOUR PLACE IN THE SYSTEM”

Public sector change leader

**LEARNING**

People working in this way also speak about learning and adaptation. They describe how their work is not about delivering a standardised service, but rather that it is a continuous process of learning which allows them to adapt to the changing strengths and needs of each person with whom they work.

This has enormous implications for funding and commissioning. We have seen that funders and commissioners use their resources to enable organisations to learn and improve. They are not purchasing services with particular specifications, they are funding the capacity to learn and adapt to continuously improve outcomes in different contexts.

This challenges traditional, narrow forms of accountability based on targets and tick boxes. To meet this challenge, organisations are recognising the multiple dimensions of accountability, and exploring who needs to provide what kind of account to whom. This process involves dialogue, not just data.

**SYSTEMS**

Finally, people working in this way recognise that the outcomes they care about are produced by whole systems rather than individuals, organisations or programmes. Consequently, to improve outcomes, they work to create ‘healthy’ systems in which people are able to co-ordinate and collaborate more effectively.

From these organisations, we have learnt some of the characteristics of the ‘healthy’ systems that produce good outcomes, and the System Behaviours that actors exhibit.

We have learnt that the behaviour of funders and commissioners is crucial to how relationships in the system are framed and understood. Funders and commissioners enable a collective, systemic response by reframing their relationships with providers. They no longer see a purchaser/provider split, they see a collective responsibility for creating the conditions for people to achieve better outcomes. They are stewards of a system of care and support.
What does this way of working achieve?

While the effects of working in a HLS way are only beginning to emerge, there are signs that:

• For people accessing support, it can result in better experiences, better outcomes and them being better equipped for life.
• For organisations and systems, it has potential to increase collaboration, enable innovation, build employee motivation, and deliver cost savings.

How change happens

We have learnt about the process of change organisations and collaborations have gone through to develop HLS approaches to funding, commissioning and providing support. We have identified the steps of change that different organisations have used to bring about HLS working.

Interestingly, the process of change seems to be an example of HLS practice itself. Organisations have created change by an iterative process of:

• Starting with purpose
• Understanding the system
  – Making the system visible
  – Building relationships and trust
  – Establishing shared purpose
  – Developing principles, values and behaviours
• Co-designing
• Experimentation, reflection and redesign
• Putting learning at the heart of governance
• Embedding and influencing

These processes of change may provide some navigational aids for the ‘system stewards’ seeking to enable change.

Building a movement

The next phase of work is to embed HLS practice as the norm in complex environments that aim to support people. To do that, all those who want to work in this way need to work together to test, learn and support each other to build a movement for change. We look forward to your company on this journey!

Examples and tools

At the end of this report we include a number of case studies, examples and tools to provide insights and guidance for people who want to begin working in a HLS way.
INTRODUCTION

PURPOSE OF REPORT
This report is designed to do two things:

• Increase our understanding of what a complexity-informed approach looks like in practice, from the perspective of funders, public sector commissioners and those who work on ground

• Provide some practical examples and tools to support organisations that want to adopt this way of working

BACKGROUND
This report builds on our previous work which outlined an emerging complexity-informed ‘paradigm’ for funding and commissioning of social interventions. We called that report ‘A Whole New World’ because it represented a new way of thinking about, and responding to complex social challenges.

A Whole New World outlined the high-level principles, cultures and processes by which funders and commissioners respond to the complexity of the world they are seeking to change. It outlined how those with resources to distribute to achieve social good could better contribute to desired social change. Its key message was that the outcomes that we seek are created by complex systems, not particular organisations. And so the ideas and methods of New Public Management – Markets, Managers and Metrics – don’t work, and can’t be made to work in this context. Instead, it described an alternative approach based on:

• Recognition of intrinsic motivation
• Learning as the driver for performance improvement
• Funders and commissioners taking responsibility for the overall health of the system

EXPLORING THE NEW WORLD
Over the last 12 months we have spent time with organisations who have been developing approaches to funding, commissioning and delivering social interventions that better respond to the complexity of the world we live in. We have sought to connect and enable organisations that are, or would like to, work in this way, to share ideas and experiences with one another. In addition, we have begun a programme of action-research, working with organisations who are adopting HLS approaches, documenting their practice and helping them to reflect on their work.

Our explorations started with a focus on how funders and commissioners are responding differently to complexity. We are now developing understanding of the relationship between organisations that work in a HLS way to support people, and how funders and commissioners who allocate resources in a HLS way can enable this.

This report shares what we have learnt from these incredible people. It highlights practice from a number of the areas and organisations (that we are aware of) who are most advanced, and is informed by wider conversations with the hundreds of organisations who are interested in working in a HLS way. We think that their knowledge can help others to navigate this complex New World more effectively. But there is still much more to learn.

In this report we try to tread a fine line. Many of the organisations we have spoken to ask for ‘how to’ guides, and so we have identified examples and practices which show how the approach is working in different contexts. But our exploration is just beginning – a definitive map does not yet exist.

Each organisation featured in this report is at a different point in its own journey, and working in a HLS way is highly context specific. The examples featured in this report can therefore provide inspiration and ideas for how it may work in other contexts, but they are not recipes to follow.

**The role of complexity**

One of the key things we have learnt concerns the role of complexity and when a complexity-informed approach is required.

We know we are in complex, New World, territory when:

- there are a variety of strengths and needs, and these look different from different perspectives
- when outcomes are being produced by many factors interacting together in an ever changing way
- when people are working in systems that are beyond the control of any one of the actors in the system

In these complex contexts, old world ideas are less useful. In the old world, we told ourselves that social interventions were simple and linear in order to make them easier to manage. We told ourselves that we could measure what was meaningful to people, and that we could use those measures to manage the work. We told ourselves that we could learn ‘what works’, and then simply scale that up, and replicate it in other places.

“I THINK IT’S JUST ABOUT BEING OPEN TO BEING HUMAN ACTUALLY”  
Provider
But by seeking to make work easier to manage, we made it harder to achieve positive change. When we pre-defined outcome targets and managed performance against these, we constrained workers’ ability to respond to lived reality: the needs and strengths of the people they support.3 When we identified ‘what works’ and tried to scale it up, we found that what worked in one place, at one time, didn’t work in other places, or at other times.4

Understanding that many of things we care about function as complex systems, explains why old world thinking is not useful in this context. It explains why a ‘Whole New World’ is needed; – not just new tools, processes and practices, but a change in the way we think about how effective social change happens and what it takes to enable this.

We have learnt that working in complexity requires the following:

• The capacity to respond to variety – each person’s strengths and needs are different, and so standardised services don’t adequately meet these needs.

• The ability to adapt to change – the context in which social interventions are undertaken constantly changes, from micro-scale changes in personal circumstances to large scale social change. This means that the nature of the challenges and ‘what works’ to meet those challenges is continually shifting. Social interventions must be able to continually adapt to reflect these changes.

• The ability to shape systems whose behaviour can’t be reliably predicted, and which no one controls. This demands collaboration and influencing, rather than command and control.

When the world is complex, this is what is required of us.

What focusing on complexity doesn’t do is tell us what a new approach looks like. From listening to the people doing this work, we’ve evolved the language of ‘complexity-informed practice’ into something that better describes how this new approach works. This is the language of:

Human | Learning | Systems
THE PRACTICE: HUMAN, LEARNING SYSTEMS

HUMAN: Variety, Empathy, Strengths, and Trust (VEST)

Being more human means that people who work in this way:
– recognise the Variety of human strengths, needs and experiences
– build Empathy between people – so that they recognise, and seek to act on, the emotional and physical needs of others
– use Strengths–based approaches – recognising and building on the assets (rather than deficits) of people and places
– are Trusted to act on their intrinsic motivation to help others and get better at what they do.

We will now explore what these features look like in practice, before examining the implications for funders and commissioners who want to enable this way of working. In each section we identify the questions we think are helpful for leaders who want to work in this way to consider.

RESPONDING TO VARIETY: BESPOKE BY DEFAULT

Everyone’s strengths and needs are different. In order to help create positive social outcomes, those doing work on the ground said they needed to be able to recognise and respond to those differences – to recognise each and every person’s own way of being human. Those managing this work described ‘liberating’ staff to enable them to respond in a bespoke way to each and every person with whom they work.

Enabling relational practice:
One of the most important ways in which this freedom manifested was a shift towards relational practice on behalf of those working with clients. Rather than having to deliver a prescribed ‘intervention,’ workers were able to form meaningful relationships with those with whom they work and respond to whatever strengths and needs they found through that relationship.

“Relationships solve problems, not services.”
Public sector change leader

“We threw out the old way of working. We ditched the paperwork and designed a person–led not process–led approach.”
Provider

“We aim to put the person at the centre of everything. Lots of social care organisations say this is what they do, but in reality corporate policies and processes divert staff from focusing on the best outcomes for people.”
Provider

RESPONDING WITH EMPATHY

This relational practice manifests in all layers of the system – between workers on the ground and the people they support, between those workers and staff at other levels of the organisations with which they work.
To build relationships across and between levels requires that people are able to understand the reality of the lives of others. Kirklees Council have adopted a Restorative Practice approach to Children’s Services as an improvement method to address this point:

“We just need to be decent human beings to the people we deal with. This is about how we deal with one another as staff, as well as with citizens. We want to encourage people to challenge and learn from one another. To do that, we need to recognise the things that people have that are going on in their lives which affect their relationships.”

Public sector change leader

RESPONDING TO STRENGTHS

Shifting the focus from deficits to strengths is core component of human approaches. Rather than treating people as a list of problems to be solved, those working in a human way seek to understand people’s hopes and aspirations, they ask people ‘what does a good life look like for you?’

Mayday Trust talks powerfully about how ‘deficit’ based approaches strip away people’s sense of self-worth and ‘trap’ them in the system. They have set out to adopt a new strengths-based approach that instead supports people to make positive transitions:

“When we really listened to what people said (not just what we wanted to hear) we heard that the process once someone became homeless was humiliating, dehumanising and at worst, institutionalising. People were becoming trapped in homeless services.”

“…[Instead we developed a] way in which people could genuinely take back control, build on their strengths to find a new self-identity, find good networks and a purpose, by-pass the sausage machine of services and get on with their lives in the real world.”

Provider

RESPONDING WITH TRUST: DEVOLVED POWER AND DECISION MAKING

To enable this relational practice, managers of those working on the ground need to give significant decision–making authority to those doing the work. This means that decisions can be taken rapidly, and in response to detailed knowledge of specific people’s contexts:

“Most of the specific things that were done that helped people were small and unspectacular. A coffee, a chat, a food shop whilst benefits were being processed, a bus pass to aid a job search (and just to get people out of the house), some basic clothes… They didn’t need supplying for and assessing for, but were decisions made by the workers in the work based upon the specific context of the person and their situation.”

Public sector change leader
Freeing workers to do the right things seems to be based on establishing a sense of shared humanity – on trusting well–informed workers to use their knowledge to respond authentically to the needs of other human beings:

“...We know and actually we need to again balance the power of intuitive knowledge and understanding... let’s openly acknowledge that we know the powerful impact for ourselves personally [of] feeling cared about, not done to... We know what makes people feel alright but... we’ve masked that away from ourselves. I think it’s just about being open to being human actually.”
Provider

“How do we all get together to embrace the mess and do what’s best for people rather than what’s comfortable?”
Provider

As part of this, there is a recognition that metric–based performance management makes it harder to do the work that is important in complex environments. Organisations are freed from externally imposed targets, set by people who are disconnected from the work. Instead, workers are allowed to focus on what matters to the people in front of them.

“We do whatever people need”
Public sector change leader

“As an individual, I feel accountable to my patients and to the staff that I manage but that’s that human element of what do I think is important in my role. So, if I’ve got two emails, one’s from the [regulator] chasing up a bit of paper, one’s from a member of staff struggling with a patient, I’ll ignore [the regulator]... I’ll ignore that bit and focus on the patient directed stuff.”
Provider

Importantly, devolved decision making does not mean individuals are left to work unsupervised or unsupported. Workers still operate within clear boundaries that reflect what is safe and legal, and peer support and peer accountability is key in enabling sharing of learning and informed, fair decision making.

“Our teams work within safe parameters and regulatory guidelines – it’s not anarchy!”
Provider

QUESTION FOR LEADERS:
How can you give your staff the freedom and authority to respond to the particular strengths and needs of each person they work with?

FUNDERS AND COMMISSIONERS: TRUST–BASED FUNDING

Organisations providing ‘human’ support told us that this way of working needs to be supported by new ways of funding and commissioning:

“For strengths–based work we need strengths–based contracts. We must allow people to transition as they see fit, not fix what we think [is wrong].”
Provider

To do so, funders and commissioners need to give up the illusion of control. From their position in the system, funders and commissioners cannot prescribe what a good outcome looks like (because they’re different for each person, and will change over time) and cannot know what bespoke support each person needs.

Consequently, those who fund and commission in a ‘human’ way view their funding as supporting those organisations who have the quality of relationships to know their clients best. This approach is exemplified by the US–based Whitman Institute’s attitude to those organisations they fund. They describe what they do as ‘trust–based philanthropy’ and say that they ‘partner in a spirit of service’ to those organisations:

“We enter collaborations with humility by listening first and responding directly to the needs of our partners. Universally, they have much more knowledge of their work, fields and challenges than we do. We place ourselves shoulder to shoulder, not ahead of, our grantee partners as we iterate and learn, together.”

Charitable Funder

One of the key ways this manifests in the practice of funders is that they offer multi–year, core funding to organisations. They do this because they have learnt to trust that the organisations they support have a mission and values which are aligned with their own. There is a recognition that this significant shift must start with those who control how the money works. Those with resources to allocate must display the leadership to do things differently:

“I have an obligation to come through on the things I said I would and they were about transparency and openness and fairness and creating a climate of safety for people. I think that’s the thing that only us commissioners can do. Only we can make the climate safe for people to change. So sometimes in other areas, services will be really up for a change, there’s nothing they can do about it because the commissioners are not prepared to give up some of their power”.

Public sector commissioner

The simplest way that funders and commissioners express this is practice is to allocate resources that do not come with performance measures or other Key Performance Indicators (KPIs) which focus on either process or pre–defined results.

“Many funders attempt to put in place tightly defined project parameters to help them measure and identify impact in the hope that that will create more impact for people. But we’ve increasingly come to realise that the hoops that funders make organisations jump through to get funding do not create impact, in fact they are slowing down the organisations we want to help”.

Charitable funder

“Humans are social and this is essentially quite a social way of negotiating service provision and systems, isn’t it? So yes, there isn’t really any magic to it. It’s a very human process?”

Public sector commissioner

Funding allocated and administered in this way enables organisations to respond effectively to change in the wider world. Children England tell a powerful story about how ‘unconditional pounds are worth more — core funding from the Tudor Trust, given without preconditions or KPIs, enables them to respond rapidly to the changing policy environment for young people, and influence more meaningful change as a result.

QUESTIONS FOR LEADERS:
What would it take for you to fund without seeking control?
How would you decide who you could trust?
Trust is the starting point for working effectively in complex environments, but it is not in itself sufficient. Trust is earned by those people and organisations who learn and improve, and in turn, trust frees those people and organisations to adapt their practice based on their learning.

One of the most powerful and significant refrains we have heard from those who are delivering activity in complex environments is that standardised services don’t work. This radically changes the nature of what is required to deliver high quality, effective social interventions.

We have become used to the idea that learning and experimenting is a phase within the social innovation cycle: people undertake research to find the ‘right’ answer to social problems, and they test out different options. When the testing is complete, we know ‘what works’. The task is then to implement these ‘evidence–based’ approaches at scale.

Our research strongly suggests that this is not an effective strategy for responding to complexity.

What worked for one person may not work for another. What worked in one place in one time may not work in other places. What worked at one time may stop working as the context changes.

Consequently, people working effectively in complex environments undertake a continuous process of learning and adaptation. This requires on-going experimentation. This experimentation builds an understanding of the ways of working which are more likely to be effective in particular contexts. This in turn gives valuable insight as to where to begin the next set of experiments.

For providers this means:

**An iterative, experimental approach to working with people**

The move to relational and tailored ‘human’ approaches means that each encounter with people who access support is an opportunity to learn and improve. For example, Gateshead Council has created protected spaces for learning in the form of ‘prototypes’ which are framed as learning environments. The team had no preconceived programme of support to provide: they are testing different approaches and collecting information about what happens as a way to learn and improve.

“The reality that leaders in public service of any kind must learn to embrace is that the yearned for efficiencies seen in the repeatable processes of manufacturing do not work for people and their inevitable variation.”

Public sector change leader

For those deploying resource to achieve social change, this means:

**Funding and commissioning for learning, not services**

To enable the experimental approach outlined above, some of those who fund and commission work in complex environments are beginning to do so on the basis that they are ‘purchasing’ the capacity for people and organisations to learn and adapt to deliver relevant support, rather than buying services.
One of the most advanced examples we have seen of this approach in action is Plymouth City Council’s commissioning of a system to support vulnerable adults, in partnership with the local Clinical Commissioning Group.

In Plymouth, the contract for provision of support to vulnerable adults does not specify outputs or outcomes to be achieved. Instead, it uses a set of agreed principles as the basis for how the system will function, including ongoing adaptation to support provision based on shared learning. Peer accountability is an important part of this, with alliance members responsible for learning together.

A provider from Plymouth described the commissioning process in the following way:

“I think we were used to expecting ourselves to have solutions and answers to things without necessarily realising that often we didn’t. The only way we were going to get solutions and answers or ideas or thoughts was to sit down and talk very honestly about the kinds of things that we were being asked, and to try and find our way through. Some of that would not be a nice polished answer but it might be some ideas about what we might do to try and get to that answer about who we might involve and who we might ask and how we might do it.”

Provider

Charitable foundations also provide examples of funding for learning, rather than services. The Lankelly Chase Foundation now frames all of its work as inquiries:

“An inquiry approach allows us space to learn, adapt and grow as the work develops and it means learning becomes a core part of the way we work.”

Lankelly Chase

WHAT ARE THE FEATURES OF A LEARNING APPROACH?

To enable the new practices described above, we have seen providers, funders and commissioners:

- Using data to learn
- Creating a learning culture

Using data to learn

Measurement plays an important role in HLS approaches, but for the purpose of enabling learning, rather than control.
Providers working in this way gather and reflect on a wide range of data, to enable teams on the ground to continuously improve their work based on a fully rounded understanding of an individual’s context, strengths and experiences.

For example, the transitions organisation, Mayday Trust, works with people experiencing tough times to offer personalised support that removes systemic barriers and develops individual assets.

While they continue to gather data on traditional metrics such as sustained accommodation, their focus is on understanding the development of people’s assets and strengths and encouraging people to gather evidence that they can build their own internal motivation to sustain positive life changes, rather than meeting pre-defined standardised KPIs.

In Gateshead, their public service reform work is drawing on measures from multiple perspectives to enable them to reflect on, learn from and improve their prototypes.

**Gateshead measures**

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<td><strong>Is it efficient?</strong></td>
<td>Employees</td>
<td>How easy/difficult was it for me to do the right thing for the person I am trying to help?</td>
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<td></td>
<td></td>
<td>• % First time solves</td>
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<tr>
<td></td>
<td>Volunteers</td>
<td>• # handoffs, # assessments, # people involved, # IT systems</td>
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<tr>
<td></td>
<td></td>
<td>• % actions that were value/non-value work?</td>
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<td>• Morale</td>
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<tr>
<td><strong>Is it sustainable?</strong></td>
<td>System resources</td>
<td>• Costs – history and trajectory</td>
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<td></td>
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<td>• Costs – new trajectory and intervention costs</td>
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<td>• Demand – from the person we helped</td>
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<td></td>
<td></td>
<td>• Demand – implications for whole borough/whole system</td>
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</table>
Some funders and commissioners are recognising the need for this more flexible rounded approach to measurement. Commissioners in Plymouth provide an example of this:

“...the obesity thing... We did some appreciative inquiry with some of the families... and what you realise is that families don’t talk about obesity at all, they talk about abuse and poverty, mental health. Everybody who hears any of those stories immediately understands it’s not about obesity, it’s about something else and we need to be addressing the something else because as human beings, I think we are designed to engage with stories.”

Public sector commissioner

Increasing the use of qualitative data is an important feature of using data to learn. Providers identified that using narrative data is helpful for understanding the nuance of cases, so that people can learn well:

“...the obesity thing... We did some appreciative inquiry with some of the families... and what you realise is that families don’t talk about obesity at all, they talk about abuse and poverty, mental health. Everybody who hears any of those stories immediately understands it’s not about obesity, it’s about something else and we need to be addressing the something else because as human beings, I think we are designed to engage with stories.”

Public sector commissioner

Creating a learning culture

We have also discovered more about how organisations create a culture which promotes and enables continuous learning:

Removing competition enables sharing learning between organisations

In Plymouth and Bristol, they have found that when conversations about resources are separated from conversations about learning, this seems to create the trust that enables those doing the work to share authentically with one another, even across organisations.
“In the old style, the competitive style, people were the keepers of secrets. In this [HLS approach] they are the sharers of knowledge. We didn’t ask them to do that, it’s the mental change that people make. They don’t have to protect their knowledge because they’re worried you’re going to steal their contract.”
Public sector commissioner

“Systems change is hard to pin down especially when wanting people to lead the system for themselves. Us taking credit is counterproductive and leads to confusion if we try to claim who is responsible for what outcome. Instead we send our funder quarterly reports on what’s happened that’s of interest, and they visit and spend time with us to feel reassured that they’re funding something that will help clients.”
Provider

Formal and informal spaces for learning – creating trust and connectivity
Organisations working in this way have created a system–wide learning culture by developing a sense of trust and connectivity across people in different organisations. In Plymouth commissioners developed specific forums for joint problem solving:

“We put in place the systematic things, feedback loops and things, but I would say most of the really amazing things that have happened, we didn’t know they would happen. They just emerged. The Creative Solutions Forum, it’s just become this astonishing thing. I mean when I set it up, I set it up to solve complex cases, I didn’t realise all this other stuff would happen that was amazing.”
Public sector commissioner

The sense of trust and connectivity across organisations sometimes manifests in informal, ad hoc spaces for learning:

“When somebody encounters something, they know they can pick up the phone [even if they work in a different organisation]. So there’s a lot of knowledge and skills transfer that’s happening through that. I mean you couldn’t make that up, you couldn’t structure it. You couldn’t say, “This is the procedure to do that.” It’s just organically... again, it’s another emergent property of this way of thinking about our service provision.”
Provider

Creating a ‘positive error culture’: enabling honesty
When working in complex environments, people will necessarily feel uncertain about their practice, and they are bound to make decisions which sometimes lead to poor outcomes for people – because of the way in which other factors beyond their control interact with those decisions. Consequently, if learning is to drive performance improvement, those working in complex environments must have spaces in which they can talk about mistakes and uncertainty without fear of adverse consequences:

“I guess for me it’s about the honesty bit, isn’t it? [To say] It’s okay not to know, actually be able to voice that – before you wouldn’t probably say that, certainly with the commissioners around. Whereas now you can actually say, “No, actually it hasn’t worked, I don’t know.”
Provider
This is called a ‘positive error culture’. Organisations have explored new ways to create this culture – safe spaces where people can talk about their mistakes and uncertainties. The ‘Learning Communities’ approach is one way to create such spaces.

**QUESTION FOR LEADERS:**
How can you create a learning culture across the system?
How will you create a ‘positive error culture’?

### LEARNING AND ACCOUNTABILITY

As briefly explored in the ‘Human’ section, when funders and commissioners provide resources to organisations in order to enable them to learn and adapt (rather than to provide specified services) it challenges traditional, narrow accountability mechanisms. These traditional mechanisms involve commissioners specifying, or asking providers to specify, targets for the outputs or outcomes they will ‘deliver’ and holding them to account for whether those targets are met.

Unfortunately, in complex environments, we know that a focus on this narrow form of accountability is counter-productive and wasteful, and succeeds in creating ‘gaming’ of figures rather than supporting the achievement of positive outcomes. As Campbell’s Law states: ‘The more any quantitative social indicator is used for social decision making, the more subject it will be to corruption pressures and the more apt it will be to distort and corrupt the social processes it is intended to monitor.’

We see this in teachers teaching to the test and hospitals managing emergency admissions to narrowly meet threshold targets.

In response to this challenge, organisations working in an HLS way have begun to broaden their thinking about accountability, attempting to shift the focus beyond a narrow target-based accountability relationship between commissioners and providers (which is then frequently replicated in hierarchical performance management relationships throughout provider organisations).

These organisations are in the early stages of exploring what HLS accountability involves, but it seems to start from a recognition of the multiple dimensions of accountability. People at all levels are required to account for their decisions in different ways to different stakeholders. They may be required to account for spending decisions to auditors, for practice decisions to the people whom they serve, and to their peers. They may need to provide an account of how they prioritise their time to their managers. Regulators want an account of how the practice is safe and of appropriate quality. The Gateshead measures detailed earlier in this section are one example of this approach to accountability.

Ultimately, those working in a HLS way seek to achieve a balance between these multiple dimensions. This typically involves increasing accountability to people accessing support, and to workers providing support—perspectives that are often overlooked in traditional accountability mechanisms, but are key to achieving positive outcomes.

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An approach that draws on these multiple dimensions requires more than just counting. Providing an account for your actions and judgements – explaining why you acted in the way that you did – requires different forms of data, and frequently requires a dialogue between those who are seeking an account, and those who provide it. For example, between workers who hold each other to account for the decisions they make, and for continuously improving their practice. Accountability in complex environments can rarely be satisfied by one set of people sending a set of figures, or a set of ticked boxes, to another. This is reflected in the practice of commissioners in Plymouth:

“It will be about experiential learning for commissioners and vice versa, services spending time in other services to gain a more rounded view about what services do and what their value is and what good looks like. The other thing for us is obviously we still have to collect all the outcomes [measures – for Central Government]. We’re not going to performance manage those. We will just use them as interesting things to learn from.”

Public sector commissioner

As with all aspects of HLS practice, finding appropriate mechanisms for achieving genuine accountability requires experimentation and learning. Interestingly, some regulators seem to have recognised this, and have expressed a desire to participate in explorations of new forms of accountability.

“The Care Inspectorate has sought to support the pioneering work that Cornerstone are advancing, by promoting an enabling regulatory environment that supports innovation and improvement and allows new ways of working to be explored and new ideas and approaches to be tested. Our approach seeks to support Cornerstone to achieve their aim of delivering better outcomes and improving the wellbeing of the people they work with.”

Scottish Care Inspectorate

![Diagram: The many different dimensions of accountability]

**QUESTIONS FOR LEADERS:**

How can you shift from a narrow target-based form of accountability to an approach that brings together multiple perspectives with a focus on improving outcomes?

How will you change your performance management system to fit with this?
Organisations who work in a HLS way understand that outcomes are produced by systems, not by single projects, programmes or organisations.

This is illustrated by exploring the many factors that contribute to obesity. The system which leads to the outcome of obesity was mapped by the UK Government in 2007.

It is the interactions of all 108 factors identified in this system which leads to obesity (or not).

To create better outcomes, we need the system to function better – for the different elements of the system to work together more effectively.

The question for those interested in creating positive outcomes is therefore: how can we enable the systems that produce such outcomes to work better, so that they produce desirable outcomes more often? We have begun to learn about how funders, commissioners and organisations that work on the ground do this.

**WHAT DOES A HEALTHY SYSTEM LOOK LIKE?**

If healthy systems produce good outcomes, it becomes important to understand what a healthy system might look like. Fully understanding what makes a system more likely to produce positive outcomes will require a considerable amount of further work, and there are many different approaches which can be explored. One approach that many organisations working in a HLS way have used is to identify desired behaviours and/or principles that guide the work of people within a system.

An example of this has been developed by the Lankelly Chase Foundation (LCF), working with a range of systems–thinkers, and people and organisations they have supported to undertake systems–change work. This work has begun to provide a set of potential answers to the question: what does a healthy system look like? LCF has identified nine **System Behaviours** which are exhibited when a place is functioning effectively as a system to meet the needs, and recognise the strengths, of people who experience severe and multiple disadvantage. When a place is working well as a system, these desired behaviours are exhibited by actors across the system, across all the relationships between people in a place:

**Perspective**
- People view themselves as part of an interconnected whole
- People are viewed as resourceful and bringing strengths
- People share a vision

**Power**
- Power is shared, and equality of voice actively promoted
- Decision–making is devolved
- Accountability is mutual

**Participation**
- Open, trusting relationships enable effective dialogue
- Leadership is collaborative and promoted at every level
- Feedback and collective learning drive adaptation

**System Stewards**
From existing research in this area, it seems to be important that someone (or a group of people) take responsibility for the health of the system. This role has been called ‘**System Steward**’ – people who create the conditions in which others can work effectively.
In Plymouth, Systems Stewards have created a set of principles which govern how their system works.

**PLYMOUTH’S PRINCIPLES:**
These are the principles adopted by organisations in Plymouth who have decided to work together as a system serving vulnerable adults:

**Alliance Principles**
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.

LCF has also explored the question of who takes responsibility for ensuring that the System Behaviours exist a place. They have identified a potential role called ‘Steward of Place’⁷ — the person (or people) whose job it is to understand whether the desired System Behaviours exist in a place, and take action to promote and encourage them. This provides a starting point for thinking about what a healthy system could look like, and how they can be promoted.

A healthy system does not require that everyone in a system plays this role – although everyone has responsibility to uphold System Behaviours. Crucially, however, each person and organisation should understand their place in the system. They should be able to answer the question: ‘how does my work fit with the work of others to help the system achieve its overall purpose?’

**Funders and commissioners’ behaviour frames how relationships in the system are viewed**
While it may not always be a funder or commissioner that takes on a lead role as ‘system steward’ (other local actors may take on this role based on sources of legitimacy other than distributing resources e.g. trust and local networks), their behaviour is crucial to the health of a system.

In a HLS approach, commissioners are not purchasers of services that deliver outcomes, commissioners are people who frame how the eco–system of relationships operates. This frames the relationship between commissioner and providers differently:

“We’re not in opposition. They’re not our enemy. We all want the same thing. We’re not [in] a purchaser/provider [relationship]. We’re a collective…”

Public service commissioner

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⁷ Toby Lowe and Max French, Place Action Inquiry: Our learning to date, Lankelly Chase Foundation, 2018
“[We now have a] richer understanding of partners. [When it was] a commissioner game of competition and chucking money in room and watching us have a fight, we didn’t like many people we used to work with – we saw them as a threat, [thought they] would steal our ideas and get a funding application in before we did. I had to learn their difficulties were my difficulties.”

Provider

When commissioners behave in this way, when they set expectations around collective behaviour, which are matched by how they distribute and manage resources, it creates the space for a systemic perspective to develop:

“I think, one of the first big things that we ever learnt as an alliance, that this is what an alliance is all about: it isn’t about one person doing it. It’s about all of us sitting down and coming up with the best way of doing that with the people using the services at the heart of every decision that we made.”

Provider

One of the crucial things that funders and commissioners can do in order to improve the health of systems is investing in developing relationships between actors in the system. This is crucial across actors at all levels. Increased trust between funders/commissioners and delivery organisations in turn enables delivery organisations to develop trusting relationships with the people they support.

“We start from a place of developing relationships with partners so they can in turn build relationships with the young people they’re supporting. Relationships based on trust are essential.”

Charitable funder

LEADERSHIP

Creating a healthy system requires brave leadership, as it involves giving up a significant amount of control, while still maintaining responsibility (for example, meeting regulatory requirements). Leaders are required to work at a systemic level – creating the conditions, and solving the problems that enable people on the ground to be more effective in providing responsive, personalised support.

“We dismantled the bureaucracy and established a leadership team of key players across the system. The emphasis was on how we want to work together – principles, not the action of doing the work... Trust levels have gone up significantly especially at a decision making level. Relationships have improved and we have a better understanding of complexity. Our role is not to have the answers, but to create the right conditions for the system to flourish.”

Public service leader

People who are leading the development and delivery of HLS approaches highlight the rewards of working in a way that better responds to the reality of people’s lives, but also the level of personal challenge and professional risk it brings for them as leaders.

“Have I got the bravery to call things out, the energy and capacity to carry on and carry the system through to a new set of relationships?”

Public service commissioner
Typically, new approaches involve fundamentally rethinking the why, how and what of managing social interventions. This can make it a scary and lonely journey at times to battle against dominant mindsets and practice. Many people have articulated their fear that they will lose their jobs if the new way of working does not work out. They identify the toll it takes on personal resilience to constantly ‘fight battles’ and hold high levels of uncertainty and risk over prolonged periods.

Peer support often plays a crucial role in giving leaders a sense of ‘collective bravery’ to develop and persevere with HLS approaches. This includes support from peers within the system you are trying to change—it is often much easier to develop a systems approach when leaders across the system are engaged. Engagement with peers from beyond the system (from other sectors and places) is also valuable in developing ideas, and providing challenge and moral support.

**SYSTEM CHANGE – STEPS TOWARDS HEALTHY SYSTEMS**

From speaking with a range of organisations working to create healthy systems, we can begin to build a picture of the steps that System Stewards undertake to do this. Some different ways in which this change may be achieved are outlined in the section How change happens.

**QUESTIONS FOR LEADERS:**

Do you understand the health of your system?

Could you use the System Behaviours (or other principles/behaviours) to check the health of your system?

Who (person or people) is playing the role of System Steward/Steward of Place?

What support do they need to play this role well?

**QUESTION FOR LEADERS:**

What would it take for you to share power, but maintain responsibility?
The practice described in this report is recent and emergent. Our understanding of the impact of HLS approaches on outcomes for people who access support, and for the organisations and places working in this way is nascent and requires further study. Here we summarise some of the emerging themes based on feedback from people accessing support, delivery organisations, funders and commissioners.

What difference does it make to people?
The aim of working in a HLS way is to improve outcomes for people accessing support through liberating organisations to respond flexibly to their specific needs, strengths and context.

Organisations and places that have begun working in an HLS way have observed and received feedback on the benefits of this practice for the people they work with, and are developing more systematic ways of understanding this as their work develops (using the approaches described in the ‘learning’ section above). Many of these benefits closely reflect the features described in the ‘human’ section earlier in the report.

The commonly reported benefits for people accessing support span better experiences of support, better outcomes, and being better equipped for life:

- **Being treated as a ‘whole person’**: people are able to access holistic support that address multiple, interacting factors that impact their life, rather than siloed services that each deal with a specific ‘problem.’ As well as being logistically easier and potentially removing major sources of stress, people are able to develop meaningful relationships with the worker that supports them and gain more tailored support, which can lead to multiple improved outcomes.

- **Increased self-esteem**: being treated with empathy and a focus on strengths and aspirations taps into people’s internal motivation. This can increase self-worth (in contrast to deficit-focused approaches that can compound feelings of failure and worthlessness).

- **Building a ‘good life’**: approaches that seek to build people’s skills, interests and networks in the community can build resilience for the long term, equipping people for a fulfilling life in the longer term rather than ongoing reliance on services.

These benefits do not always materialise and when they do it can often take time. It also requires people receiving support (as well as delivery organisations, funders and commissioners) to understand and trust in a HLS way of working that contradicts many of the behaviours incentivised by ‘traditional’ services.

The case studies below, from the Mayday Trust and from Gateshead, provide an insight into how HLS approaches differ from traditional services and make a difference to people’s lives through a bespoke, flexible approach that builds on people’s internal motivation.
Mayday Trust – Jacob’s story

Traditional experience
Jacob* is in his mid-forties, a university graduate and trained professional. 18 years ago, Jacob became street homeless. During this time, through accessing services, Jacob was labelled as having a drink problem, depression & anxiety. He was constantly evicted or would self-evict when he saw it coming in order to retain his some of his power, resulting in Jacob having 19 different addresses within a 9 year period alongside episodes of rough sleeping. He was well known to system, the council and all services in the area as a troubled individual with ‘multiple and complex needs’.

The traditional service response sent him to a counsellor to address his perceived mental health issues. Jacob was perceived as a risk to himself and others and, as a result of the continued warnings, sanctions and eviction for his ‘behaviour and drinking’ he felt misunderstood, isolated, humiliated and worthless.

Personalised approach
A year ago, Jacob was offered the opportunity to voluntarily work with a Mayday Trust PTS Asset Coach.

At this time, he was again facing eviction and was in a difficult situation with a local service as a result of his behaviour. His coach took a fresh approach of non-judgement and started to work with the other agencies to fend off the action and sanctions that he was facing to give them time to start to build trust and understand each other better.

Jacob was given a choice of where and when he wanted to meet his coach and what they talked about. There were no traditional embarrassing risk assessments or forms to capture his problems in order to fix them. Looking at who he was, beyond the labels, perceived risks and diagnosis, Jacob eventually confided that he was struggling with his sexual identity and had experienced significant trauma as a result of trying to survive the system for so many years. He felt failure was a given and just a matter of time until his next eviction.

Jacob’s coach listened and began to understand how living in a large hostel environment was adding to his increased anxiety and struggles with his sexual identity which were leading to him drink more, which led to his negative behaviour. Together with Jacob’s housing team, they began looking into a more suitable type of accommodation away from the large hostels where Jacob felt he would feel less anxious. His coach put Jacob fully in control of

* Names have been changed.
this decision so he was responsible and could take his power back. Although empowering, this was huge psychological leap as this meant the decision was Jacob’s and moving out of the hostel would mean moving away from a system, friends and processes that he had known for nearly two decades. He said he felt “uncomfortable not being punished because that’s what happens”.

With his coach, he found a one bedroom flat in a well networked area that he felt happy with. He finally started to feel in control. He chose to go outside more and met his coach in open spaces where he felt more able to talk about his interests and his identity outside of being ‘a homeless service user’ and began a taster class at a local college. This helped Jacob to reframe how he thought of himself as he now felt like just another guy going to college, not a client accessing a homeless art class.

Once Jacob started to view himself how he wanted to and felt pride in his own achievements and progress, his anxiety went down and he naturally started to drink less. Giving up alcohol was never the focus or even part of the conversation with his coach as the aim was never to fix a problem.

Within 12 months, Jacob is now living happily in his new accommodation and has just secured a bursary to enrol in a new course alongside a personal budget and is exploring ways to start his own business based on his skills and abilities. He has new friends and a network of support that he built himself in his new neighbourhood.

Fixing people doesn’t work as it focuses on the problem and not person, yet listening to a Jacob’s story demanded a totally different response. The Personal Transitions Service works in a way that offered Jacob the right response at the right time for him where he could develop his own identity, positive network and sense of purpose outside of services.

“…whatever you guys are doing, it’s bloody good, well done”
Gateshead – Mary’s story

When the team first met Mary*, she was in desperate straits: no light bulbs in her flat (the only light source was the TV, and the license was out of date), no heating, broken oven, floor to ceiling mould, threadbare carpets, mould in the bath and a strong smell. There were letters from various public agencies piled up.

Mary was dressed in multiple layers. The smell of urine was obvious. She had psoriasis on her head and the wounds appeared painful. She would only look down; eye contact impossible. The team members are used to seeing poverty, but this moved them to tears. It was all they could do to hold it together.

Mary has learning difficulties and possibly PTSD. She was scared to go outside and was scared of authority, for reasons that revealed themselves as the team got to know her. The team began to suspect that she was being exploited financially. She was keen to explain what she thought was happening to her money and having DWP ‘in the room’ with the team meant they could check things out. The team called the police, social care, GP… They all responded quickly to Mary and positively to the fact the team were not working to a script or set of policies.

Someone has been out just about every day since. The team got the GP to visit who helped with her wounds and put her on the GP radar. They got her a microwave straight away as she was cooking frozen ready meals in a slow cooker which they thought might be making her ill. She seemed very thin. The Police are investigating potential abuse; they’ve been great.

The team will get to work on the oven and other things. They got the heating going (the police officer helped reactivate the boiler) and put some credit on it. They put £100 pounds on the account and £76 of it went on the accrued debt, leaving £24 worth of heating to show for it. The utility company aren’t answering the phone – but the team will pursue this poverty premium problem most urgently. She’s getting her benefits now. She’s due some more and the team are working on that. She now has a bank account.

The team’s fourth visit saw a change. They went armed with rubber gauntlets and cleaning stuff – a deep clean had been arranged for the following week but the team and Mary wanted to take the edge of it there and then. The team were pleasantly stunned when Mary answered the door and declared she’d got herself cleaned up a little, had tidied up a bit and she’d tried to vacuum. However, the state of the carpet and the amount of detritus blew the cleaner up! But this WAS progress. She looked noticeably better. The neighbours came out and said that they’d not seen her like this for years. The team cared and acted, got some great people involved and she responded.

* Names have been changed.
What difference does it make for the system and organisations?
Funders, commissioners and delivery organisations report the following benefits to them as organisations and to the wider system. Again these closely reflect the HLS features described earlier.

**Increased collaboration**
When organisations develop a systems perspective, they begin to understand the role that each of them plays in supporting the people with whom they work. In Plymouth, this developed into an understanding across organisations, and a willingness to collaborate to help people:

> “Then today one of my staff comes in and says, ‘A woman from [organisation x] has just called me about someone that we used to see. They’re really worried about them. I’m going to go down now.’ So [as a manager] I don’t now go, ‘Are you going to record that he’s not with us? Where’s the referral paperwork?’ I don’t do that today. I go, ‘Okay, so you’ve got time?’ ‘Yes, I’ll go now… I’ll ring her and tell her I’m on my way’.”

*Provider*

Now, a few weeks later, she’s able to join in and untangle some of her own threads. The team are proud of Mary who now, with a slowly growing confidence, looks them in the eye. There’s still confusion but this is better already. Yesterday, after six weeks of help, she walked outside to the local Tesco and topped up her fuel card. This is massive for Mary. The neighbours noticed too. Everyone’s amazed.

The team hasn’t done anything complicated. They’ve now spent about £1,600 sorting things out. Is this a good use of taxpayers’ money? What might have happened if Mary was left like this? The team think Mary might well have died. What would be the social, moral and financial cost of that?

Mary still has some way to go. The team has been getting her some furniture for free, sourced from house clearances (where the stuff collected has been going to the tip even if it is new, this is now a side-project that the team is picking up). She’s starting to broaden her horizons. There’s every chance she is going to be ok, more than ok. There’s every chance she’s going to thrive.
Enabling innovation
Liberating delivery organisations to be human and work in the best interests of people and communities rather than rigid specifications seems to be a trigger for innovation.

“Compassion and empathy are fuel for innovation, trust is the engine that sustains it. The prototype team have been given the space to operate in whatever way they feel will help... Some of these [ways] were very inventive and were conjured up with colleagues from many departments and partner organisations as well as citizens themselves. In almost all cases, the idea started with compassion. This sounds trite, but compassion was far more likely to generate new ideas and approaches than compliance.”
Public sector change leader

“[we] were flabbergasted at the level of innovation that was suggested. [We] were flabbergasted at the level of consultation that the applicants [providers] had done... Their offer had been co-designed with their staff groups in a way that none of us had ever seen before. Some of the offers they made, we had not asked for, they were not in the spec. They were just additional things that they suggested they could do because they were good things to do, they were good for the city.”
Public service commissioner

Increased motivation
Delivery organisations, funders and commissioners report higher levels of staff motivation as a result of being able to work in a HLS way. This is not true for everyone and motivation across organisations might dip in the short term due to the uncertainty of major change, but once HLS approaches are embedded, staff tend to be more motivated as a result of being able to work in a way that better responds to the reality of the lives of the people they seek to support.

Cost savings
As many HLS approaches are in their early stages, the true cost implications are still emerging. While it may take an upfront investment of resource to develop new approaches (for example, investment in workforce culture change), there is potential for savings over the longer term. People working in this way have identified the potential for and begun to demonstrate cost savings. See the Gateshead case study on page 67 for emerging examples of this.

These cost savings arise not from costcutting programmes, but from doing the right thing for people first time.
Those people who have reported the potential for cost savings have found that not helping people is expensive and wasteful. It is expensive and wasteful in three ways:

- Not helping people when they ask for help makes people’s problems more entrenched and expensive to help later on.
- Not helping people itself costs money. Providing a standardised service which does not meet the strengths and needs of the people who use it mean that scarce resources are wasted providing the wrong thing. This fits with other evidence that there are significant diseconomies of scale when providing responses to human need.

“I think the issue around money, it’s again the thinking differently, it’s forced it, the necessity, the working together. We can’t duplicate. We have to do something different.”

Provider

- Turning people away from help costs money. Assessment processes which decide whether people’s problems are serious enough in order to provide support themselves cost money.

However, there was also a clear message from people that whilst working in this way saves money, cost saving cannot be the primary purpose of change. Their message is that saving money comes as a by-product of doing the right thing. If you make cost-saving the focus, you won’t do the right thing, and so you won’t save money:

“One of the things I found [as the result of our work], is a reduction in the use of blue lights, unplanned care, which is a massive cost pressure for the CCG. Immediately I said, “I found these big reductions in unplanned care,.”. [The CCG said] “We want to measure that.” [My response was] “No, don’t look at it. If you look at it, it will all go [wrong]. You’ll only achieve it by not staring hard at it. Just stare hard at doing the right thing and then that will reduce [costs].”

Public sector commissioner
This section explores how change happens. It describes the journeys of organisations, partnerships and places who are working in the way described in the first half of the report, and provides practical insights and guidance for others who are interested in doing the same.

You can see the stories of change in particular places in the case studies in the Examples & Tools section. In this section we identify some of the commonalities across the different stories of change that we have seen.

We have done this because people continually ask how change can be achieved. The material we present in this section provides a response to that question. However, in the process of creating ‘how to’ examples, nuance is lost. The examples we present should therefore not be read as recipes for change, but as a navigation aid for exploring the New World.

One aspect of the approach to change that we have noticed is that it seems to mirror the content of the HLS approach. It requires learning and experimentation, and a systems-change approach. Viewed in this way, the processes and examples of change in this section may provide navigational aids for System Stewards – for those people taking responsibility for the health of the systems in which they work.

Exploring how change happens is important for two key reasons:

1. It typically requires a significant shift in existing mindsets and approaches – rather than new practices that can be neatly adopted within existing structures. This way of working involves rethinking how social change happens, including the distribution of power and roles and responsibilities of people and organisations across whole systems.

2. The how is always different depending on the context – the starting point, the ambition, who is involved. It is important to acknowledge this – there is no single ‘how to’ guide. But there are opportunities to learn together. There are examples that can serve as inspiration, highlight common barriers and enablers, and identify key archetypes that can help inform the work of others. This report aims to begin to share these examples and insights.
THE PROCESS OF CHANGE

While change is context dependent, there are some common features across the examples we’ve seen. The stages identified in the diagram below happen to varying extents, in different orders and are cyclical rather than linear.

The stages apply at the multiple layers described in the first chapter – relevant to both how funders/commissioners work with delivery organisations, and how delivery organisations work with the people they support.

In the Examples & Tools section at the end of this report we give examples of what this change process can look like in practice in different contexts.
Start with purpose

A system is identified and bounded by its purpose—the change it seeks to achieve. It is important to start with a clear articulation of what the system is for, and where the boundaries are, even if the specifics of this are refined in later stages.

Considering the purpose of a system and exploring how to be more effective at creating this change is a powerful starting point. People are able to check the purpose of the system against what is really happening. This can lead to two types of reasons/motivations for change:

• The moral case: outcomes for people aren’t good enough;
• The financial case: with budget cuts and rising demand, current models are no longer viable, and (given the moral case) we can’t do less of the same.

These are not mutually exclusive and often it is a combination of the two that drives change, based on a recognition that meaningfully improving outcomes is not possible within existing systems and structures (both commissioning structures and the services that result).

Where places have acted on this recognition that change is needed, there is typically a ‘spark’ that drives action by making the imperative to act impossible to ignore, and/or creating a sense that meaningful change is possible. Examples include:

• Deep listening to feedback from people accessing services about what they want and need that can’t be ignored
• Incentives for collaboration (e.g. a funding programme or the recognition that provision won’t be able to continue without increased joint working)
• New leaders and strategies
• Inspiration from elsewhere, including international examples and other disciples e.g. Cornerstone were influenced by Buurtzorg in the Netherlands (see case study), and the Mayday Trust drew on positive psychology.

To see examples of the ‘drivers for change’ that inspired different places and organisations, please see the Examples & Tools section.

Understanding the system

To begin to work in an HLS way, those who are part of a system must understand that system – who is part of it, what the relationships between the different elements of it are, and how they work.

Make the system visible

The first part of understanding the system is to make sure that the actors (people and organisations) in the system know who else is in the system, what they do, and what their perspectives on the system are.

This might include system mapping. It is crucial that this stage includes the perspective of those the system aims to serve.

For example, Plymouth used a process of Appreciative Inquiry to hear the voices of different actors within their local system which supported adults with complex needs. A crucial part of this exercise was creating mechanisms which enabled ‘service users’ to have their voices heard:
“I think when you hear it from service users and residents, you start to think, “Actually, that reinforces this intrinsic stuff that we’re already thinking,” and they’re saying to you, “Look, I don’t want to do this this way, I want to do it this way. This is what I would like. This is what I want.” We listened to that.”

Commissioner, Plymouth

Ideally this stage will include the involvement of actors from across the system (beyond traditional silos), however this is not always possible when seeking to bring about particularly disruptive change (see example 2 in the Examples & Tools section section below).

An important aspect of understanding the system is recognising people’s different perspectives on the purpose of the system, and the values that they bring.

Building relationships and trust

Actors in the system must be able to trust one another. This starts with authentically hearing one another’s experiences. No one perspective or voice in the system has the whole truth, but some voices will have been heard more than others and this power imbalance requires addressing. It takes time to build trusting relationships, undertake shared activities which build empathy, and help people to see different possibilities. The ambition is not to create an environment in which everyone agrees on everything, but one that enables everyone to have a voice, and trust each other enough to disagree and debate.

Reference: The parable of the blind men and the elephant

It is only when these different perspectives are made apparent to others in the system, and acknowledged as equally valid, that ‘the system’ can be genuinely understood by all the actors within it.
Establishing shared purpose

Once people see themselves as part of a shared system, they can begin to refine what their shared purpose ought to be. This typically involves developing a vision for the system that partners can coalesce around and work towards together, rather than deciding what specific services need to be commissioned or delivered. Again the involvement of people that the system seeks to help is crucial developing this shared purpose.

Examples of shared purpose include Gateshead’s focus on how to help people thrive rather than demanding immediate Council Tax payments, and Mayday Trust’s shift from tackling homelessness to ensuring ‘that system is personalised, transitional and works for people going through tough times’.

Developing principles, values and behaviours

Developing trust is an essential foundation but in itself is not enough – how people work needs to fundamentally change too, not just the strength of relationships. Many places working in this way have stressed the importance of establishing system principles or values that guide the behaviours of actors across the system – enabling people to hold themselves and each other to account for how they behave rather than the delivery of specific tasks or narrow targets.

Culture change

At all stages, developing the new mindsets, behaviours and skills to work in a HLS way can take significant time and support. Some staff are predisposed to thinking in a ‘systems’ way and recognise the benefits for the people they work with, which in turn can increase motivation. However, others feel exposed and under threat when what they’ve done for years is questioned, and they no longer have clarity on what to do in a world that embraces relationships and flexibility rather than process and checklists. Systems thinking training, establishing systems behaviours/principles and giving people space to explore (often with peers) how what they do needs to change can help. Alongside this, a sense of permission to work differently is crucial.

[We experienced an] “enormous ripple effect on the whole organisation… Culture had to shift so hugely when we passed power back to people – language, structure, environment, structure, process, and most importantly people… We re-interviewed all staff and lost 50% of the workforce – they didn’t want to or didn’t have the right behaviours and mindset.”

Provider
Design

Having established a shared purpose for the system, what needs to be done to work towards this? Based on the understanding of the system developed, what roles should different actors in the system play – collectively and as individual people/organisations? This can involve redesigning funding/commissioning and/or delivery approaches.

One of the key enablers for a HLS approach is devolving as much decision making as possible to the people providing and receiving support. This requires that approaches are not over-specified at the design stage.

Experimentation, reflection, re-design

In a complex environment, work isn’t a set of industrial practices to be bought and replicated. People accessing support are unique. The context is always changing. All work is therefore an exploration and an opportunity to learn.

As part of each ‘exploration’, there must be aspects of learning and re-design. People providing and accessing support must work together to make sense of what is happening, and how it needs to change. Each aspect of experimentation is therefore a microcosm of the overall learning and governance question: is this what we intended?

At the Centre: Governance and Learning

Working in a complex environment means moving from managing prescribed processes to having a set of conversations which seek to govern how the system works, and how resources are distributed to enable it to fulfil its purpose.

At the heart of this is the question: is what we are doing what we intended? This involves comparing what we intended to happen (the shared purpose, values and principles) to what actually happened. Creating feedback loops enables actors across the system to see what occurred. Such feedback is partly in the form of measurement, and partly in the form of stories and experiential learning. Governance is therefore crucially a process to encourage and develop learning throughout the system. Governance is learning about learning.

The other aspect of governance of the system is to keep asking ‘who are we to be making these reflections?’ – this aspect of governance requires reflection on legitimacy, authority and ensuring that all relevant voices are actively sought out and heard.

“We try to maintain accountability and keep dialogue open with partners – building trust through frequent conversations and involving our partners. Holding ourselves as a funder to account is important and we bring this into frequent points of monitoring from grant funded organisations – what do they think of our practice? We have commitments on our website and ask partners how we live up to that?”

Charitable funder
Embedding and influencing

The first cycle of a HLS approach tends to take time and involve some big and often challenging changes. Therefore, partners tend to start with a scope that, while big enough to act as a genuine test, is not so big it involves an unacceptable level of risk. This means that once a new approach has been developed, tested, and refined throughout, there’s often an imperative to build on the learning to embed and extend the approach in the second and future ‘cycles’. As part of this, it is important to consider the infrastructure needed to sustainably enable and embed new ways of working, for example, IT systems and governance models.

Sometimes extending the approach is about direct delivery of the current model, in other cases it’s about influencing others to adopt it, sometimes it’s a combination of the two.

Resource Allocation

Resources are required to make all aspects of the system work. It takes resources to understand the system; it takes resources to understand the system, to design well, to experiment, and to govern and learn. Those with decisions to take about resource allocation need to be able to identify where all the resources (human and financial) exist in the system, how they can be best deployed and when— it is likely different resources will be needed at different points in the cycle. For example, the formation of relationships and identification of shared purpose is a crucial stage for which delivery organisations need resource to engage in.

Commissioners are therefore required to think about resource allocation across different stages of the change cycle. Commissioners can use different resource allocation tools for different jobs, both grants and contracts. They can use whichever tools are most appropriate to enable resources to be allocated to get the relevant tasks done.

HLS approaches typically involve working across traditional silos, which has implications for where resource comes from. Pooled budgets, including place-based budgets at a neighbourhood level, can be an important enabler. Where it is not possible to pool budgets or there is a desire to test new approaches before taking this step, adopting HLS approaches typically requires a budget holder to accept that resource will be used more flexibly beyond traditional service boundaries (and manage the implications of this with other budget holders and services).
**CONDITIONS FOR CHANGE**

The features listed below are positive foundations for adopting HLS approaches, and increase the chances of a new approach both starting and being sustained. The absence of one or more of these features does not mean that it is impossible to adopt a new way of working, but acknowledging and identifying if and how these features can be developed should increase the likelihood of success. These features are likely to develop and deepen over time as new ways of working are tested and embedded.

<table>
<thead>
<tr>
<th>ENABLERS: what helps to create these conditions?</th>
<th>FEATURE: what conditions are needed?</th>
<th>BARRIERS: what are the challenges that typically prevent this happening?</th>
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<tbody>
<tr>
<td>Combination of powerful data and stories that communicate the moral and/or financial case for why the current system isn’t working and why change is needed. Insights from people who are failed by the current system are important, as are pointing to examples from elsewhere as inspiration and to show it’s possible</td>
<td>A clearly articulated case for change</td>
<td>The necessary insights may not be available or the case for change may be implicit and not clearly communicated or understood</td>
</tr>
<tr>
<td>Key leaders champion a new approach and help create the necessary conditions including giving permission for new ways of working. There is buy in across multiple leaders to enable whole system working across traditional siloes, and to ensure the burden doesn’t fall too heavily on a few people</td>
<td>Leadership support (including political leadership and trustees)</td>
<td>Leaders do not understand the need for change, do not feel there is a viable alternative, feel testing new approaches is too risky and counter to existing structures/ways of thinking, or do not believe they have the time and resource to make it happen</td>
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<tr>
<td>Partners are open to building relationships and working together to identify shared priorities. They understand and are prepared to invest the considerable time and energy it will take</td>
<td>Strong and diverse relationships across the system</td>
<td>It takes time to build relationships and trust, particularly in a context which has traditionally been competitive. Prioritising talking and building relationships can be seen as unproductive by critics</td>
</tr>
<tr>
<td>ENABLERS: what helps to create these conditions?</td>
<td>FEATURE: what conditions are needed?</td>
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<tr>
<td>Genuine understanding of and commitment to involving people in shaping decisions that impact them, and investment in the new ways of working needed to support this. Involving people early on helps establish what’s needed to meaningfully engage people throughout</td>
<td>Involvement of people who the system seeks to support</td>
<td>Lack of track record in involving people; limited relationships, skills and resource to support this; limited opportunity or intention to act on people’s input. When people are involved under these conditions, it can be tokenistic and damage trust</td>
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<tr>
<td>Areas that are not subject to significant external regulatory and legislative and narrow internal reporting requirements often find it easier to both make the case for and develop new approaches. It is also a question of willingness to be creative—in many cases there is room to experiment if you start with a clear understanding of the ‘red lines’ you can innovate within</td>
<td>Flexible regulation and legislation</td>
<td>Areas subject to significant and restrictive external reporting and compliance requirements e.g. national regulation and legislation will find it harder to develop new approaches. However, there is often some room for manoeuvre in most cases and this should be explored</td>
</tr>
<tr>
<td>Existing supportive relationships with enabling functions helps, and is aided by involving them early on in conversations about why a new approach is important, and developing new solutions together to enable simple rules, parameters and guidelines</td>
<td>Ability to influence key functions including legal, finance, procurement, audit</td>
<td>Historically difficult relationships and culture of ‘blaming’ is a key barrier, as is a lack of shared understanding of the reasons for a new approach, and involving key functions too late</td>
</tr>
<tr>
<td>ENABLERS: what helps to create these conditions?</td>
<td>FEATURE: what conditions are needed?</td>
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<tr>
<td>Developing HLS approaches typically involves responding to people where they are at and connecting them to opportunities in their community. Involvement of partners that are part of the community and know the local landscape helps develop more responsive approaches and provides a foundation of trust for engaging with people in a different way</td>
<td>Local relationships</td>
<td>Lack of local connections and identity often makes it more difficult to work in a more relational, systemic way</td>
</tr>
<tr>
<td>A culture that embraces new approaches or a willingness to invest in building the necessary culture (e.g. comfortable working in ambiguity, systems thinking, sense of permission, focus on learning)</td>
<td>Letting go of the illusion of control</td>
<td>A culture that is characterised by a desire for control, working to rigid parameters and processes focus on maintaining the status quo and discomfort with working in ambiguity will take time to change—it requires investment, new job roles and often requires staff changes</td>
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<td>Sufficient resource to allow the thinking time and relationship building to enable new approaches, including the capacity and expertise to make this happen (sometimes requiring redesign alongside delivery)</td>
<td>Investment in change</td>
<td>Lack of capacity can be a blocker, as is high staff turnover which is a barrier to building the trusting relationships and buy in needed to enable a new way of working</td>
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WHAT SUPPORT IS NEEDED TO WORK IN THIS WAY

At events we’ve convened of hundreds of people (charities, funders, commissioners, procurement colleagues, researchers, public service reformers) in England and Scotland, the following have emerged as key priorities for support:

• Principles, tools and guidance: How do we get started? What practical examples from elsewhere (e.g. commissioning specifications) can act as a guide?
• Support on specific practical issues e.g. accountability, culture change, procurement, national context, regulation.
• Getting sceptics on board: who else needs to be involved and how do we convince them e.g. procurement, councillors?
• Understanding the implications for different roles in the system and how to work more collaboratively e.g. funders and commissioners sharing risk, inviting others into the conversation, such as councillors and staff working on the ground.

• Peer support: a valuable way to develop ‘collective bravery’ on what is often a tough and long term journey. There is interest in peer support at multiple levels, including acting and collaborating locally, while sharing and learning nationally as part of a wider network.

As one of the speakers at an event we hosted commented, “There’s certainly something starting to build around turning common sense into common practice”. This report aims to respond to some of the ‘asks’ listed above, to help contribute to developing this new version of practice.

“There’s certainly something starting to build around turning common sense into common practice”
CONCLUSION: BUILDING A MOVEMENT

“SYSTEMIC CHANGE WILL GENUINELY START TO HAPPEN WHEN WE CREATE THE RIGHT ENVIRONMENT THAT BRINGS TOGETHER AND EMBRACES THE FRUSTRATED”

From spending time with organisations working in this way, we have begun to learn about what HLS practice looks like, and the different roles that funders, public sector commissioners, and those who undertake work on the ground can do to bring about change.

We have also learnt that there is significant momentum for change:

• Organisations who work on the ground want to provide bespoke responses to people’s strengths and circumstances;
• Public sector commissioners want to help (local) systems produce better outcomes – they want to commission differently;
• Funders want to address the systemic causes of social problems – they want to fund differently.

The ‘Whole New World’ report has been downloaded over 7000 times in 18 months. Over 500 organisations in the UK alone have come to workshops and events to explore what this practice looks like.

While the barriers to adopting new practices are daunting and the journey invariably challenging, the case for change is increasingly impossible to ignore. The HLS approaches that are emerging point to a new way of working that enable better outcomes for people, more efficient use of resources and more motivated employees.

The challenge now is to make these approaches the norm for practice relating to supporting people in complex environments. There is strength in numbers.

We think this involves:

• Creating shared leadership: so that the movement engages responds to a plurality of voices across different parts of the system
• Connecting people: so that people and organisations can share experience and knowledge
• Influencing: creating a network of champions, so that those who seek change can draw on the support of others
• Building an enabling environment: working with national Governments and regulators to create the conditions where an HLS approach is possible
• Creating bespoke support for organisations to help them change: for example, by developing masterclasses, peer support networks and consultancy offers
• Generating, curating and sharing learning: developing knowledge resources to help inform practice

If you would like to join in with this work, or would simply like more information about any of these aspects, please get in touch.

Each organisation (or partnership of organisations) which adopts this way of working will be experimenting and breaking new ground. This will be both exciting and challenging. We look forward to your company on this journey.

Toby Lowe
Dawn Plimmer