



# **Professional policy and strategy - the UK experience**

**Tokyo June 2003**

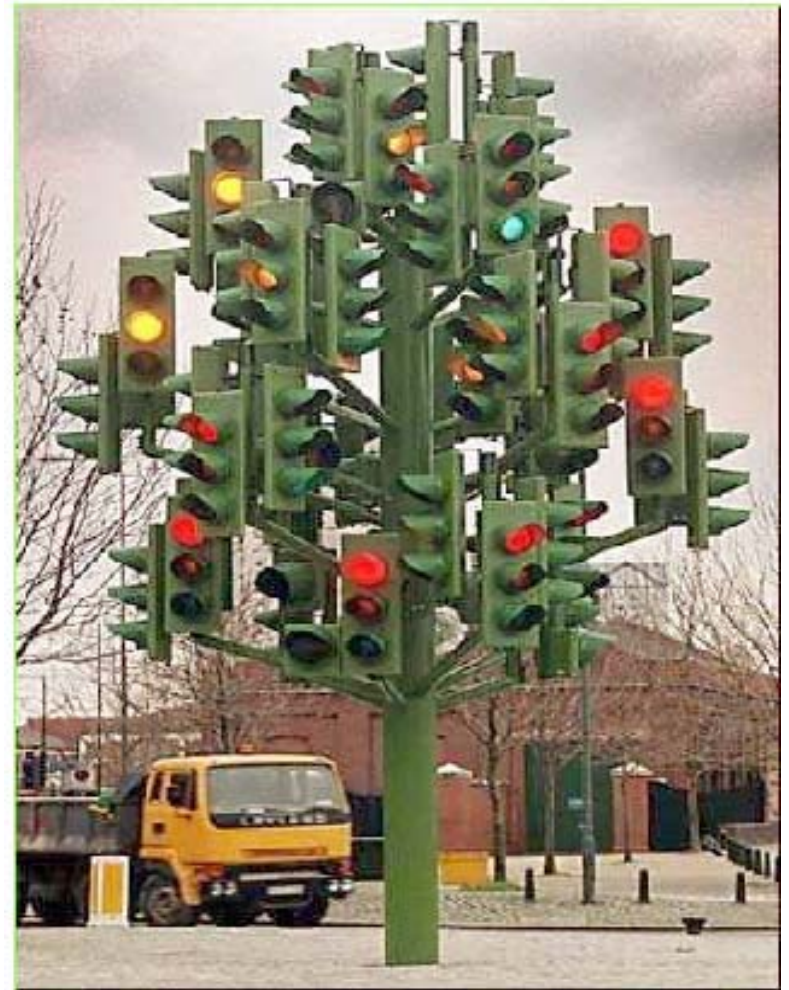
**Dr Geoff Mulgan**

**Director**

**Prime Minister's Strategy Unit**

**‘There is nothing a government hates more than to be well-informed; for it makes the process of arriving at decisions much more complicated and difficult’**

***John Maynard Keynes***



# **What I'll cover**

- **the context for government reform and the priorities for government in the 2000s**
- **the skills and qualities required of public officials**

# **The background**

**25 years of argument about the future of government since the economic slowdown, tax revolts of the 70s, new public management &c**

- strong pressures to slim government down**
- privatisation and marketisation**
- passing functions to agencies**
- contracting out**
- reducing spending**
- new tools of performance management**
- making government more business-like, with related skills**
- continuing rise in importance of purchasing, contract design, market design &c**

## **.... the backlash**

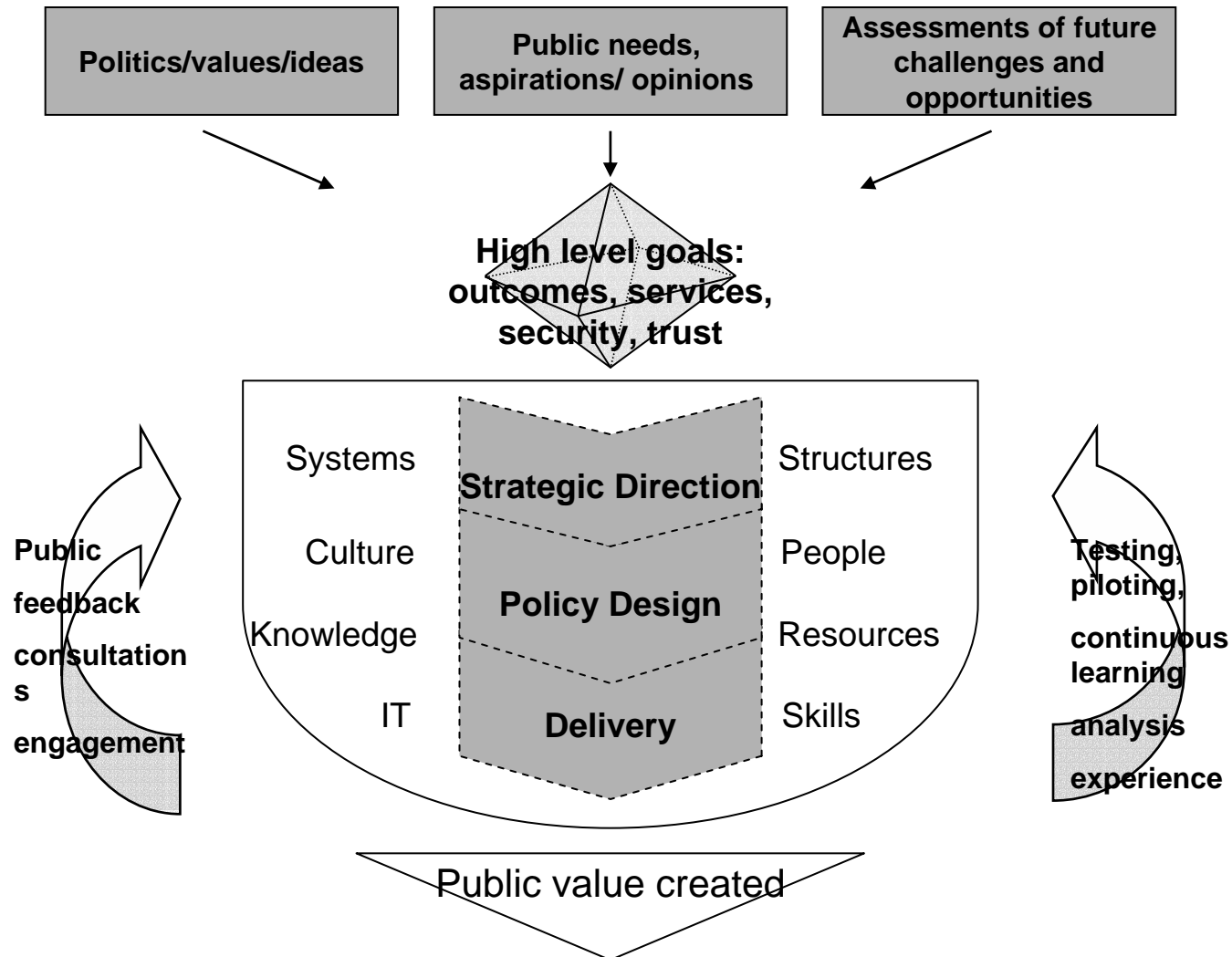
**In the 1980s and 1990s the pendulum swung back:**

- some reforms were unpopular**
- failure to cope with cross-cutting issues**
- ill-suited to integrative potential of Internet era**
- ill-suited to fields in which knowledge is paramount**
- confusions over importance of ethos and trust**
- limits of markets in many fields - from nurseries to schools**

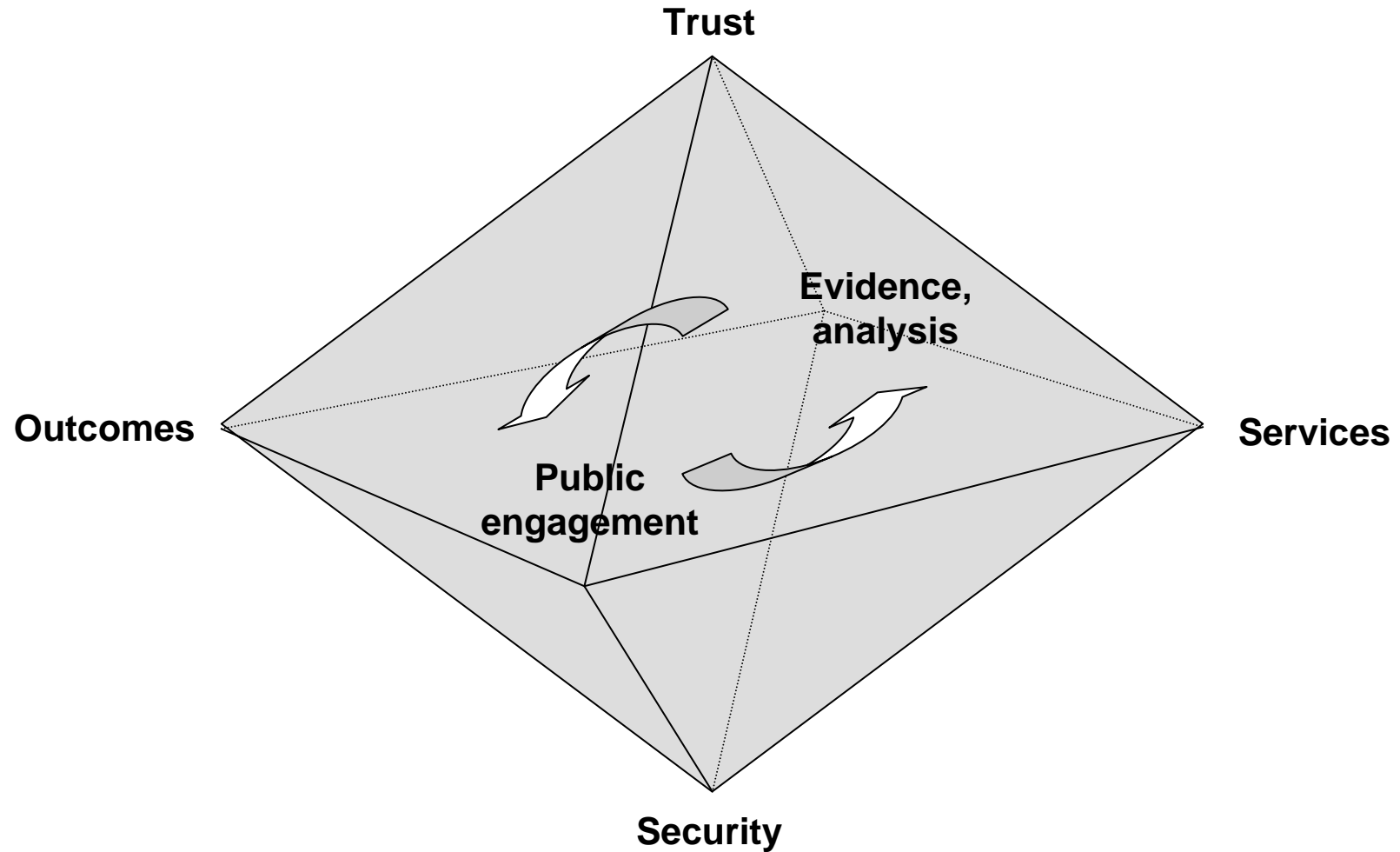
# **The synthesis ....**

- **renewed emphasis on positive role government play in solving problems**
- **in the UK substantial new investment (annual real growth in spending of over 5%)**
- **much tougher emphasis on reform to drive performance improvements, and concern for what works**
- **sharper focus on the twin challenges of better strategy and better delivery**

# The overall picture - creating public value



# Public value priorities



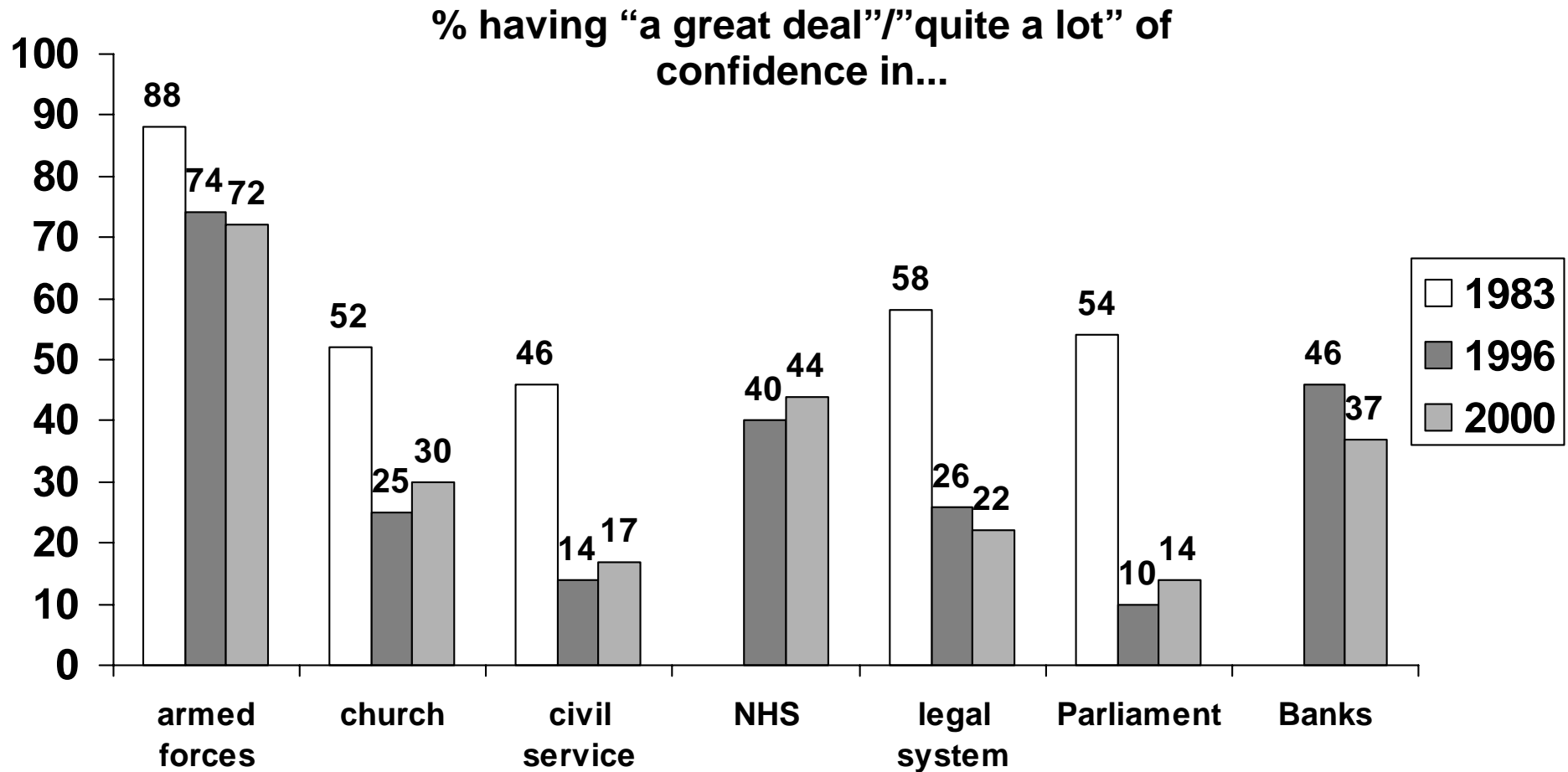


# 1. Restore trust

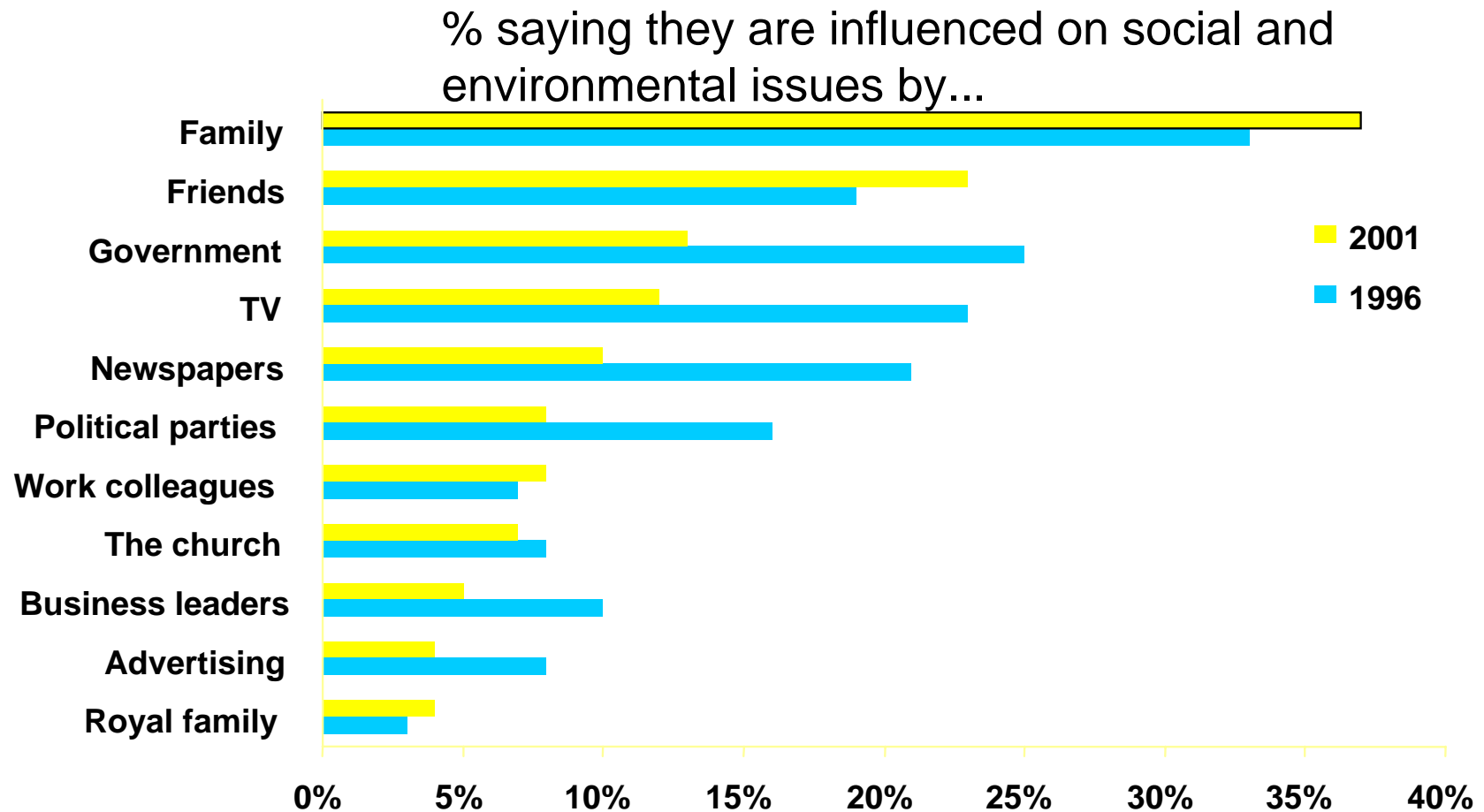
***Problem: loss of trust and confidence in governments***

- **clarity: pledges, targets etc**
- **integrity and ethos: stronger ethics, codes of conduct, anti-sleaze measures**
- **honesty and arms length bodies: independent regulators - such as Food Standards Agency and Financial Services Authority**
- **contrition: rapid response to crises - knowing when to say sorry and leaders taking personal responsibility**

# Turning around secular trends towards less trust ...



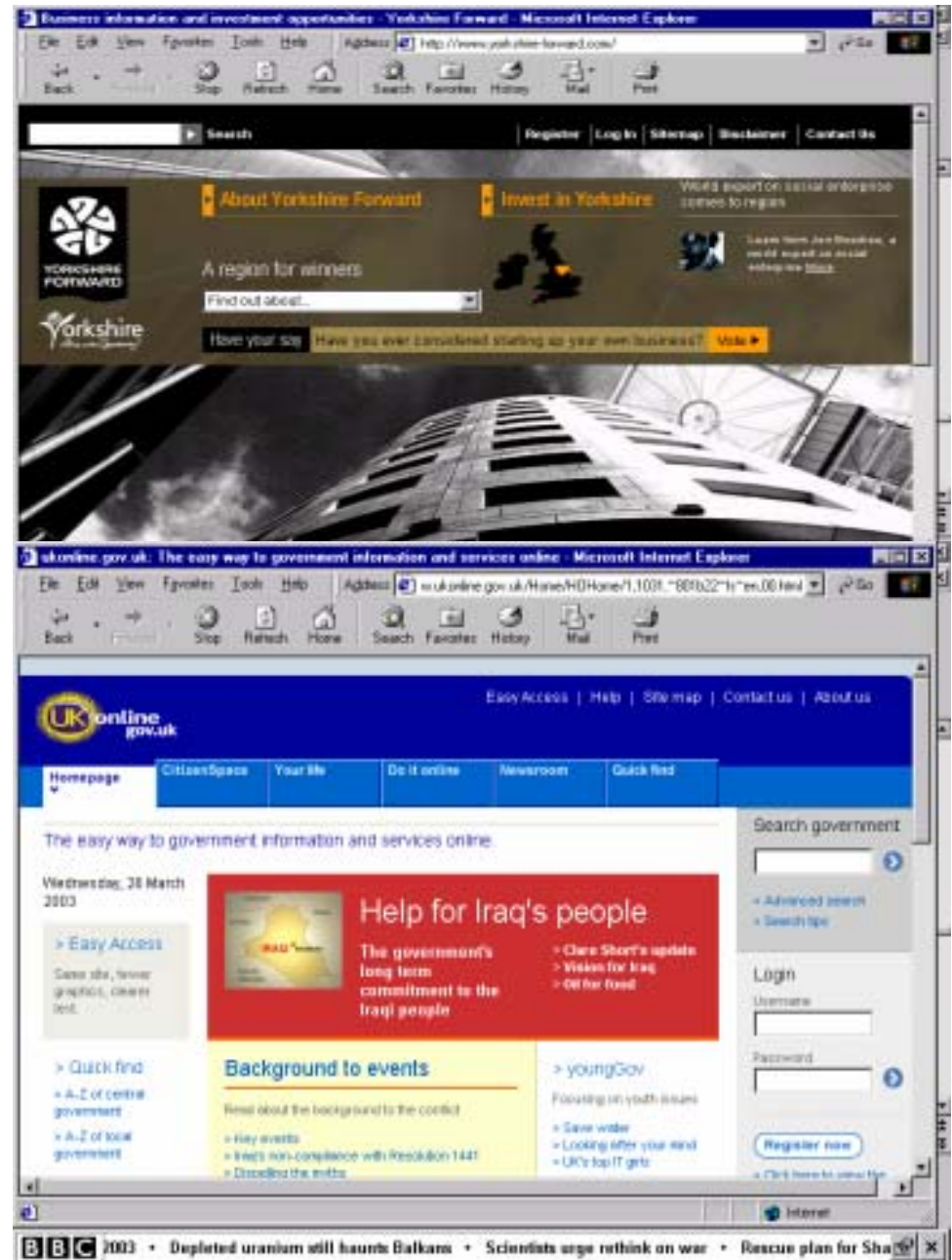
# Complex shifts in relative influence of big institutions and personal networks



Source: Future Foundation, NVision

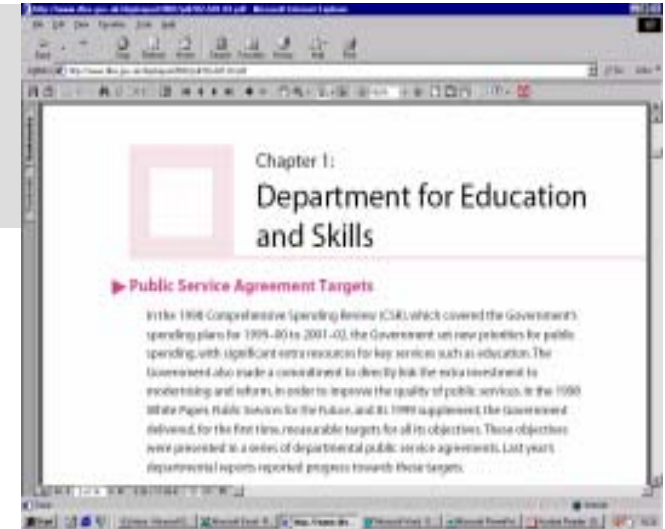
## *New skills needs*

- ability to engage with stakeholders in much more open processes
- seeing communication as integral to policy
- operating in more complex architecture of local, regional, European and global governance
- new toolkit of means of involving the public - consultations, juries, referendums



## 2. Outcomes shaping budgets & structures

***Problem: a system that's better at process than outcomes***



- defining outcome goals more clearly (eg literacy, crime reduction) and tying to budgets via Public Service Agreements which define policy priorities
- national standards - eg for cancer, cardiovascular and mental health services
- league tables and action on poor performers
- Delivery Unit in the Cabinet Office to oversee performance management
- pragmatism about means and boundaries (outsourcing, Best Value, strategic alliances, contestability)

**Objective III:** pupil inclusion.

3. By 2004 reduce school truancies by 10% compared to 2002, sustain the new lower level, and improve overall attendance levels thereafter.
4. Enhance the take-up of sporting opportunities by 5-16 year olds by increasing the percentage of school children who spend a minimum of two hours each week on high quality PE and school sport within and beyond the curriculum from 25% in 2002 to 75% by 2006. Joint Target with DCMS

**Objective IV:** raise attainment at 14-19.

## 5. Raise standards in schools and colleges so that:

- between 2002 and 2006 the proportion of those aged 16 who get qualifications equivalent to 5 GCSEs at grades A\* to C rises by 2 percentage points each year on average and in all schools at least 20% of pupils achieve this standard by 2004 rising to 25% by 2006; and
- the proportion of 19 year olds who achieve this standard rises by 3 percentage points between 2002 and 2004, with a further increase of 3 percentage points by 2006.

**Objective V:** improve the skills of young people and adults and raise participation and quality in post-16 learning provision.

6. By 2004, at least 28% of young people to start a Modern Apprenticeship by age 22. A wider vocational target for 2010, that includes learning programmes in further education preparing young people for skilled employment or higher education will be announced in the 2002 Pre-Budget Report.

# **Joined up policy and delivery as key to better outcomes, combatting departmental silos**

- **budgets: for areas (Neighbourhood Renewal and New Deal for Communities), client groups (Surestart and Children's fund), problems (criminal justice and drugs)**
- **new departmental structures - Department for Work and Pensions, Department for Environment, Farming and Rural Affairs AND shared PSAs**
- **joined up policy making: the Social Exclusion Unit, Strategy Unit etc**
- **data management and sharing**
- **joined up delivery through partnerships (including Local Strategic Partnerships)**
- **cross-cutting roles for ministers**
- **heavy use of evidence base on 'joined up problems'**

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Sure Start Programmes log in here



The Aim of **Sure Start** is to work with  
**parents-to-be, parents and children** to promote

*the physical, intellectual and social development of babies  
and young children - particularly those who are disadvantaged -  
so that they can flourish at home and when they get to school,  
and thereby break the cycle of disadvantage for the current  
generation of young children.*



... latest news...

**£1.5 billion boost for Sure Start, Early Year**

read on







**The focus on outcomes requires new skills and approaches - analytic, delivery, strategic, ability to work in partnership**

# Methods, skills and experience

## Good strategy work...

- Is based on evidence and sound analysis**
- Is holistic**
- Is sophisticated about complexity**
- Is creative and innovative**
- Is grounded in an understanding of how the world works**
- Is robust over long time periods**
- Is communicated compellingly**
- Is sophisticated about managing risk**
- Takes into account organisational capacity and rates of behavioural change**
- Takes into account deliverability**
- Includes all key decision makers, including ministers**

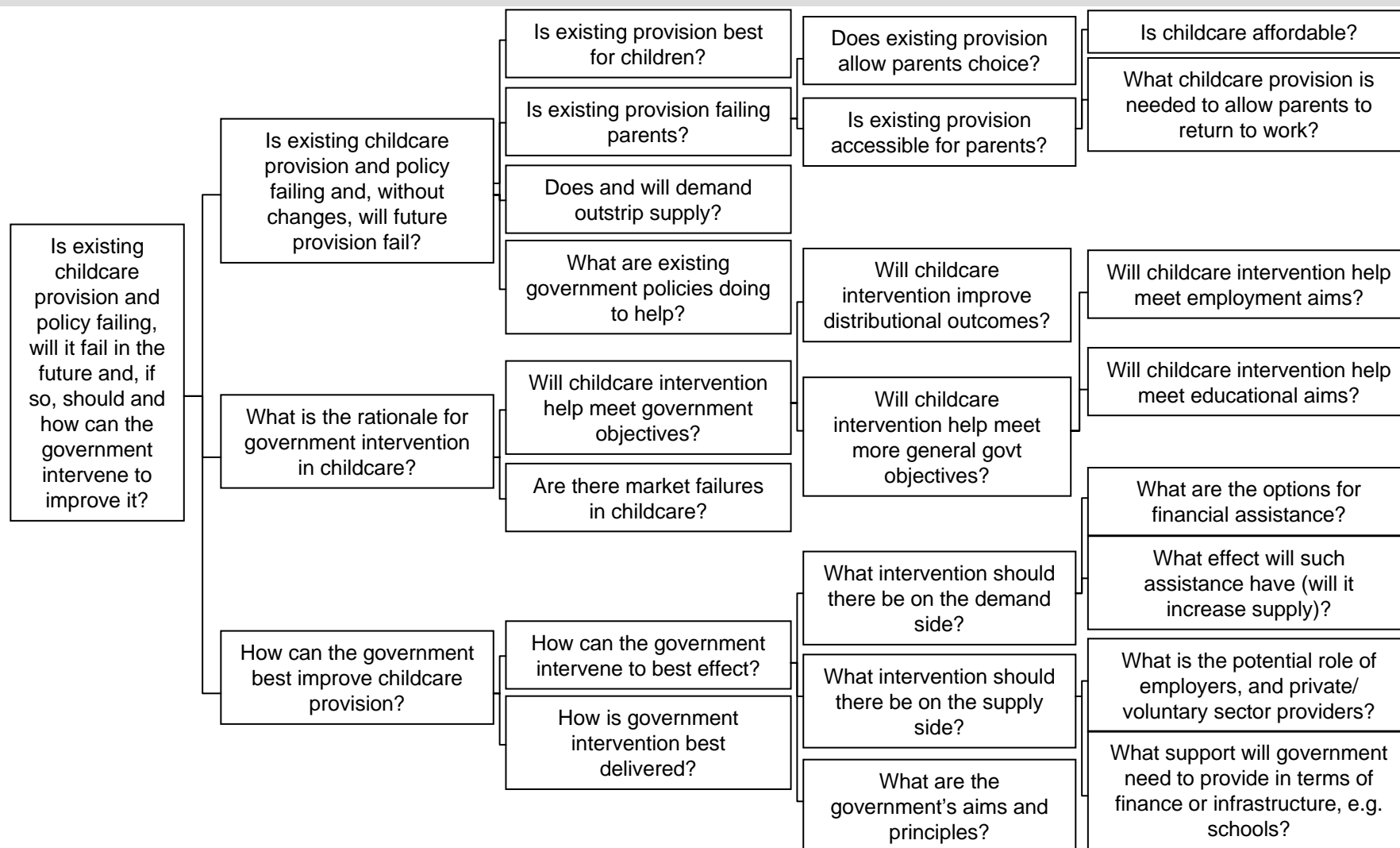
## This requires...

- Appreciation of key analytical approaches, including basic economics, statistics, business modelling etc**
- Multi-disciplinary teams**
- Understanding of complex systems and their dynamics**
- Range of experience and processes for creativity**
- A wide experience base**
- Futures methods**
- Storytelling and logical storyboarding skills**
- Robust risk management approaches**
- Understanding of organisational capacity issues**
- Delivery skills**
- Careful management of process and stakeholders**

# **Analytic methods include:**

- **trends analysis**
- **benchmarking**
- **logic trees**
- **market analysis**
- **evidence reviews**
- **modelling**
- **forecasting**
- **simulations**
- **scenarios**

# Issue trees help to map out where evidence is needed e.g. SU Childcare Review



# Literature reviews summarise findings – SU Childcare Review 2002

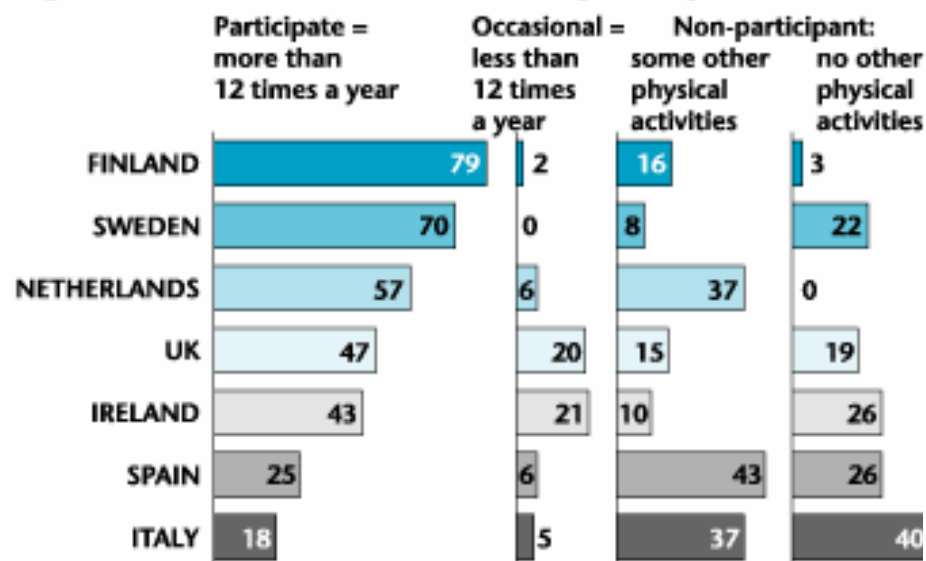
				Internal - Child								Int - Parent				External benefits												
				Country	Targeted at low SES children	Age of child at last follow up	increased IQ to age 11	improved behaviour	increased school attainment to 11	increased school attainment to 18	increased family income	reduced special educational needs	improved qualifications at age 18	improved emotional/psych.	improved parenting indicators	increased maternal employment	increased educational attainment	improved mental health	reduced crime rates - child	reduced crime rates - mother	reduced welfare reciproence - child	reduced welfare reciproence - mother	improved health - child	improved employment - child	improved employment - mother	reduced child abuse	reduced teen pregnancy/- child	
Name of project/scheme																												
Early Childhood Interventions.																												
Early Training Project (reported)	US	Y	20	Y			Y	?		?	?																?	
Perry pre-school	US	Y	27	Y			Y	Y	Y	?	Y									Y		Y			M	?		?
Chicago CPC	US	Y	14			?	Y	Y			Y				Y				Y									
Project Care	US	Y	5	Y																								
Syracuse Univ. Family																			Y									
Carolina Abecedarian	US	Y	21	Y			Y	Y				Y				Y	Y			Y		Y			Y			
IHDP - full sample	US	Y	8	Y	Y		M								Y	Y						Y						
EEC 2000	UK	M	n/a		Y	Y				?				Y	Y	Y	Y	Y										
EEC 2001	UK	M	n/a	Y	Y		Y			?				Y	Y	Y	Y	Y								Y		
Head Start - Westinghouse Report	US	Y	7				M																					
Head Start - Currie&Thomas	US	Y					Y																Y					
Childcare																												
Cost, Quality and Child Outcomes	US	N	8			Y	Y																					
Effects of Public Daycare	Swe	N	13				Y																					
NICHD data - Belsky	US	N				N																						
NICHD - cognitive and language	US	N	3	Y																								
NICHD - quality	US	N	6			Y	Y																					
NICHD - behaviour	US	N	3																									
NICHD - attachment	US	N	1.5																									
Vandell & Henderson	US	N	8			Y								Y														
EPPE	UK	N	7	Y	Y																							
EPPNI	NI	N	6																									

# Modelling tests out impacts of possible policies – SU Childcare Review

		At March 31	2001	2002	2003	2004	2005	2006
0-4 year places	Children's Centres	New build					1,496	3,490
		Sure Start glue					0	0
		Nursery glue					3,290	7,678
		Total					4,786	11,168
	Nursery new build	Govt supported					13,137	13,137
		Unsupported					25,439	27,401
	Nursery conversion						11,218	11,218
	Childminder 0-4						5,060	5,060
	Total						59,640	67,983
5-14 year places	Childminder 5-14						1,117	1,117
	Out of School Clubs					21,221	21,220	21,220
	Total					21,221	22,337	22,337
Total						21,221	81,977	90,320
						0-4 ratio places:children		1.30
CHILDREN HELPED						5-14 ratio places:children		1.75
		At March 31	2001	2002	2003	2004	2005	2006
0-4 year places	Children's Centres	New build					1,944	4,537
		Sure Start glue					0	0
		Nursery glue					4,278	9,981
		Total					6,222	14,518
	Nursery new build	Govt supported					17,078	17,078
		Unsupported					33,071	35,621
	Nursery conversion						14,583	14,583
	Childminder 0-4						6,578	6,578
	Total						77,532	88,379
5-14 year places	Childminder 5-14						1,954	1,954
	Out of School Clubs					37,136	37,135	37,135
	Total					37,136	39,089	39,089
Total additional children helped						37,136	116,622	127,468

# International benchmarking identifies promising practice - SU/DCMS Sports review 2002

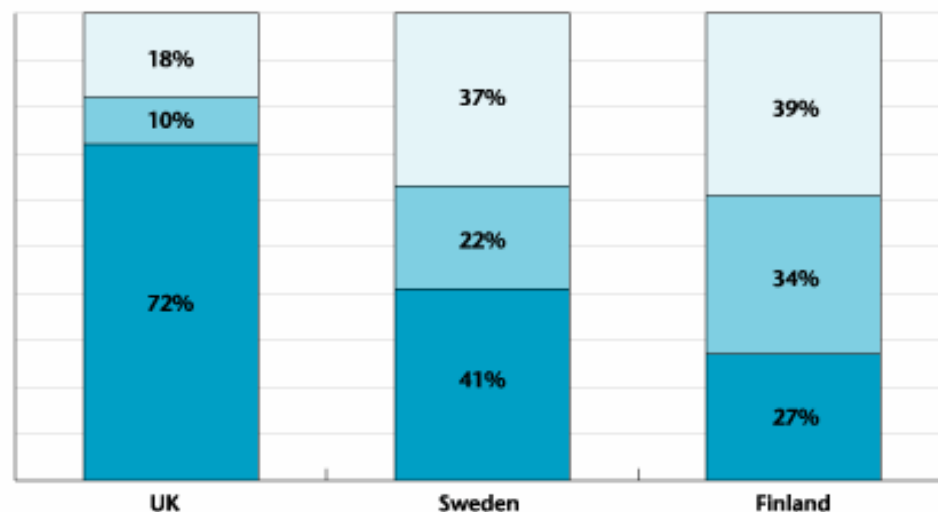
**Figure 1.1: UK ranks middle in EU participation**



Source: Compass 1999

**Figure 1.2: UK participants do less regular, less intense activity<sup>2</sup>**

All adults 16+



Source: Compass 1999

Intensive Regular Occasional/rare



### 3. Services: focused on customer needs

***Problem: traditions of producer control, poor understanding of public and their needs***



- greater choice
- service guarantees
- some shift to 24/7, late opening etc
- contestability
- measurement of customer satisfaction and experience
- transparent information

# **Personalisation, both high tech and high touch**

- **UK Online, 100% service access online by 2005, services clustered by user need**
- **sharp growth in call centres (eg NHS Direct)**
- **Personal advisers in New Deal, Connexions**
- **Mentors and volunteers**
- **Combinations of face to face, phone and web - eg Walk-in Centres plus 24 hour telephone advice plus online diagnosis through NHS Direct**



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# A far more data-rich environment

UpMyStreet > London, N4 1EN > Information - Microsoft Internet Explorer

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Back Links Cabinet Office (Internet) Homepage Customize Links Address [rview/?l1=N4+1EN#Sch](#) Go

## Education

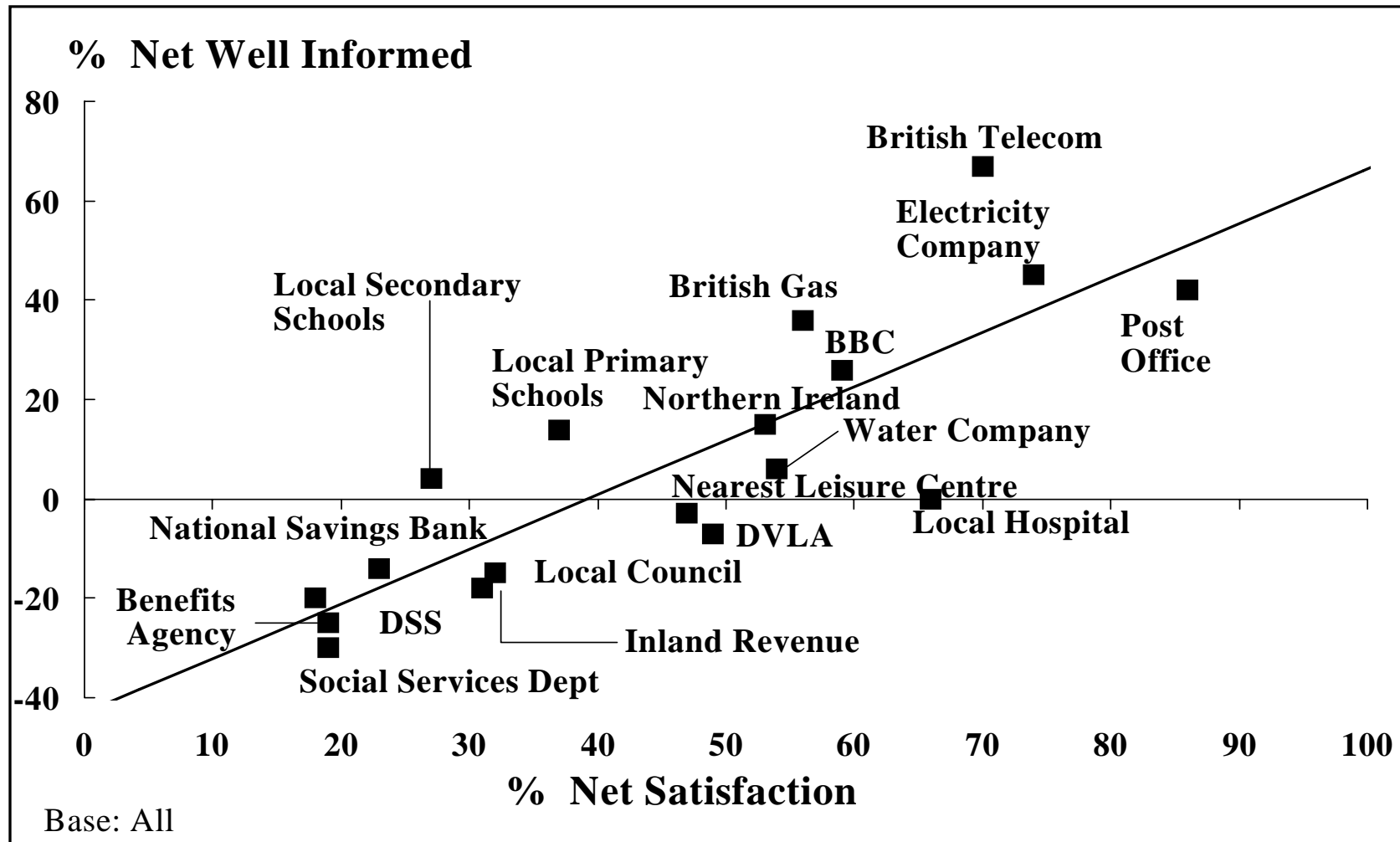
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The nearest schools in your Local Education Authority

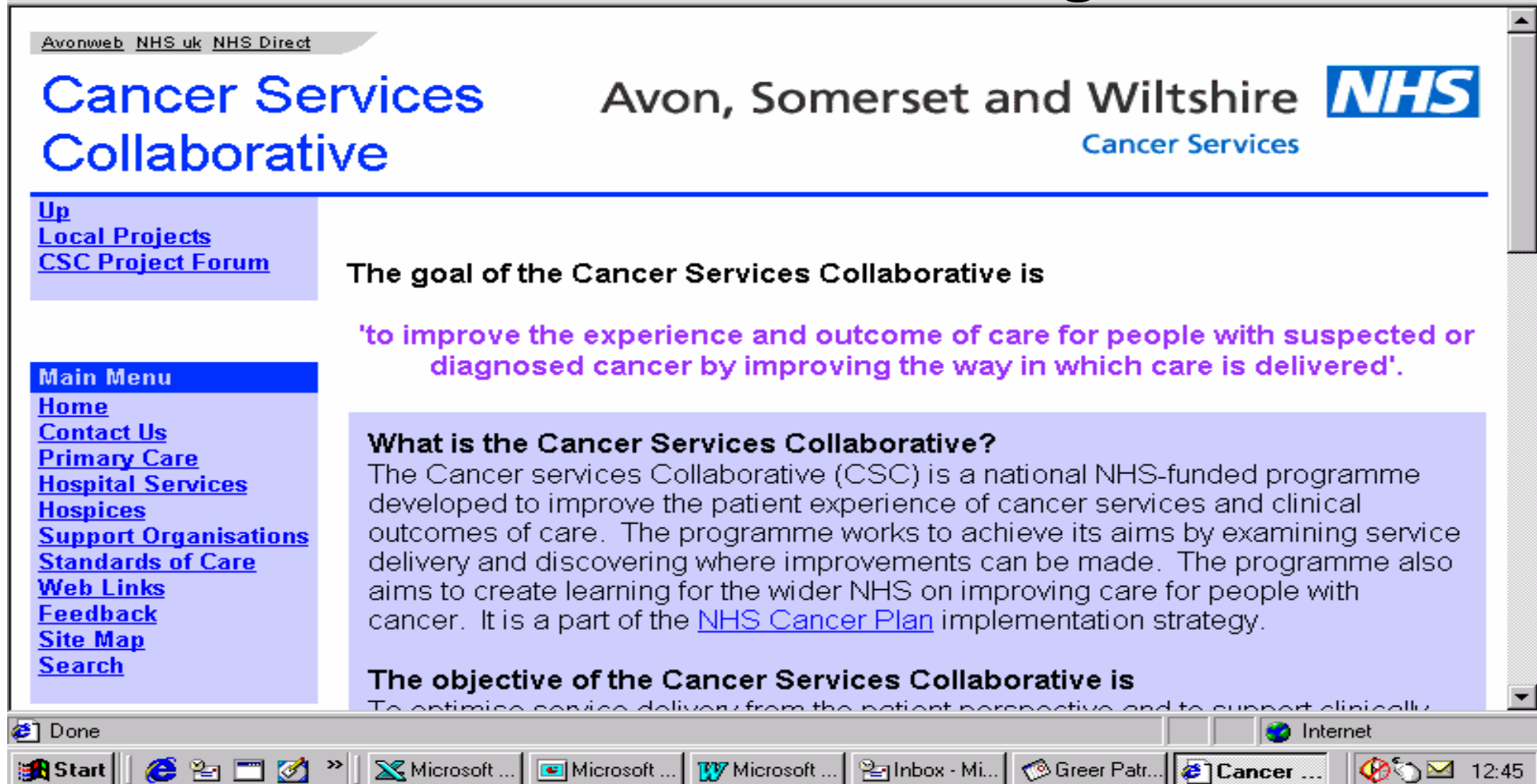
Local Education Authority	Haringey	English average
Nearest primary school	<a href="#">South Harringay Junior School</a>	
Distance (miles)	0.3	
English results	49.0%	69.8%
Maths results	49.0%	66.1%
Science results	55.0%	81.2%
More primary schools	<a href="#">All in Haringey LEA</a>	
Nearest secondary school	<a href="#">Cavendish School*</a>	
Distance (miles)	0.3	
GCSE results	N/A	51.5%
Authorised absence	10.9%	7.5%
Unauthorised absence	23.0%	1.1%
Total pupils	16	845.91
More secondary schools	<a href="#">All in Haringey LEA</a>	
Nearest sixth form	<a href="#">Hornsey Secondary School for Girls</a>	

Start | Internet 15:32

# More attention to customer satisfaction, and drivers such as communication ...



# New forms of policy development - collaboratives to engage practitioners in continuous learning



The screenshot shows a web browser window displaying the Cancer Services Collaborative website. The browser's address bar shows 'Avonweb NHS.uk NHS Direct'. The website header includes the title 'Cancer Services Collaborative' and the text 'Avon, Somerset and Wiltshire Cancer Services' next to the NHS logo. A left-hand navigation menu lists links such as 'Up Local Projects', 'CSC Project Forum', 'Main Menu', 'Home', 'Contact Us', 'Primary Care', 'Hospital Services', 'Hospices', 'Support Organisations', 'Standards of Care', 'Web Links', 'Feedback', 'Site Map', and 'Search'. The main content area features a heading 'The goal of the Cancer Services Collaborative is' followed by a quote: 'to improve the experience and outcome of care for people with suspected or diagnosed cancer by improving the way in which care is delivered'. Below this is a section titled 'What is the Cancer Services Collaborative?' which describes the CSC as a national NHS-funded programme. At the bottom of the main content area, another heading 'The objective of the Cancer Services Collaborative is' is visible, followed by a partially cut-off sentence. The browser's taskbar at the bottom shows various open applications including Microsoft Word, Outlook, and Internet Explorer, along with the system clock showing 12:45.

Avonweb NHS.uk NHS Direct

## Cancer Services Collaborative

Avon, Somerset and Wiltshire **NHS**  
Cancer Services

[Up](#)  
[Local Projects](#)  
[CSC Project Forum](#)

**Main Menu**  
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**The goal of the Cancer Services Collaborative is**

**'to improve the experience and outcome of care for people with suspected or diagnosed cancer by improving the way in which care is delivered'.**

**What is the Cancer Services Collaborative?**

The Cancer services Collaborative (CSC) is a national NHS-funded programme developed to improve the patient experience of cancer services and clinical outcomes of care. The programme works to achieve its aims by examining service delivery and discovering where improvements can be made. The programme also aims to create learning for the wider NHS on improving care for people with cancer. It is a part of the [NHS Cancer Plan](#) implementation strategy.

**The objective of the Cancer Services Collaborative is**

To optimise service delivery from the patient perspective and to support clinically

Done Internet

Start Microsoft ... Microsoft ... Microsoft ... Inbox - Mi... Greer Patr... Cancer ... 12:45

# Explicit management of innovation and r&d to generate new knowledge within services

- risk money – eg innovation funds
- incubators to develop promising ideas
- zones with flexible rules
- pilots
- joint ventures promoting flexibility (eg Working Links)
- ‘what works’ units to scan for promising practice



**The focus on services is putting a high premium on delivery skills, project and programme management, engagement with the front line**



## 4. Security and sustainability

***Problem: core roles of state as important as ever, with new forms of threat, domestic/international overlaps***

- **global strategy for security, encompassing military action, development aid, public health, environment**
- **working in networks, public diplomacy &c**
- **domestic security focusing on new threats, counter-terrorism, organised crime**
- **project-based working for issues straddling domestic/international divide: drugs, migration, energy**
- **new arrangements for managing risk within government**
- **focus on long-term sustainability**

# New 'civil contingencies secretariat' to scan horizon for short-term disruptive threats and ensure prevention, mitigation and management



# Futures teams in all departments linked in a cross-government strategy network

Strategic Futures - Microsoft Internet Explorer

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Address [.gov.uk/2001/futures/main.shtml](http://.gov.uk/2001/futures/main.shtml) Go Links Customize Links Free Hotmail Windows

Laboratory to examine published literature on strategic futures issues. It established six common drivers; demographics, economics, science and technology, environment, governance and attitudes and beliefs.

- [A Futurist's Toolbox: Methodologies in Futures Work](#) The report opens with a brief overview of the purposes and principles of Futures work. It then presents the key methods and approaches used and explores their relative strengths and weaknesses. The main body consists of six key methodologies commonly used as tools in Futures Work.

## Strategy Network



**STRATEGY NETWORK**

The Strategic Futures team also co-ordinates the Strategy Network. The Strategy Network consists of representatives from the strategy units of Government Departments, the Devolved Administrations and the EC. It has been set up to share information, discuss topics of wider interest and develop best practice in long term strategic work.

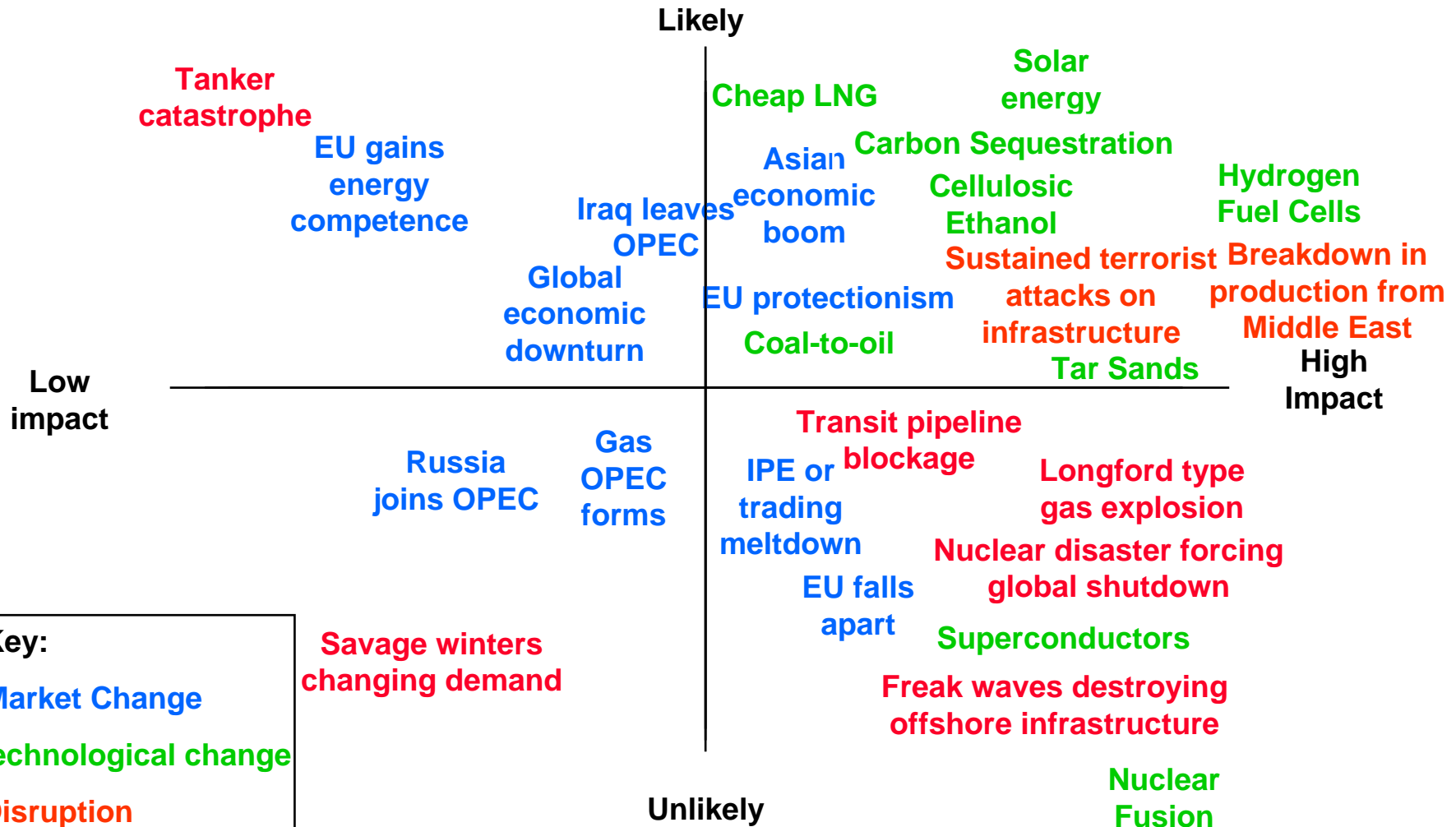
The Strategy Network meets approximately every 6-8 weeks and has debated issues such as strategic futures research, the use of scenario planning and the application of futures work to policy making.

Together with the Centre for Management and Policy Studies, the team is also developing a knowledge pool to facilitate information sharing within government on strategic futures work.

Contact the Strategic Futures project leader, Dr Gwynn Maltby

Start | Internet | 18:43

# Scenario methods used to map impacts and likelihoods of threats and opportunities



# Foresight methods to map key challenges

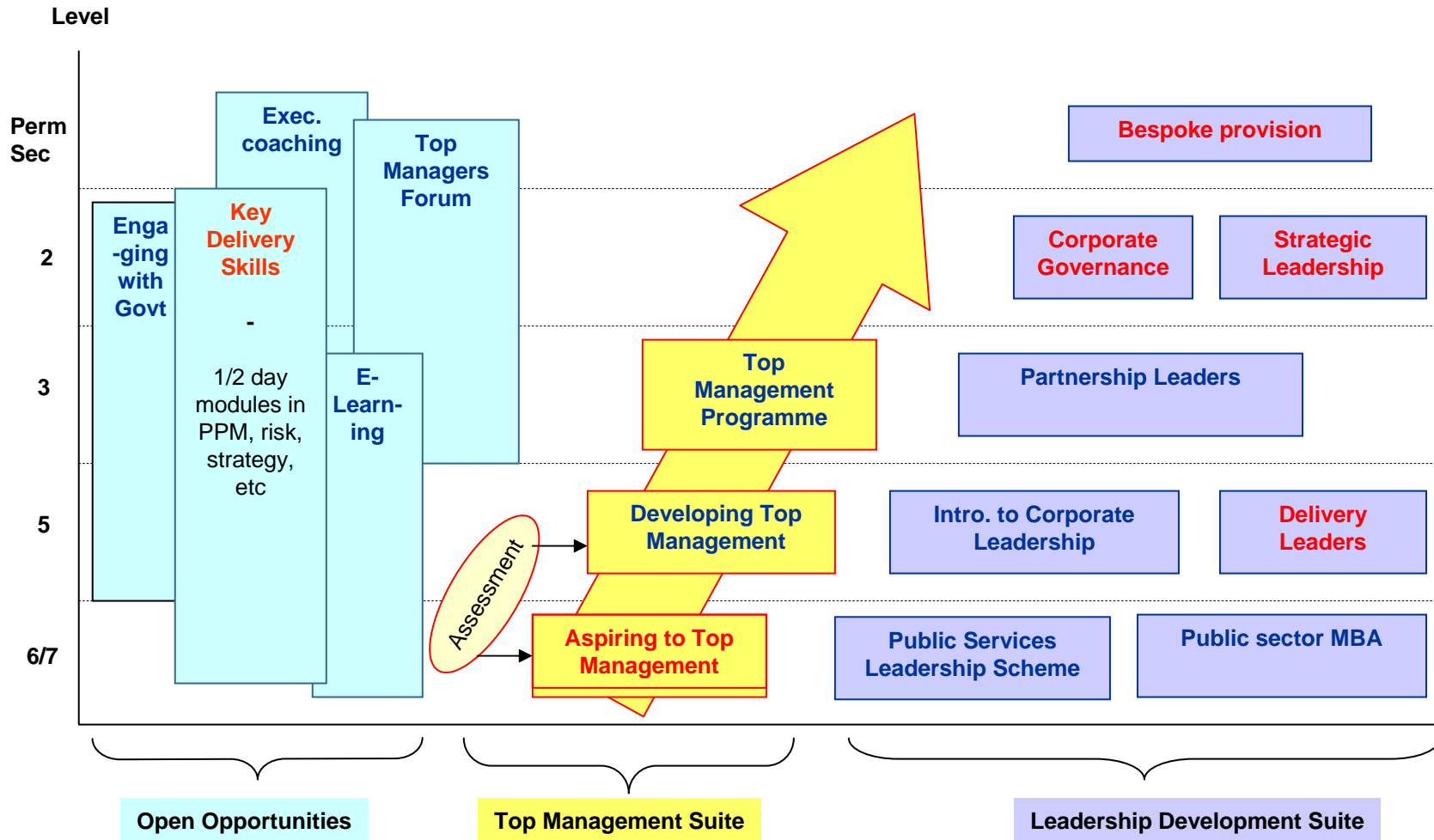
Major Drivers	5 yrs (2007)	10 yrs (2012)	15 yrs (2017)	20 yrs (2022)
Patient Expectations	Consumerism Holistic health & wellbeing		Meeting needs of older people	
Medical Advances	Minimally Invasive Surgery		Pharmacogenomics Major Pharmaceutical Innovation	Widespread Genetic Screening & Therapy Stem Cell Technology
Information & Support Technology	Complete EPR & use of IT networks Home Monitoring	Intelligent Devices	Robotics	
Demography & Society	Inequalities Smaller households, single parents, living alone	Population growth in 45 - 75 age group		Population growth in in >75 age group
Epidemiology	Focus on managing risk factors	Chronic disease increasing Greater differentiation of diagnosis		
Labour Force	Portfolio careers Lifelong learning	Labour force ageing and participation rates reducing		Increasing informal elderly care demands A end to retirement?

Time when we **predict** that a major change may be seen in this dimension

Source DH

**The focus on long-termism and security requires skills in horizon-scanning, risk management, contingency planning, development of leadership skills**

# LEADERSHIP FOR DELIVERY



**Other opportunities:** Specialist CS College programmes; Pathways (leadership developments for ethnic minorities); interchange / secondments

# **In conclusion**

**In the UK: higher expectations of more active role for government**

**involves more porous civil service**

**... and different skill sets required - strategy, delivery, project and programme management, communications**



# Good strategy

**“I would not give a fig for the simplicity this side of complexity ... I would, however, give my life for the simplicity on the other side of complexity.”**

***Oliver Wendell Holmes***

# Competent delivery

**Encouraged by direct experience of making things work - with the minimum of crises**



# **Mobilising support**

**‘Talk about it’ - Clement Attlee (his deputy, later Prime Minister) on what Churchill did to win the war**

# **Encouraging not just methods but also new qualities**

**quickness - instead of slowness**

**lightness - instead of heaviness**

**visibility - instead of secrecy**

**exactitude - instead of vagueness**

**multiplicity - instead of homogeneity**

**consistency - instead of incoherence**

***Italo Calvino, Memos for the Millennium***