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POLICY BRIEF

# Social R&D: the next phase of public service reform?

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# Social R&D: the next phase of public service reform?

## Executive summary

This policy brief seeks to contribute to the re-emerging topic of public service reform, which is returning largely due to concerns about the state of public services. Current performance of public services has declined in most areas, long-term outcomes (such as time spent in ill health) are adrift and people's experiences of using services can be frustrating and negative. But while the case for reform is strong, it is less clear what type of reform should be used.

## A social R&D approach to reform

Recent approaches to public service reform and, in particular, 'New Public Management', have a mixed track record and are based on a set of assumptions which need to be refreshed. This paper makes the case for a social R&D approach to reform which includes two characteristics:

- **Social:** reform that addresses social goals including relationships that build people's sense of dignity, hope, purpose and agency.
- **R&D:** reform that applies innovation methods to public services so that new and better approaches to public services are systematically developed and spread.

Bringing these two characteristics together would enable public service reform to be understood as innovation through people, enabled by relationships, knowledge and technology.

This agenda is based on two critiques of the current approach. Firstly, that social policy isn't social. It tends to focus on material needs without taking account of social needs such as being heard, feeling valued and having a sense of belonging. Secondly, that reform fails to apply innovation methods and lacks R&D. The lack of an R&D system means that innovators seeking to improve how public services are designed and delivered lack support, infrastructure and investment, while public services stay stuck in repetitive and ineffective cycles of 'reform'.

## Alternative assumptions for policymaking

Taking a 'social R&D' approach to reform suggests five alternative assumptions to underpin policymaking:

1. **Policy as social change** rather than just technical process. Factoring in the role of issues such as networks, culture, movements, identity, narratives, framing and belonging.
2. **Policymaking as a system** rather than a production line. Understanding policy as complex, highly interconnected and dynamic.
3. **People as citizens with potential** rather than 'service users with problems'. Working with people to build capabilities and a foundation of dignity, hope, purpose and agency.

4. **Plurality of knowledge** rather than a single top-down world view. Including the day-to-day experiences of citizens and frontline staff.
5. **Context matters** rather than assuming it can be excluded. Understanding the role that context plays including factors like the quality of leadership.

### **Priorities for public service reform**

To bridge from these assumptions to day-to-day policymaking, they can be translated into three potential priorities for public service reform:

- **Involving** citizens and frontline staff through deliberative and participatory approaches.
- **Learning** throughout the policymaking process using evidence, feedback loops and experimentation.
- **Developing** people to fulfil their potential, drawing on human development, including a foundation of dignity, hope, purpose and agency.

This agenda reflects a wider movement seeking alternatives to the current public service paradigm. There are theories and practice on the ground, yet policy is lagging. The energy, dynamism and ambition of this movement are not always visible to or recognised by national policymakers, particularly at the level of the UK and England.

### **Future agenda for public service reform**

For this agenda to develop further, policymaking will need to grapple with challenges of evidence, high quality implementation and investment. The agenda also raises issues about what can be scaled and how, building capabilities, accountability and risk, equity and fairness and the balance between interventions at the individual level with those at the macro or structural level.

Some components of a future agenda for public service reform could include:

- **People, people, people:** understanding human capital as a major source of policy success or failure.
- **Embedding R&D:** a more ambitious use of innovation and improvement methods and a R&D system that can systematically develop and spread better approaches.
- **Human development:** as a frame for policy including recognising the importance of social goals such as dignity, hope, purpose and agency.
- **Localism and devolution:** applying social R&D principles at a regional and local scale, where feedback loops between policy and implementation can be particularly effective.
- **Social infrastructure:** as a long-term investment alongside physical infrastructure.
- **Social knowledge:** to bring a wider set of insights to policy, including from social sciences, humanities and the arts.
- **Public sector productivity:** to deepen understanding of what contributes to productivity including factors such as effective learning and workforce motivation.

## Introduction

This policy brief seeks to contribute to the re-emerging topic of public service reform. In particular, it makes the case for social R&D: combining innovation methods with recapturing the 'social' in social policy.

Over the past 20 years, the public service reform agenda was most visible during the administrations of Tony Blair, Gordon Brown, and the earlier stages of David Cameron. At that time the agenda was 'choice', 'competition' and 'efficiency', with the Coalition government adding a focus on deficit reduction through austerity. Reform of public services continued including school reform, a removal of some national target regimes and further devolution. While the period between 2016 and 2021 was dominated by leaving the EU followed by the pandemic.

Interest in public service reform is now returning. This is driven principally by poor performance in public services. In England, general practice, hospitals, adult social care, neighbourhood services, police, criminal courts and prisons are all performing worse now than 10 years ago.<sup>1</sup> The physical infrastructure of public services is fraying in terms of both bricks and mortar and digital systems, and the public sector workforce has been in widespread industrial action.

So, in key dimensions – outcomes, infrastructure and workforce – public services are in a poor state of affairs. Significant drivers have included fiscal pressure and the pandemic combined with increasing complexity. The result is that the UK is combining rising tax (in UK terms) with failing public services.

At the time of writing, the UK is in the run-up to a general election. While polls indicate the government may change, whoever is in office, the current trajectory is untenable. The status quo in public services is clearly not working. Indeed, even if increased funding were politically and economically feasible, it would not be sufficient on its own.

That is not to say more funding is not needed. But whether we stay at the same funding level – or fall below or increase beyond – this policy brief argues that we still need to approach public service reform differently. This paper argues that public services would benefit from reform that combines innovation methods and social goals – to create social R&D.

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<sup>1</sup> Institute for Government. (2023). Performance Tracker 2023.

## 1. Why does public service reform need to change?

Public service reform seeks to improve public services, such as the NHS, social care, schools and prisons, through an interplay of politics, administration and theory. Interest in public service reform is now returning, along with an opportunity to rethink how reform is done.

As a note on scope, data, digital and other technologies have an important role to play in public service reform. Increasingly public services are lagging behind what is possible in other realms of our lives, such as online shopping, which negatively impacts experience, efficiency and effectiveness. The next phase of public service reform needs to incorporate data, digital and other technologies as vital enablers of better public services. However, this paper focuses in particular on the social and relational dimensions of public services, which are also vital and remain under-recognised.

### Why is public service reform needed?

The re-emergence of the public service reform agenda is driven by falling performance in public services, long-term drift on major issues and the experience of citizens using services.

In England, general practice, hospitals, adult social care, neighbourhood services, police, criminal courts and prisons are all performing worse now than in 2009/10.<sup>2</sup> The NHS waiting list for elective care is over seven million patients, while the proportion of people waiting more than four hours at A&E (Accident & Emergency) was higher in 2022 than any year since records began.<sup>3</sup> Schools have been the exception in headline terms but still have significant challenges including workforce.

Alongside these operational challenges are a set of long-term outcomes which are adrift. People are spending more years in sickness than ever before.<sup>4</sup> The number of avoidable deaths in the UK is higher than in comparable European nations.<sup>5</sup> In education, there has been virtually no change in the disadvantage gap in GCSE attainment over the past 20 years.<sup>6</sup>

These trends reflect a generational failure to make progress on prevention and tackling inequalities. And underneath these statistics are people's lives that have been devastated and potential unfulfilled. Rather than helping, however, many public services add to the problem. The harm that can be caused by public services is illustrated by Dave's story below, recounted by his benefits adviser at Citizens Advice. Dave had a cancer diagnosis which meant he could no longer work as a lorry driver and which led to the breakdown of his marriage and a deterioration in his mental health:

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<sup>2</sup> Institute for Government. (2023). Performance Tracker 2023.

<sup>3</sup> Institute for Government. (2023). Retrieved from: <https://www.instituteforgovernment.org.uk/performance-tracker-2022-23/hospitals>

<sup>4</sup> Patel, P. et al. (2023). For public health and public finances: reforming health and social care. IPPR.

<sup>5</sup> Ibid.

<sup>6</sup> Farquharson, C. et al. (2022). Education Inequalities. IFS Deaton Review of Inequalities.

“The services around him weren’t geared up to help. The numerous assessments he went through were in effect ways of prioritising access to limited support – healthcare, social services, disability benefits – rather than interventions to help him figure out how to adapt and cope.

“Dave got to the point where he had stopped telling services about health changes and the worsening of his situation, because the whole thing seemed so pointless to him. None of the assessments seemed to reflect his reality, or the severity of change in his life and none of them seemed to help him without a battle. He felt trapped by systems that didn’t understand his priorities, and couldn’t account for the things he had to think about, in order to make decisions or change things.”<sup>7</sup>

Taken together – current performance, long-term outcomes and people’s experience – it is clear that public services need reform. So that services can improve beyond the sub-optimal, ineffective and sometimes broken models that exist today.

### **What are the limitations of current reform approaches?**

So, if reform is needed, the next question is what kind of reform?

The most dominant version of public service reform over recent decades has been New Public Management (NPM) – an approach to public administration which brought management ideas based on competition, markets and incentives from the private sector into public services.<sup>8</sup> Indeed, from the 1990s into the 2000s, public service reform was largely synonymous with NPM, with the New Labour government implementing it most comprehensively. The approach was that if the right incentive could be introduced, along with sufficient competition and performance management, then rational choices – by both providers and consumers – would drive up the quality of public services.

Over time, NPM has become an umbrella term covering various reform features including choice, competition, targets and efficiency, which have had different political configurations across countries and tiers of government.<sup>9</sup> Taking stock of the evidence, however, the impact of NPM reforms is mixed.<sup>10</sup> Targets can drive improvements in measured metrics but often at the expense of wider outcomes and with unintended consequences such as gaming and demotivating staff. Choice and competition can improve services in some conditions but can also increase inequality, while reduced costs can come at the expense of quality. Regulation can drive performance from poor to good, but is less effective at achieving excellence and, like targets, can also demotivate staff and drive perverse incentives.

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<sup>7</sup> Hignell, K. (2023). [Detached from reality](#). Edited for length.

<sup>8</sup> Lapuente, V. & Van de Walle, S. (2020). The effects of new public management on the quality of public services. *Governance*, 33(3).

<sup>9</sup> Klenk, T. & Reiter, R. (2019). Post-New Public Management Reform: reform ideas and their application in the field of social sciences. *International Review of Administrative Sciences*, 85(1).

<sup>10</sup> Quilter-Pinner, H. & Khan, H. (2023). The Smarter State: Between the ‘Magic Money Tree’ and the ‘Reform Fairy’. IPPR.

In policy theory terms, we have entered the ‘post-NPM’ era. As the term implies, this era is currently made up of a variety of emerging theories. What comes next is not yet clear. Some theories focus on greater democratic accountability to citizens and increased coordination and collaboration rather than competition.<sup>11</sup> But the picture is mixed, and no one yet knows if a single dominant reform theory will emerge or if multiple versions will co-exist.

But, in practical terms, NPM continues to influence mainstream policymaking – particularly at the level of UK government and national policymaking in England – in both policy design and underlying assumptions.

### **Reform that is innovation through people**

In this context, this paper makes the case for reform that includes two characteristics:

- **Social:** reform that addresses social goals – including relationships that build people’s sense of dignity, hope, purpose and agency.
- **R&D:** reform that applies innovation methods to public services – so that new and better approaches to public services are systematically developed and spread.

Bringing these two characteristics together would shift public service reform to be understood as innovation through people, enabled by relationships, knowledge and technology.

This agenda is driven by two critiques of the current dominant approach: that social policy isn’t social and that public service reform lacks R&D.

### **Social policy isn’t social**

Social policy and the public services it creates are fundamentally about people – how we can be healthier, live a fulfilling life, access education and opportunities, and feel part of a community. But, despite its name, social policy isn’t very social.

Part of the explanation is the dominance of economic thinking on policymaking, including the persistence of *Homo economicus*. The conventional economic assumption that people are rational actors with perfect information who can solve optimization problems (and who are more selfish than cooperative or altruistic) has been challenged by behavioural economists and a raft of other social scientific research.<sup>12</sup> The discipline of economics has long recognised its limitations.<sup>13</sup> But policymaking is still struggling to free itself from *Homo economicus*. From New Labour’s tax credit systems to current government benefit sanctions – social policies often view people as units of labour who can and will respond ‘rationally’ to economic incentives.

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<sup>11</sup> Klenk, T., & Reiter, R. (2019). The manifold meanings of ‘post-New Public Management’ – a systematic review. *International Review of Administrative Sciences*, 85(1).

<sup>12</sup> Levitt, S., & List, J. (2008). *Homo economicus* evolves. *Science*, 319(5865), 909-910.

<sup>13</sup> Coyle, D. (2021). *Cogs and Monsters: What Economics Is, and What It Should Be*. Princeton Press.



Mainstream social policy also tends to focus on material needs – such as shelter, employment and health – without taking account of social considerations – such as a sense of belonging, feeling accepted, positive relationships and a sense of community. In terms of Maslow’s work on human needs, social policy focuses on the bottom two layers<sup>14</sup>:



Figure 1: Maslow’s Pyramid of Human Needs

This is despite decades of research establishing people’s social needs as vital. The role of emotional validation, sense of belonging and autonomy are recognised in psychology, including self-determination theory.<sup>15</sup> The social capital literature has established social connections and relationships as important, with the 80-year-long Harvard study of adult development reaffirming that relationships have a determining role on our health and happiness.<sup>16</sup>

There is a double cost to this omission of social considerations in mainstream policy. Social needs are important in their own right and neglecting them can reduce the effectiveness of social policy. In other words, focusing on the bottom of the triangle, without taking account of the top, can be ineffective and even counter productive.

This can be seen when someone gets a major new health diagnosis. They may have experienced excellent medical care in the form of diagnosis and treatment, but without practical or emotional support they can feel overwhelmed, which can impact their physical and mental health further.

The case study below illustrates Bea’s experience with an HIV diagnosis where, even with some counselling, her experience was improved by being connected to other people who were also HIV positive.

<sup>14</sup> Maslow, A. (1943). A theory of human motivation. *Psychological Review*, 50(4), 370-396.

<sup>15</sup> See, for example, the work of Maslow, A. (1954). *Motivation and Personality*; and Deci, E. L., & Ryan, R. M. (2000). *Self-determination theory and the facilitation of intrinsic motivation, social development, and well-being*.

<sup>16</sup> Waldinger, R., & Schulz, M. (2023). *The Good Life: Lessons from the World’s Longest Scientific Study of Happiness*. Rider.

Case study: Bea's story<sup>17</sup>

Can I have my children tested? I managed to mumble those words. The doctor had just given me my HIV test results; I was positive. My mind was racing, pictures of 'thinning' bodies I saw back home in Uganda were flashing in my head. I could hear the doctor talking, "there is no point getting your children tested now because they are not yet five years old". I did not shed a tear; in shock, I left the hospital and headed home like a zombie to break the news to my husband. He was my only source of support at the time. The stigma was very high in my community and since I did not have any physical symptoms, I did not tell anyone outside the medical team; it became the big secret in my life.

I was not given any pre-test counselling and I had to wait two weeks to see a counsellor even after diagnosis. Close to breaking point, I was saved by the National AIDS Helpline service who directed me to the ACE project. The organisation has since closed down, but the wonderful people I met there were my salvation. This was my first opportunity to meet other people like me, HIV positive.

The problem is compounded further when social policy imposes solutions on people rather than understands what they want. For example, someone with learning disabilities may be given a place at a day care centre, but they actually want a job. As a result, they can feel powerless, excluded and stigmatised, leading to a negative spiral of mental and physical health, needless dependency and a host of long-term costs – both personal and fiscal.

There has been some recognition of these issues. The personalisation agenda in health and care has been shaped by people demanding an alternative to paternalistic public services which fail to engage with them as people. But the reality is that in health and care and many other public services, people continue to have experiences in which they are:

- Expected to make a significant change, without support to do so;
- Told to comply, without being listened to or understood;
- Referred on, without consultation or involvement;
- Blamed or punished, when their behaviour is a sign they are overwhelmed and unable to cope; and
- Made to feel like a problem, a failure, and a risk to be managed, rather than someone with potential.

The exclusion of social needs is limiting the effectiveness of social policy in ways that are economically and socially damaging to citizens, frontline staff<sup>18</sup> and the public purse through services that spend poorly and fail to improve lives.

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<sup>17</sup> Case study from Positively UK: <https://positivelyuk.org/2013/09/19/beas-story/>. Edited for length.

<sup>18</sup> Including through moral injury. See, for example, Williamson, V., et al. (2021). Moral injury: the effect on mental health and implications for treatment. *The Lancet Psychiatry*, Vol. 8, Issue 6.

## Public service reform lacks R&D

Alongside this neglect of social considerations, is an approach to public service reform that fails to apply innovation methods and lacks R&D.

R&D enables high-performing industries, particularly in science and technology, to advance knowledge and capabilities through innovation. R&D systems aim to speed up the development of new knowledge into new solutions by bringing together investment, infrastructure, support, networks and talent. R&D methods can be highly attuned to end-beneficiaries, develop evidence in real-world settings and use learning loops to feedback from on-the-ground implementation.

This can be contrasted with mainstream social policy and public services. Policy reform tends to be top-down, lacking insights from citizens and frontline staff or learning from implementation on the ground. This is partly due to a UK government (and particularly English) approach to policy-crafting which tends towards top-down ministerial decision-making, rather than bottom-up consensual policymaking with networks of stakeholders.<sup>19</sup> As a consequence, national policy is designed ‘on high’ remote from delivery and operational contexts or the perspective of citizens. While social policy has weak investment in, and linkages across, research, evidence, testing, learning and deploying.

On the research side, there is an underinvestment in the social policy evidence base. At a basic level, government rarely commissions evaluations of previous government strategies or learns from policy failures, as seen in obesity policy.<sup>20</sup> Much existing evidence is inaccessible to decision-makers.<sup>21</sup>

On the development side, there is a lack of infrastructure and support to develop, adapt and spread better approaches to public services. The What Works Centres have made a positive contribution to the use of evidence in policy decision-making. But there are gaps in their coverage, some are sub-scale, and more investment is needed in evidence uptake (not just synthesis).<sup>22</sup> Beyond this there is a lack of capacity – in both human capital and institutional terms – to systematically develop and spread better public services.

The lack of an R&D system in social policy means that innovators seeking to improve how public services are designed and delivered lack support, infrastructure and investment – whether in government, civil society or philanthropic sectors. While public services stay stuck in repetitive and ineffective cycles of ‘reform’.<sup>23</sup>

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<sup>19</sup> Coyle, D., & Muhtar, A. (2023). Levelling up policies and the failure to learn. *Contemporary Social Science*.

<sup>20</sup> Theis, D., & White, M. (2021). Is obesity policy in England fit for purpose? Analysis of government strategies and policies, 1992-2020. *The Millbank Quarterly*, Vol.99, Issue 1, March 2021.

<sup>21</sup> Wilson, P., & Kislov, R. (2022). *Implementation science*. Cambridge Elements, THIS Institute.

<sup>22</sup> Gough, D., et al. (2018). *UK What Works Centres: Aims, methods and contexts*. EPPI-Centre, UCL Institute of Education, University College London.

<sup>23</sup> The Australian Centre for Social Innovation (TACSI). (2021). *Social R&D: A new way to accelerate progress on tough social challenges*.

## Building a social R&D approach

The Australian Centre for Social Innovation has also argued for social R&D and, in particular, for an equivalent commitment to R&D for social problem-solving as there is in commercial and scientific R&D.<sup>24</sup> They have proposed four components to a social R&D system:<sup>25</sup>

1. Workforce: to attract people into the workforce, connect them and build their capacity to do R&D work.
2. Innovation capacity: including design to refine ideas, experimentation to build evidence, and implementation to disseminate what's created.
3. Coordination: across the different parts of the R&D system.
4. Incentives: so that money flows to support R&D.

Many questions arise from applying an R&D framework to social issues which need further work – including the institutional configuration and innovation methods deployed. This paper seeks to make a specific contribution by bringing a social R&D perspective to social policymaking to develop a set of potential assumptions and principles for public service reform.

## 2. Applying innovation to social issues

Applying innovation methods to social issues has an established history and is increasingly recognised.

The OECD Declaration on Public Sector Innovation has been adopted by 40 countries, including the UK. The Declaration, launched in 2019, commits to innovation as a core and strategic function of public sector organisations.<sup>26</sup> The rationale is that governments are operating in volatile, uncertain, complex and ambiguous contexts which mean current structures, processes and interventions are not necessarily the best way to achieve goals.<sup>27</sup> Public sector innovation is seen as a way for governments to continuously adapt to changing circumstances, systematically explore new possibilities and learn on an on-going basis. In the UK, the Declaration builds on long-standing work to apply innovation to social issues, including the fields of 'design' and 'impact investment'.

The Design Council pioneered the application of industrial design techniques to social and environmental issues starting in the 1980s.<sup>28</sup> These design methods were adapted from

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<sup>24</sup> Ibid.

<sup>25</sup> Ibid.

<sup>26</sup> OECD. (2019). OECD Legal Instruments. Retrieved from: <https://legalinstruments.oecd.org/en/instruments/oecd-legal-0450>

<sup>27</sup> Ibid.

<sup>28</sup> Design Council. (n.d.). Our History. Retrieved from <https://www.designcouncil.org.uk/who-we-are/our-history/>

consumer goods manufacturing and other industrial processes which had a laser focus on customer needs. These user insights were used to design new products and services. In a social context, user-centred or human-centred design methods enable an in-depth understanding of the experience of people directly impacted by an issue, such as looking for a job or quitting drugs.<sup>29</sup> Insights from everyday lives inform the design of solutions that are tested in real world conditions.<sup>30</sup> The UK government set up its own Policy Lab in 2014 to use design and other innovation techniques, and there are design teams across different tiers of government. The wider design field is now evolving to take account of the planet as well as people.<sup>31</sup>

Another application of innovation to social issues has been through social impact investment. The field uses investment techniques from science and technology start-ups to support and grow social enterprises and other social impact firms. Impact investment evolved in the noughties with accelerator programmes supporting start-ups with a double or triple bottom line – financial, social and/or environmental. High potential ideas and teams are given intensive support and finance to develop and scale. In 2011, the UK social investment market was estimated at £830m and has since grown to £7.9bn.<sup>32</sup>

Both design and early-stage finance tend towards action and learning in real world contexts, and use iterative approaches to test, learn and adapt based on feedback loops. Both deploy an exploratory, creative mindset that turns problems into opportunities. Both work across sectors including social enterprises, civil society and government. And both draw from models of R&D, originating in manufacturing and engineering, to innovate new products and services.

These tributaries come together in the field of social innovation which aims to address social and environmental challenges through using innovation. Social innovations have been described as “social in both their ends and their means”.<sup>33</sup> For example, a social innovation may build new relationships and the collective capacity to act, at the same time as address a social challenge such as homelessness or loneliness.<sup>34</sup>

In disciplinary terms, social innovation is at an early stage and can be described as a field of practice rather than theory.<sup>35</sup> The field draws from other disciplines including sociology, anthropology, political science and business. But, at this stage, it is unclear whether social innovation will be absorbed into other fields, stay a field of practice or develop into an established discipline. The main institutional form of social innovation has been innovation labs, particularly in city governments, where the number has grown from one in 2008 to almost 120 globally in 2022.<sup>36</sup>

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<sup>29</sup> See, for example, Design Council. (2006). RED Paper 02 Transformation Design.

<sup>30</sup> See, for example, Leurs, B. & Roberts, I. (2018). Playbook for Innovation Learning. Nesta.

<sup>31</sup> See, for example, Caccavate, E., & Hush, G. (2023). Design Beyond the Human. Bloomsbury Press.

<sup>32</sup> Big Society Capital. (2021). Ten Years of Investing for Impact.

<sup>33</sup> Mulgan, G. (2019). Social Innovation: How Societies Find the Power to Change.

<sup>34</sup> Mulgan, G. (2019). Social Innovation: How Societies Find the Power to Change.

<sup>35</sup> Ibid.

<sup>36</sup> Bloomberg Center for Public Innovation. (2022). Public Innovation: 6 Ways Local Governments are Breaking Boundaries.

### **3. Five assumptions underpinning social R&D**

The assumptions underlying policymaking determine how policy is designed, delivered, enacted, evaluated and improved. Drawing on approaches that apply innovation to social issues leads to a different set of policy assumptions and new public service reform priorities.

This section outlines five assumptions that could underpin a social R&D approach to reform, drawn from domains such as innovation studies, complexity theory, community development and psychology – and compares them with assumptions used in NPM.

#### **Assumption 1: Policy as social change**

The first assumption is understanding policymaking and public services as social change, not just technical process. This means factoring human relationships, behaviours and norms into how we understand policy and delivery – including how policy is developed and implemented and the theories of change it uses. This opens up methods, theories, knowledge and ways of working seldom recognised in the NPM era. For example, the role of networks, culture, movements, identity, narratives, framing and belonging. This assumption also recognises that social and cultural dynamics affect policymakers as well as citizens – challenging the ‘view from nowhere’ model that underpins traditional policy.<sup>37</sup>

#### **Assumption 2: Policymaking as a system**

Thinking of policy as a series of levers is a hangover from the NPM era which remains deeply embedded in how policy is understood. The lever metaphor reinforces the idea of policy as a linear, predictable process – more like a Fordist production line or delivery chain than a network of interconnected components with feedback loops. The lever approach tends to assume social issues can be understood as (simple) problems with clear lines of causality which can be measured. It also often assumes government is the central (or indeed only) actor determining the outcome, rather than a significant player alongside civil society, business and households.<sup>38</sup> There is now a new wave of systems thinking that seeks to incorporate complexity and uncertainty into policymaking.<sup>39</sup> These recognise that social issues are often complex, require holistic analysis and need a response that is flexible and learning-oriented.

#### **Assumption 3: People as citizens with potential**

One of the most powerful critiques of conventional public services is that they reduce people to an instrumental use (e.g. a unit of labour) or a personal failing (e.g. being homeless). This

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<sup>37</sup> See Fabian, M. et al. (2022). Respecting the Subject in Wellbeing Public Policy: Beyond the Social Planner Perspective. *Journal of European Public Policy* 10.

<sup>38</sup> Mulgan, G. (2019). *Social Innovation: How Societies Find the Power to Change*.

<sup>39</sup> See, for example, Leadbeater, C., and Winhall, J. (2020). *Building Better Systems: A Green Paper on System Innovation*; Centre for Public Impact. (2021). *Human Learning Systems: Public Service for the Real World*; Woodhill, J., & Millican, J. (2023). *Systems Thinking and Practice: A Guide to Concepts, Principles and Tools for FCDO and Partners*, K4D, Brighton: Institute of Development Studies; GOV.UK. (2022). [Systems Thinking for Civil Servants](https://www.gov.uk/government/publications/systems-thinking-for-civil-servants). Retrieved from: <https://www.gov.uk/government/publications/systems-thinking-for-civil-servants>

‘othering’ creates a them-and-us narrative between professionals and citizens which is dehumanising.<sup>40</sup> As set out earlier, it can also drive policy failure by creating policies which omit people’s social and emotional needs. In doing so, well-intentioned policies can ‘bounce off’ and fail to achieve their aims. By contrast, ‘asset based’ approaches understand people as citizens with capabilities and potential. This approach builds relationships of mutual trust and respect between professionals and citizens, and enable people to develop a foundation of dignity, hope, purpose and agency. Recognising people’s worth, capabilities and potential leads to approaches – such as co-production – in which citizens are participants with expertise.

#### **Assumption 4: Plural knowledge**

While mainstream policymaking often uses the methods, data and assumptions of conventional economics, this perspective seeks multiple ways to understand a problem including other ‘social knowledge’. This includes the day-to-day experiences of people impacted most by an issue – both citizens and frontline staff. Understanding people’s experiences opens up new ways to understand and frame an issue, which can lead to further research, exploration and testing. A plural approach to knowledge connects different types of knowledge to create a multi-dimensional picture: top-down, bottom-up and across different perspectives. This can involve sense-making across, for example, ethnographic insight, deliberative discussions, behavioural and attitudinal data, statistical modelling and population-level data.

#### **Assumption 5: Context matters**

In the NPM era, context was not considered particularly relevant or consequential. The imperative was to find the single solution to roll out identically everywhere on a “do it once, do it well” basis. But what if context accounts for more than, say, 0.8% or 8% of what’s going on? What if context accounts for 80%? Even considering this as a possibility leads to a different approach to policy. The literature on complex systems shows that an intervention that is ‘successful in one location does not necessarily (or even routinely) deliver the same results elsewhere’.<sup>41</sup> Certainly, if policy is social change that happens with particular people in particular places, then context becomes more than something to control for. Local factors, such as the quality of leadership, become more significant in whether an intervention will work in a new place. This assumption is also consistent with localism and place-based approaches, which can factor local priorities into how an issue is tackled, drawing on the wider evidence base.<sup>42</sup>

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<sup>40</sup> Russell, C. (2020). *Rekindling Democracy: A professionals’ guide to working in citizen space*, Cascade Books.

<sup>41</sup> Hudson, B. et al. (2018). Policy failure and the policy-implementation gap: can policy support programs help? *Policy Design and Practice* 2(1).

<sup>42</sup> See, for example, Khan, H. (2018). *Mass Localism 2.0*. Nesta. Retrieved from <https://www.nesta.org.uk/blog/mass-localism-20/>

## 4. Three reform priorities for public services

These alternative assumptions have the potential to develop new approaches to public service reform. But they are relatively abstract and a long way from day-to-day policymaking. To bridge between the two, three reform priorities for policymaking – involving, learning, and developing – can be built from the assumptions.

### Reform priority 1: Involving

The first reform priority is to understand people as citizens with their own power, legitimacy and expertise. This means recognising that policy and public services should not be ‘done to’ people but rather ‘done together’ with them as a partnership. Co-production, for example, is an approach in which public services are created and delivered in an equal and reciprocal relationship between professionals, people using services, their families and their neighbours.<sup>43</sup>

From a policymaking perspective this can feel challenging – a relinquishment of power. But there is momentum to incorporate participatory and deliberative approaches, particularly at local and regional levels of policymaking. Momentum which – from the perspective of policymakers – can be understood in terms of four potential benefits: the democratic dividend, accountability dividend, improvement dividend and action dividend.

The ‘democratic dividend’ stems from the recognition that involving people in public decision-making can contribute to democratic values of legitimacy and justice.<sup>44</sup> Values which are at risk, including from special interests and from a populism that discredits democratic institutions.<sup>45</sup> There is also interest in participatory methods creating a ‘direct mandate’ from voters to elected politicians, particularly for issues that are difficult to resolve in a partisan electoral environment, perhaps because they are polarising and/or long-term.<sup>46</sup>

Linked to this is the ‘accountability dividend’ in which involvement strengthens the social contract between governments and citizens. Involving citizens in the design of public services can address previous failures to take account of what they want, and in doing so, can close the accountability gap and increase trust.<sup>47</sup> Thirdly, is an ‘improvement dividend’ which comes from new insights from citizens which can improve how public services are designed and delivered, potentially leading to better and/or lower cost services.<sup>48</sup> Fourthly is an ‘action dividend’ in which citizens become more active, for example in terms of their own health and wellbeing, having been involved in decision-making.

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<sup>43</sup> Boyle, D., & Harris, M. (2009). *The Challenge of Co-Production*. Nesta. For an example of “people powered public services” based on co-production see: Horne, M. et al (2013) *People Powered Health: Health for people, by people and with people*. Nesta and the Innovation Unit.

<sup>44</sup> Fung, A. (2006). *Varieties of Participation in Complex Governance*. *Public Administration Review*, December 2006, Special Issue.

<sup>45</sup> Burrall, S. (2015). *Room for a View, Involve*.

<sup>46</sup> Council of Europe. (2022). *Beyond Elections: The Use of Deliberative Methods in European Municipalities and Regions*. 42nd Session, Congress of Local and Regional Authorities.

<sup>47</sup> See, for example, Halvorsen, K. E. (2003). *Assessing the effect of public participation*. *Public Administration Review*, 63(5).

<sup>48</sup> Hughes, T., et al (2017). *Improving Public Services: Guidance for developing OGP commitments*. *Involve*.



Deliberative approaches enable people to understand different perspectives, work through conflict and find common ground.<sup>49</sup> Citizen assemblies have become recognised as a way of engaging with complex social and environmental issues; particularly since the Irish Citizens' Assembly helped unlock the polarising issue of abortion in Ireland.<sup>50</sup> Another deliberative method, Poverty Truth Commissions, prioritise relationship-building and mutual understanding.

#### Case study: Poverty Truth Commissions

Poverty Truth Commissions originated in Glasgow in 2009, drawing from the practice of truth and reconciliation commissions. Commissioners are in two groups – firstly, people living in poverty and, secondly, local decision-makers. The approach is based on valuing the 'wisdom of people who know what it means to struggle against poverty'. The Commissions also build 'powerful relationships built on trust and listening deeply' in which the two groups meet as 'human beings not merely professionals or service users'.<sup>51</sup> Through this mutual understanding, Poverty Truth Commissions have led to policy changes such as the redesign of the council debt recovery process in Salford to avoid using bailiffs<sup>52</sup>.

There are now examples of participatory and deliberative decision-making at the neighbourhood, individual service, city, regional, national and multilateral levels.<sup>53</sup> So rather than assume citizen involvement is too small-scale, costly or difficult, policymakers can bring ambition and creativity to working with citizens. For example, building multiple, bottom-up co-production efforts into an understanding of an issue that can influence national policy.

The principle of involvement can also be applied to the public services workforce. Business is recognising the positive reinforcement between staff involvement, staff autonomy and strong social ties which can drive a culture of trust and performance.<sup>54</sup> This dynamic can improve motivation and staff retention rates.

Involvement can be built into public service organisational design – from cooperatives and mutuals, to user-led organisations and micro social enterprises. For example, Essex County Council is spinning out its drug and alcohol services as an independent charity with former

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<sup>49</sup> Involve. (2020). Annual Report 2019/2020.

<sup>50</sup> Citizen Assembly. (2017). First Report and Recommendations of the First Citizen's Assembly: The Eighth Amendment of the Constitution. Retrieved from [https://citizensassembly.ie/wp-content/uploads/2023/02/FirstReport\\_EIGHTAMENDMENT.pdf](https://citizensassembly.ie/wp-content/uploads/2023/02/FirstReport_EIGHTAMENDMENT.pdf)

Palese, M. (2018). The Irish abortion referendum: How a Citizens' Assembly helped to break years of political deadlock. Electoral Reform Society. Retrieved from: <https://www.electoral-reform.org.uk/the-irish-abortion-referendum-how-a-citizens-assembly-helped-to-break-years-of-political-deadlock/>

<sup>51</sup> Poverty Truth Network. The distinctives of our work. Retrieved from: <https://povertytruthnetwork.org/the-network/the-distinctives-of-our-work/>

<sup>52</sup> Salford Poverty Truth Commission. EEG008 CCG Final Report. Retrieved from; [https://extranet.salfordccg.nhs.uk/application/files/4015/5368/6293/Poverty\\_Truth\\_Commission.pdf](https://extranet.salfordccg.nhs.uk/application/files/4015/5368/6293/Poverty_Truth_Commission.pdf)

<sup>53</sup> The first global citizens' assembly – the Global Assembly (globalassembly.org) – fed into COP26.

<sup>54</sup> Zak, P. J. (2017). The Neuroscience of Trust: Management Behaviors That Foster Employee Engagement. Harvard Business Review, Jan-Feb 2017.

service-users in governance roles.<sup>55</sup> Laloux’s work on high autonomy ‘teal’ organisations applies power-sharing to organisations, such as the Buurtzorg model in social care.<sup>56</sup>

Involvement can also be introduced through leadership and organisational development. Organisational concepts such as psychological safety – in which staff can speak up and ask questions without fear of being penalised – are increasingly recognised as vital.<sup>57</sup> While leadership approaches, such as Heifetz’s adaptive leadership, encourage leaders to involve front-line employees in organisational problem-solving.<sup>58</sup>

Overall, participatory and deliberative approaches could play a much bigger role in policy and public services. To be effective, involvement needs to connect to formal decision-making and be well designed and implemented. Importantly for policymakers – who may hesitate to reach out given pressures and flux – competing priorities, disagreement, and discord may indicate the need for more involvement, not less. Indeed, the current context for policy and public services makes the case for involvement even stronger:

“When the democratic process is marked by contentious disagreement, lack of mutual respect, systematic exclusion of disadvantaged individuals, and blatant disregard for relevant facts and values, the need for deliberation is greatest.”<sup>59</sup>

There is potential for policymaking and public services to go much further in involving people. Drawing on the rich field of practice that stretches from place-based co-production to large-scale online deliberation. These show that citizen agency, control and power are not only valuable in themselves but can drive better policymaking. Participatory approaches can also be a bulwark against adversarial and divisive dynamics in public debate. A potential prize is two-way trust: trust in government by citizens, and also trust in citizens by government.

## **Reform priority 2: Learning**

Learning is recognised as vital to effective organisations, systems and societies, yet often poorly practised.<sup>60</sup> Indeed, it appears that policymaking and public services are falling further behind what might be expected from a knowledge intensive sector.<sup>61</sup> Even using the basic yardstick of formal evaluations, less than 10% of government spend on major projects have

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<sup>55</sup> New Local. (2023). How we did it: A truly person led service. Retrieved from: <https://www.newlocal.org.uk/articles/how-we-did-it-a-truly-person-led-service/>

<sup>56</sup> Laloux, F. (2014). Reinventing organizations.

<sup>57</sup> See the work of Amy Edmondson. <https://amyedmondson.com/>

<sup>58</sup> Heifetz, R. A., & Laurie, D. (2011). The Work of Leadership, chapter in *On Leadership*. Harvard Business Review.

<sup>59</sup> Gutmann, A., & Thompson, D.F. (2018). Reflections on Deliberative Democracy: When Theory Meets Practice. *The Oxford Handbook of Deliberative Democracy*.

<sup>60</sup> See, for example, Stiglitz, J., & Greenwald, B. (2014). *Creating a Learning Society*.

<sup>61</sup> See, for example, Coyle, D., & Muhtar, A. (2021). *The UK’s Industrial Policy: Learning from the Past* Productivity Insights Paper No. 002. The Productivity Institute.

robust evaluations.<sup>62</sup> Adopting learning as a reform priority could help close the gap between where we are now and the learning cultures and practices needed for effective policy.

When learning (or rather evaluation) does take place in policymaking, the evidence methods are often drawn from a narrow toolbox, while the conclusions can be too late and not designed to inform action. Alongside independent evaluations, policy needs pragmatic, relevant and timely insights to improve design and implementation; approaches which capture intangibles like trust, motivation, and the quality of leadership; participatory learning methods which involve frontline staff and citizens; and methodologies beyond randomised control trials, which may not be the right tool to capture what's at play. Data and technology can be used to support learning at a faster pace and greater scale.

A particularly neglected aspect of learning in policymaking is the implementation process. Many policy processes still rely on weak implementation mechanisms such as written guidance, despite plenty of evidence that humans learn in a variety of ways, including action-based learning and social learning with other people. Instead, written guidance cascades through the policy and public service system, landing with frontline staff who are often expected to turn words into action with little or no active support. There is insufficient effort to help staff learn why a policy matters or what 'good' looks like. This also applies to policy-related organisations that publish a toolkit or similar, without supporting anyone to learn how to use it.

The lack of learning within the policymaking system could be a significant driver of policy failure. If so, tackling the 'learning deficit' can draw on approaches that have developed inside and outside the policy arena.

In management and business, the idea of a 'learning organisation' has developed over decades. In Peter Senge's "The Fifth Discipline" (1990) a learning organisation seeks out and replaces mental models that are limited or flawed, and uses dialogue and debate to reflect and learn. Senge argues these approaches enable organisations to understand complex issues, create innovative and coordinated action and share new practices and skills.<sup>63</sup> Similarly, David Garvin argues a learning organisation is skilled at systematic problem solving, experimentation, learning from the past, learning from others, and sharing knowledge well internally.<sup>64</sup>

Learning is also a feature of quality improvement, which brings techniques adapted from industrial settings, such as 'plan-do-study-act' (PDSA), to improve services in a continual and systematic way. Improvement methods draw on management theory, operational research, implementation science, systems thinking and organisational development. They have been somewhat recognised in public services, particularly in health, but there is much greater potential to develop and embed them effectively.

While learning in policymaking can over-rely on written instruction and online training modules, these approaches recognise the role of tacit knowledge, dialogue and networks. An understanding that reinforces the value of peer-to-peer learning, such as professional learning

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<sup>62</sup> National Audit Office. (2021). Evaluating government spending.

<sup>63</sup> Senge, P. (1990). "The Fifth Discipline".

<sup>64</sup> Garvin, D. A. (1993.) Building a Learning Organisation. Harvard Business, Review July-August.

networks and communities. For instance, the Q Community is an example of a professional learning network within the field of health and care.

Case study: The Q Community<sup>65</sup>

The Q Community is an improvement-focused network for people working to improve the safety and quality of health and care across the UK and Ireland. The network was founded by The Health Foundation in response to a report written by Don Berwick in 2013, about failures of care by the Mid Staffordshire NHS Foundation Trust, which called for 'bottom up' improvement capacity. The Q network draws on research into effective networks which found five core features: common purpose, cooperative structure, critical mass, collective intelligence and community building.<sup>66</sup> The aim of the network is for members to learn and collaborate on improvement challenges to accelerate progress on cross-system issues.

Learning is also at the heart of emerging approaches to policy that apply complex systems theory to policymaking. Demos Helsinki developed 'humble policymaking' drawing on Charles Sabel's theory of experimentalist governance. The starting point is that policy operates in a complex environment which generates unpredictable interdependencies and a high degree of uncertainty, and which means continuous iteration and experimentation are needed.<sup>67</sup> Similarly, the 'Human Learning Systems' approach draws on complex systems theory to put continuous learning at the centre of public management and public services.

Case study: Human Learning Systems<sup>68</sup>

Human Learning Systems (HLS) is an approach to public management and public services which combines systems thinking, learning as a management strategy, and a focus on people and relationships. HLS understands public service systems as highly context-specific, so that 'what works' is both highly localised and constantly changing. Outcomes are understood as 'emergent properties of complex systems', rather than delivered or controlled by organisations. This means rather than implementing a programme from elsewhere, continuous learning is needed to explore what will work in a particular time and place.

Learning is not just a feature of high-performance organisations - it is also directly relevant to citizens the policies seek to impact. People with long-term conditions can learn how to manage their health, parents can learn parenting techniques, and young people can learn about getting and keeping jobs. This may seem obvious, but many policies miss out 'learning'. Instead, people are expected to manage their diabetes, be a new parent or get a job as if it were a simple task to perform, rather than a skill to be learnt.

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<sup>65</sup> Q health website. Retrieved from: <https://q.health.org.uk/>

<sup>66</sup> The Health Foundation. (2014). Effective networks for improvements. Retrieved from: <https://www.health.org.uk/sites/default/files/EffectiveNetworksForImprovement.pdf>

<sup>67</sup> Annala, M., et al. (2020). Humble Government: How to Realize Ambitious Reforms Prudently. Demos Helsinki.

<sup>68</sup> Centre for Public Impact. (2021). Human Learning Systems: Public service for the real world.

#### Case study: Supported self-management in health

Evidence shows that the people most able to manage their own health conditions had 49% fewer emergency hospital admissions than those least able.<sup>69</sup> People with a low management tend to feel overwhelmed, don't have an understanding of what they can do, and/or don't feel able to do so. By contrast, people who self-manage tend to take their medication, attend appointments, set health goals, self-monitor and adhere to new diets or exercise routines.

Research also indicates that providing information and training is not enough to build people's capacities. Other interventions, such as health coaching and peer support, are needed to build people's confidence and ability to put knowledge into action.<sup>70</sup>

Applying learning more systematically to policy and public services could address several potential sources of policy failure. Turning policy implementation into human-scale change on the ground would enable policy to be better informed by delivery, while frontline staff could be actively involved in implementation, adaptation and improvement. Policy impact could be enhanced by incorporating learning into how citizens are supported – helping them to build their knowledge, skills, confidence and motivation to make change.

### **Reform priority 3: Developing**

One of the most enduring impacts of New Public Management (NPM) is on how policymakers think about people. NPM incorporated conventional economic assumptions that people are motivated by self-interest and utility-maximisation. These assumptions can lead to policymaking that is unduly focused on (financial) incentives and information provision (with which to make rational decisions).

Behavioural science is now much more recognised in policy which has enabled policymakers to engage with the internal psychological world of the people they seek to influence and support. This has enabled a much richer understanding of what drives and influences behaviour and decision-making, including the significant impact of environments.

There is also a significant opportunity to build policy based on human development. Human development, building on the work of Amartya Sen, has been influential in the field of international development but is seldom discussed in domestic policy. The broad aim is that everyone should have the basic capabilities to live a healthy, productive life, with a decent standard of living and able to take part in the community.<sup>71</sup> This aim has been translated into the 17 Sustainable Development Goals, adopted by United Nations Member States in 2015.

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<sup>69</sup> The Health Foundation. (2018). Reducing emergency admissions: unlocking the potential of people to better manage their long-term conditions.

<sup>70</sup> Ibid; Finnis, A. et al. (2018). Realizing the Value: Ten key actions to put people and communities at the heart of health and wellbeing. Nesta and The Health Foundation.

<sup>71</sup> Fukuda-Parr, S. (2003). The Human Development Paradigm: Operationalizing Sen's ideas on capabilities, *Feminist Economics* 9(2-3).

An important aspect of human development is its focus on social needs alongside material needs. People are understood as social beings who need to feel secure, supported and valued by others with a sense of dignity. A human development approach also aims to build people's capacity to act.

Community development approaches – drawing on human development – are becoming increasingly recognised in domestic social policy. These approaches focus on building long-term individual and community capacity to help themselves and others. Examples of a community development approach to social policy include community health champions in public health, which played a positive role in the Covid pandemic, but there is much further to go to apply community development to policymaking.

Much current social policy can still make people less confident, more dependent and less able to act. When people experience the trauma of poverty, homelessness, unemployment, or imprisonment they can feel isolated, blamed, ashamed, afraid, and humiliated. But most mainstream social policies ignore this – requiring people to fill out forms, attend interviews and change their behaviour under pressure and without support. Indeed, the process-orientated, tick-box culture in mainstream public services can mean frontline staff interact with citizens in ways that leave them feeling unheard, judged and unworthy. By doing so, public services can make matters worse – as we saw with Dave's story earlier.

Dr Donna Hicks, a conflict resolution researcher, has developed a concrete set of actions to build dignity which include validating others, giving your full attention, giving the benefit of the doubt, and empowering others to act on their own behalf with hope and possibility.<sup>72</sup> These principles are highly relevant to social policy and public services in this country.

Many organisations that work in human development ways understand this and focus building relationships that build hope, self-worth and purpose. These approaches are often trauma-informed, such as the Recovery College movement in mental health. Another example is Tempus Novo, a charity set up by two former senior prison officers that coaches people leaving prison and matches them with long-term local jobs, with a 98% success rate. The charity creates high quality relationships with people leaving prison which enable them to take positive steps forward.

#### Case study: Tempus Novo

As a child, Nathan went through the care system due to a disjointed family and home environment full of domestic abuse, violence, relationship breakdowns, drugs, crime and negative role models. During this time, he received very little mainstream education and guidance. As an adult, his chaotic lifestyle continued to spiral out of control with drugs and crime which resulted in going to prison. Upon release, his lifestyle became even more chaotic with a continuation of drugs, crime, dishonesty, violence and anger.

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<sup>72</sup> Hicks, D. (2018) "Leading with Dignity: How to create a culture that brings out the best in people".

Back in prison, Nathan approached Tempus Novo looking to improve his life and find employment. After his assessment, he was put forward for an interview at Clipper Sheffield (now Boohoo!). He started as a picker in the warehouse and within three months was promoted to supervisor. Following that he became a trainer for new starters coming into the warehouse and a peer mentor to support other ex-offenders with their rehabilitation. He is now studying for a BA (Hons) degree in Psychology and Health and Social Care.

Nathan said: "There is no doubt that having a good job with the support from my caseworker Fiona at Tempus Novo has made all the difference in me being able to make that transformation, from repeat offender with no hope, to where I am now."<sup>73</sup>

'Good help' describes a relational way of working with people which builds their confidence and sense of agency. It draws on the research base in psychology and behavioural science and the work of organisations that work this way, such as Grapevine, Gingerbread, User Voice, KeyRing and many others. 'Good help' sets out seven characteristics of relationships that build confidence and purpose:<sup>74</sup>

Table 1: Seven characteristics of 'good help'

	Characteristic	Description
1.	<b>Power sharing</b>	On an adult-to-adult basis recognising the expertise, agency and control that each person brings.
2.	<b>Enabling conversations</b>	That enable people to feel safe, hopeful and ready to take action for themselves.
3.	<b>Tailoring</b>	Helping people define their own purpose and plans, and responding to their individual needs.
4.	<b>Scaffolding</b>	Offering practical and emotional support that helps people to take action, then stepping back as they build confidence to continue taking action alone.
5.	<b>Peer support and role models</b>	Helping people develop relationships that inspire and sustain action over time.
6.	<b>Opportunity making</b>	Increasing opportunities and decreasing barriers for people to take action.
7.	<b>Transparency</b>	Sharing information and data between people and practitioners.

Organisations providing 'good help' often build a trusted relationship with the person being supported. The focus is to build dignity and safety and, from there, support the person to rediscover a sense of hope and purpose which can be turned into small actions. After achieving an initial goal there can be positive reinforcement between action, confidence and purpose. This type of approach is used by many organisations in and around social policy, often in the voluntary and community sector, with Family Nurse Partnerships one of the most evidenced.

<sup>73</sup> This case study is edited from Tempus Novo. Retrieved from: <https://www.tempusново.org/case-studies/nathans-story>

<sup>74</sup> Wilson, R., et al. (2018). Good and bad help: how purpose and confidence transform lives. Nesta.

#### Case study: Family Nurse Partnership

The Family Nurse Partnership is a home visiting programme in which a family nurse builds a relationship with first-time young parents from early pregnancy up to the second birthday. The nurse supports the family in ways that improve the mother's health and behaviours, improve the child's health and development (by supporting the parents to provide care), and helps parents plan for the future. The programme is based on high quality RCT (randomised controlled trial) evidence that shows it improves child development, school readiness and early education outcomes.

Sara was 13 years old when she was taken into care and became pregnant at 16 years. She credits her family nurse with helping her through post-natal depression and other challenges which led to her drinking, taking drugs and self-harming. The family nurse continued to meet with Sara and supported her to look at what she could do to change her life course. Sara now feels back on track with her own house, studying at college and her son happy and developmentally on track.<sup>75</sup>

Human development approaches can also be applied to the workforce in public services. Organisations that enable staff to have purpose, motivation, feel valued and able to act have been found to be more effective. A systematic review in nursing found that leadership styles that focused on people and relationships (rather than tasks only) were associated with higher job satisfaction, recruitment, and retention.<sup>76</sup> While the needs of staff often mirror those of citizens – as can be seen in the Senses Framework (see case study).

#### Case study: the Senses Framework

The Senses Framework was developed in the context of older people care and sets out what both staff and citizens need to develop and thrive. Its five components include a sense of:<sup>77</sup>

1. **Continuity:** citizens feel their personal experience is recognised and valued. Staff have positive career pathways, role models and good working environments.
2. **Belonging:** citizens and staff can both form meaningful relationships and feel part of a community or group that recognises their contribution.
3. **Purpose:** opportunity to engage in purposeful activity and pursue goals and challenging pursuits – whether in a professional context or in everyday life.
4. **Fulfilment:** opportunities for citizens and staff to both achieve meaningful and valued goals and feel satisfied with their efforts.
5. **Significance:** for both citizens and staff, feeling recognised and valued as a person of worth and that they 'matter'.

<sup>75</sup> <https://www.fnp.nhs.uk/blogs/i-wanted-a-different-future-for-my-son-saras-story/>

<sup>76</sup> Cummings, G., et al. (2010). Leadership styles and outcome patterns for the nursing workforce and work environment: A systematic review. *International Journal of Nursing Studies*, 47(3), March 2010. .

<sup>77</sup> List adapted from Nolan, M., et al. (2006). The Senses Framework: improving care for older people through a relationship-centered approach. *Getting Research into Practice (GRiP)*. Report No. 2. Project Report, University of Sheffield, Sheffield.



A focus on developing people – through dignity, hope, agency, and purpose – feels a long way from where public services are now. But there are many organisations to learn from – including work on trauma-informed practice, networks of care, local area coordination and living support networks.<sup>78</sup> A ‘developing’ reform principle recognises the centrality of relationships in enabling people ‘to flourish, tackle adversity, build capability and fulfil their potential’.<sup>79</sup> Taking this approach could help public services tackle underlying issues and enable people to improve their lives and escape the ‘revolving door’ of services.

## 5. Bringing the principles together: involving + learning + developing

This paper argues that an innovation and social perspective can help create better public services. This requires different underpinning assumptions and new reform priorities that emphasize involvement, learning, and human development. Bringing these arguments together enables a comparison between New Public Management (NPM) and a new approach to public service reform informed by social R&D.

A social R&D approach to reform would include two characteristics:

- **Social:** reform that addresses social goals, including relationships that build people’s sense of dignity, hope, purpose and agency.
- **R&D:** reform that applies innovation methods to public services – so that new and better approaches to public services are systematically developed and spread.

Five social R&D assumptions for public service reform:

1. **Policy as social change** rather than just technical process. Factoring in the role of issues such as networks, culture, movements, identity, narratives, framing and belonging.
2. **Policymaking as a system** rather than a production line. Understanding policy as complex, highly interconnected and dynamic.
3. **People as citizens with potential** rather than ‘service users with problems’. Working with people to build capabilities and a foundation of dignity, hope, purpose and agency.
4. **Plurality of knowledge** rather than a single top-down world view. Including the day-to-day experiences of citizens and frontline staff.
5. **Context matters** rather than assuming it can be excluded. Understanding the role that context plays including factors like the quality of leadership.

<sup>78</sup> For more information on Local Area Coordination see [www.lacnetwork.org](http://www.lacnetwork.org)

<sup>79</sup> <https://relationshipsproject.org/what-is-relationship-centred-practice/>

Three potential reform principles:

- **Involving** citizens and frontline staff through deliberative and participatory approaches.
- **Learning** throughout the policymaking process using evidence, feedback loops and experimentation.
- **Developing** people to fulfil their potential, drawing on human development, including a foundation of dignity, hope, purpose and agency.

These can be developed into a set of comparisons between NPM and social R&D reform:

	Reform principles	
	NPM reform	Social R&D reform
<b>People are...</b>	Consumers	Citizens and partners. Consumer interactions when needed
<b>Power is...</b>	Imposed, controlling, top down or market-driven	Wherever possible shared, enabling, deliberative
<b>Framing is...</b>	Conventional economic	Plural, including social, behavioural and developmental

	Reform practice	
	NPM reform	Social R&D reform
<b>Interventions are...</b>	Transactional	Developmental
<b>Implementation is...</b>	Mechanistic programme delivery	Learning and adaptation in context
<b>Knowledge is...</b>	Held by technical experts	Also held by staff and citizens
<b>Unit of analysis is...</b>	Individual policy from top-down perspective	Policy systems

These elements can be brought together. For example, the ‘Problem Driven Iterative Adaptation’ approach, developed by the Harvard Kennedy School, moves from problem analysis to action through reflection, adaptation and iteration. It is a response to the ‘continued failure of top-down policies which are often the result of policies designed by people far from the problem itself and with no experience in implementation’.<sup>80</sup> Another example is the 100-day challenge method.

<sup>80</sup> Harvard Kennedy School. (2022). Learning policy implementation amid complexity and ambiguity. Retrieved from: <https://www.hks.harvard.edu/faculty-research/policy-topics/education-training-labor/learning-policy-implementation-amid>

### Case study: 100-day challenges

The 100-day challenge is a structured innovation method to galvanise action in local systems. It combines empowering leadership, shared power, action-based learning and capability development to achieve measurable results over 3 month sprints. Leaders from a local area are supported to act as system leaders working together towards a shared priority. Frontline teams from across the system are empowered to develop and test new solutions.

The method incorporates all three reform priorities:

1. **Involving:** frontline staff and citizens are given permission to solve problems and test solutions, with feedback loops to leaders who unblock barriers.
2. **Learning:** action-learning and real-time data are used to test ideas, track progress, and iterate further in rapid improvement cycles.
3. **Developing:** leaders are supported to be system leaders while staff and citizens are valued for their expertise, given autonomy to test ideas and influence decisions.

The 100-day method incorporates well-established elements of organisational transformation such as creating a sense of urgency, forming a powerful coalition, creating a vision, empowering others to act on the vision, creating short-term wins and consolidating improvements.<sup>81</sup>

The approach was developed by the Re!Institute, a U.S. non-profit, which has used the method with the World Bank and in 28 countries worldwide.<sup>82</sup> In the UK, the approach has been applied in more than 60 local public service systems over 10 years. The work included two national NHS improvement programmes and its impact in local systems saw a 10-12% reduction in unplanned hospital admissions for frail people in Essex.<sup>83</sup>

## 6. Challenges to address

This agenda reflects a wider movement that is seeking alternatives to the current public service paradigm. There has been a significant contribution from policy research organisations such as the Institute for Public Policy Research (IPPR), Demos, Nesta, New Local, Onward, the Centre for Social Justice and the Social Market Foundation. Some of them were working on these issues more than a decade ago – for example Demos on personalisation (2004), Nesta and the New Economics Foundation on co-production (2009) and IPPR on ‘The Relational State’ (2012).<sup>84</sup> Nesta developed a body of work on “people powered public services” between 2010 and

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<sup>81</sup> Kotter, J.P. (1995). Leading change: why transformation efforts fail, Harvard Business Review, March-April.

<sup>82</sup> Previously called the Rapid Results Institute – see [www.re-institute.org](http://www.re-institute.org)

<sup>83</sup> Nesta. (2019). Sparking change in public systems: the 100-day challenge.

<sup>84</sup> Leadbeater, C. (2004). Personalisation through participation: a new script for public services. Demos; Boyle, D. & Harris, M. (2009). The Challenge of Co-Production: How equal partnerships between professionals and the public are crucial to improving public services. Nesta and NEF; Cooke, G., & Muir, R. (2012). The Relational State: How recognising the importance of human relationships could revolutionise the role of the state. IPPR.

2020.<sup>85</sup> Other recent contributions have included Humble Government, Human Learning Systems and Radical Help from Hilary Cottam (who was a pioneer at the Design Council in the early noughties).<sup>86</sup> Calls from voluntary and community sector leaders include Alex Fox's strength-based model and Julia Unwin's work on kindness, emotions and human relationships.<sup>87</sup> On the ground there are networks and projects such as the Relationships Project and Be Human, while philanthropic funders have supported this type of work for years.<sup>88</sup>

Encouragingly, there is now interest from across the political spectrum, as reflected in work by groups of both Conservative and Labour MPs convened by New Local and the New Social Covenant Unit.<sup>89</sup> And, above all, there are hundreds of organisations across the country working in these ways in civil society, local authorities, combined authorities and beyond.

There are theories, arguments and practice to draw from, yet policy is lagging. The value and ambition of this movement are not always visible to or recognised by national decision-makers (particularly at the UK and England level). This suggests more work is needed to build the case including understanding the world from a policymaker's point of view.

### **Building blocks of the agenda**

Firstly, core building blocks are needed to progress this agenda further. While many approaches are evidenced, there are still gaps and weaknesses and tensions about what can or should be measured. For example, can cost-effectiveness evidence get better at reflecting both social and economic returns? How can the (often intangible) value of relationships be captured?

Secondly, implementation must be done with care to avoid tokenistic and damaging versions: deliberation can fail if it does not interface with formal decision-making; learning can be used to blame and shame; services can be relational in name only. Importantly, although the agenda is called 'public services', these approaches are not necessarily formal services at all – some are community-based alternatives or grassroots action between citizens.

Thirdly, the extent to which these principles can reach more people will depend on investment levels in public services and support to transition to new models.

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<sup>85</sup> See, for example, <https://www.nesta.org.uk/feature/ten-years-of-nestas-work-in-health/>; Deacon, C., et al. (2020). The People-Powered Shift: How compassion, connection and our collective power can take forward the next stage of people-powered public services. Nesta.

<sup>86</sup> Annala, M. et al. (2020). Humble Government: How to realize ambitious reforms prudently. Demos Helsinki; Centre for Public Impact. (2021). Human Learning Systems: Public service for the real world; Cottam, H. (2018) Radical Help: How We Can Remake the Relationships Between Us and Revolutionize the Welfare State. Virago Press.

<sup>87</sup> Fox, A., & Fox, C. (2023). How we lost sight of the point of public services. New Local; Unwin, J. (2018). Kindness, emotions and human relationships: the blind spot in public policy, Carnegie Trust.

<sup>88</sup> See [www.relationshipsproject.org](http://www.relationshipsproject.org) and [www.be-human.org.uk](http://www.be-human.org.uk)

<sup>89</sup> Baillie, S., et al (2021). Trusting the People: The case for community-powered conservatism. New Local and The New Social Covenant Unit; Comer-Schwartz, K., et al (2023). A Labour Vision for Community Power: Participation, prevention and devolution. New Local.

## Challenges for policymakers

There are also challenges that policymakers, particularly national ones, will need to grapple with for this agenda to progress.

**Scale:** these principles raise questions about what can be scaled and how. This can be thought of as a spectrum from ‘tight’ to ‘loose’. An example of ‘tight’ would be a national policy developed using social R&D principles (e.g. citizen input, learning and development) and implemented by frontline staff with the support, knowledge and skills to put it into practice to a high standard. At the other end of the spectrum is a looser ‘mass localism’ approach where evidence, best practice and principles are a starting point for developing a local solution (rather than implementing a national one).<sup>90</sup> Devolution creates conditions which make a social R&D approach particularly relevant given the possibility of strong feedback loops from implementation, local relationships and the involvement of citizens and frontline staff.

**Capabilities:** this agenda challenges a policy culture accustomed to focusing on the ‘what’ more than the ‘who’ (or the ‘how’). Instead, it demands focus and investment on human capital, including capabilities, tacit knowledge, culture and leadership. Capabilities of policymakers, frontline staff and citizens become vital enablers of successful policy and public services.

**Accountability and risk:** this agenda broadens accountability beyond ‘looking upwards’ to the national level to bottom-up accountability from citizens and horizontal accountability across systems. Using an experimentalist approach in policymaking can be challenging in political environments in which political leaders (and policymakers) are expected to commit to specific activities. It requires innovation methods designed to manage and mitigate risk and political leadership willing to support positive risk-taking with appropriate safeguards and an acknowledgement of the risks of doing nothing.

**Equity and fairness:** one-size-fits-all approaches may be assumed to be equitable but may not be if certain groups face unaddressed barriers or have their needs overlooked. This agenda needs to ensure equity is not just addressed but improved through inclusive approaches that are designed with, and effectively reach, groups facing the most challenges and particularly those that are minoritized. There are also wider issues of fairness – for example, the balance between standardisation and flexibility in service provision and ensuring citizens everywhere get a fair standard of service with high professional standards.

**Level of intervention:** the balance between individual and population level interventions needs to be assessed. Behavioural science shows that what people do is more influenced by environments than by what’s in their mind, hence the focus on legislation, tax and other system-level interventions.<sup>91</sup> This agenda needs to ensure interventions at the individual level are effective and proportionate, with necessary macro and structural changes (such as poverty reduction) taking place alongside.

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<sup>90</sup> The term ‘mass localism’ is drawn from this work on challenge prizes: Bunt, L., & Harris, M. (2010). Mass Localism: A way to help small communities solve big social challenges, Nesta.

<sup>91</sup> Marteau, T. (2018). Changing minds about changing behaviour. *The Lancet*, 391.

## 7. Recommendations for a future agenda

The scale and nature of the challenges we face – including the fiscal outlook, inequalities, climate change and stalling life expectancy – indicate we cannot keep doing the same thing. Policymaking needs to adapt to current and future conditions. This paper aims to explore ideas and principles which could make a contribution.

While the challenges are daunting, there are also opportunities. Practice and knowledge already exist. Progress could be kickstarted by small shifts in spend which could pave the way for larger shifts.<sup>92</sup> Some components of a possible reform agenda include:

- **People, people, people:** understanding human capital as a major source of policy success or failure would shift focus towards the skills, capabilities, mindsets and wellbeing of leaders, policymakers, frontline staff and citizens. Innovation would be understood as people driving change, enabled by technology, rather than the other way around. Workforce would be a key reform priority, while scaling would be as much about capabilities and networks as technical process or specifications.
- **Embedding R&D:** policymaking would be more ambitious about its use of innovation and improvement. Approaches used in the private sector, such as R&D, would be adapted for public service contexts. Policy would be grounded in the insights of frontline staff and citizens. There would be learning loops between on-the-ground implementation, the evidence base and the policy-crafting process. New approaches would be tested in real-world conditions, with citizen and frontline input, and then spread and adapted to new contexts. There would be stronger ‘connective tissue’ to enable scaling and diffusion of effective approaches such as networks and intermediary organisations which connect people, knowledge and practice.
- **Human development:** social policy would incorporate a human development approach which includes building people’s dignity, hope, purpose and agency. Public services would pay attention to how people feel and how they are supported, as much as what they do and what is required of them. Policy would recognise the role that relationships play not just in our overall wellbeing but in our capacity to act. Policy would recognise that a ‘public service’ may not be the best vehicle to achieve the outcomes sought, and would work with the voluntary and community sector and others to explore community-based alternatives to formal public services where needed.
- **Localism and devolution:** there would be greater powers and responsibility at the local, regional and devolved level. National policy would support the growth of stronger local capacity in local and regional government and civil society.

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<sup>92</sup> See, for example, the call for 1% spend on prevention in health from DHSC. (2023). The Hewitt Report: an independent review of integrated care systems.

- **Social infrastructure:** social infrastructure – the organisations, places and spaces that enable communities to create social connections and relationships that help them thrive<sup>93</sup> – would be considered a long-term investment alongside physical infrastructure.
- **Social knowledge:** policymaking would use the full scope of social sciences, humanities and the arts (SHAPE) disciplines to inform policy, alongside other forms of knowledge. As well as socially-informed practice such as design and deliberation.
- **Public sector productivity:** would be a core priority that deepens understanding about what contributes to increased productivity in the public sector and how best to capture it. This would consider factors such as innovation, data and capabilities as well as issues such as effective learning and an engaged and motivated workforce.

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<sup>93</sup> The British Academy. (2023). 'Social Infrastructure' in two minutes.  
<https://www.thebritishacademy.ac.uk/blog/social-infrastructure-in-two-minutes/>



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