COPING WITH COMPLEXITY

Programme notes

'How do you change paradigms?...You keep pointing at the anomalies and failures in the old paradigm. You keep speaking and acting, loudly and with assurance, from the new one. You insert people with the new paradigm in places of public visibility and power. You don't waste time with reactionaries. Rather, you work with active change agents.'

Donella Meadows

Meadows, D (2008), "Thinking in Systems: A Primer"

Programme background

Coping with Complexity was a programme that provided opportunities for people who are pioneering new approaches to health and social care to share, explore and contextualise their ideas among supportive peers.

The programme's chief aim was to promote systemic leadership by demystifying systems generally, and within health and social care in particular. It aspired to build sector leaders' confidence in working with complexity by providing a safe space for cross-sector relationships, knowledge and understanding to grow. It was founded on learning from previous CCPS programmes and was based on the beliefs that:

- Current models of health and social care in Scotland are unsustainable.

- The current system cannot be changed from within - or by any one actor.

- New paradigms will emerge, and we can create space for them to do so.

- Given appropriate opportunities, people who plan, design, commission, fund and deliver health and social care systems realise they share the same challenges and aspirations.

- To lead change across organisational and system boundaries, new forms of systems thinking and systems leadership are needed.

Participants

Seventy-five people from a diverse range of roles and organisations took part in the programme, including academics; policy makers; funders and commissioners; voluntary and private sector social care providers; public authorities; membership organisations and infrastructure bodies; legal advisers and regulation and inspection bodies.

About this report

Four half-day workshops took place between October 2017 and April 2018. They were structured around short inputs from guest speakers, followed by creative activities and facilitated discussions. This report presents the learning from these inputs and activities in a series of short themed 'chapters'. It uses the word 'we' to present the shared perspectives and learning generated by participants. Its aim is to encourage further learning within and between organisations trying to cope with complexity.

Acknowledgements

Thanks to all of our participants and guest speakers:

Contents

How commissioning responds to complexity

This Chapter records the notes of a pre-programme seminar which explored the background and defined some of the parameters for Coping with Complexity.

The challenge

Current commissioning and procurement practice is heavily influenced by the IPC/ Oxford Brookes model (analyse, plan, do, review.)[1]
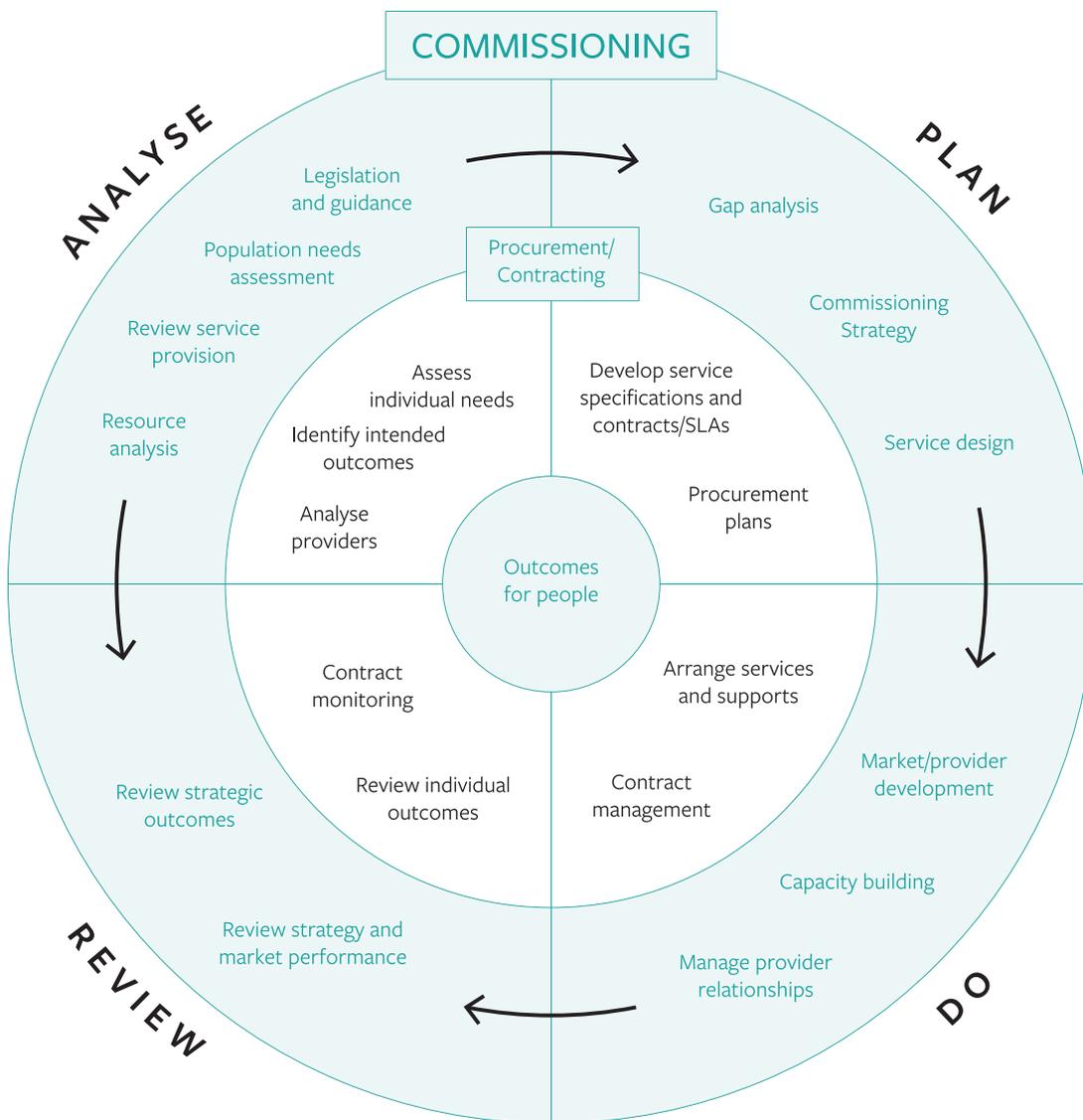
The Strategic Commissioning Cycle

Figure 1: The Strategic Commissioning Cycle

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[1] https://ipc.brookes.ac.uk/

This model is sequential and linear and has its roots in 'market management'- the idea of the commissioner as the controller of a 'market' of organisations who is in the unique position of knowing what best to purchase for a community.

This leads us to linear commissioning where public money is applied to a defined problem through a set of pre- defined interventions that we think lead to a change. However, this approach:

- Is too slow to respond to the shifting problems, priorities and needs we're working with.

- Can't adapt quickly enough to change in multiple parts of the system.

- Can't detect and respond quickly when it turns out we're doing the wrong thing.

- Can be derailed by other considerations (e.g. the need to make savings.)

- Is often based on partial data/evidence of need and preference.

Why is commissioning complex?
Social policy has recently co-opted a concept used by the military to explain difficult situations and operating environment. This is known as VUCA (volatility, uncertainty, complexity and ambiguity.) The acronym is used to describe situations that are unstable, interconnected, complex and unclear and where it is difficult to predict the effects of an intervention.

However, commissioning can be unpredictable but it's not completely random - we can work out how we got here and how that relates to the results we see (see Annex A for some of the history and factors identified by the group.) Our interventions in commissioning/funding create unpredictable results or work very differently in different places and times. (e.g. Public Social Partnerships are designed to foster dialogue and collaboration but in some areas have increased competitive behaviours.). And our evidence for 'what works' in terms of service design, commissioning and procurement process is partial. It doesn't always go predictably to scale and we don't have the full picture of the change we need to make to improve the situation.

What do we want? (and do we want the same things?)
A system is a collection of things (people, relationships, organisations, materials, anything...) that are inter-related and work together to do something. Our commissioning and funding system[2] is a collection of things (people, relationships, organisations, money, supported people, buildings, environments etc.) that are inter-related and work together to do... what?

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[2] This report uses the word 'funding' to monies distributed by independent grant-making bodies and 'commissioning' to describe the design and purchasing (procurement in its widest sense) of public services.

In our programme discussions we discerned a wide range of purposes for commissioning and funding (explored more fully in Chapter 2):

- To help people in their area get the support they need, when they need it.

- Safeguard public money.

- Build communities and keep people out of hospital and 'formal' support.

- Drive up quality.

- Foster innovation.

- Solve social problems.

- Share a limited resource fairly.

- Deliver political aims.

- Purchase interventions that are evidence-based.

From this quite divergent list we see a fundamental confusion on the system purpose. What is funding really for? What is commissioning really about?

For example:
A commissioning officer might want to foster innovation but be constrained by a procurement officer who wants to safeguard public money.

A third sector organisation might want to solve a social problem but are working with a commissioner who wants them to increase the quality of their existing offer despite their knowledge that it might not be the most effective thing to do.

This is not an argument about which purpose is 'right'. It's an acknowledgement that in a complex system with lots of individuals, professions and organisations there will be divergent views. Our task is perhaps to reach alignment, not agreement.

Potential models – what's been tried
There has been significant work and activity in exploring how we might commission better in our complex contexts. Activities across the third, statutory and funding sectors have included:

- Public Social Partnerships.

- Total Place/Place-based approaches. (see Chapter 5)

- Self-organising teams.

- Commissioning and funding for outcomes.

- Changing the legislation to make it more flexible.

- Using assets and developing communities.

- Alliance contracting (see Chapter 6).

Potential model: Learning-led systemic commissioning

This model of funding and commissioning focusses efforts on understanding the problem (analysis) then allocating resources experimentally (not against set outcomes). Unlike current procurement, which attempts to 'manage' risk through pre-award specification, in this model accountability and monitoring happen post-award through the development of relationships and evaluative learning about the interventions that were funded.
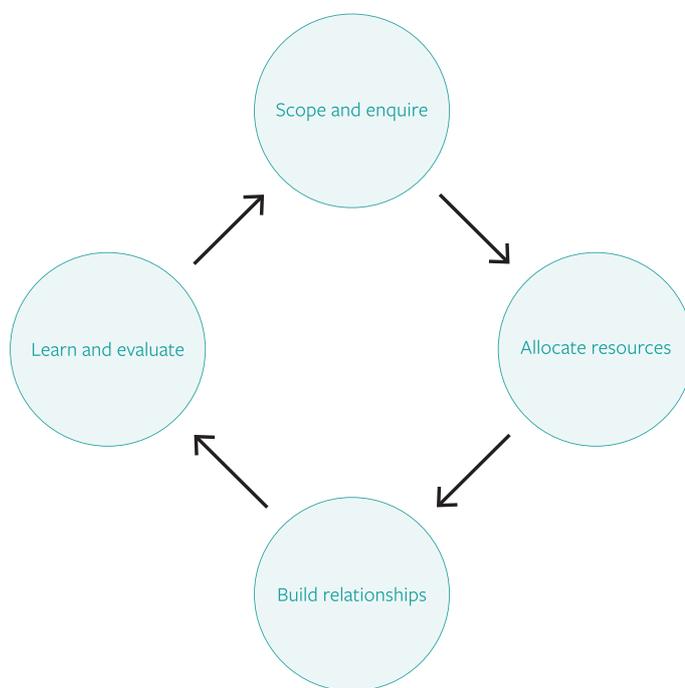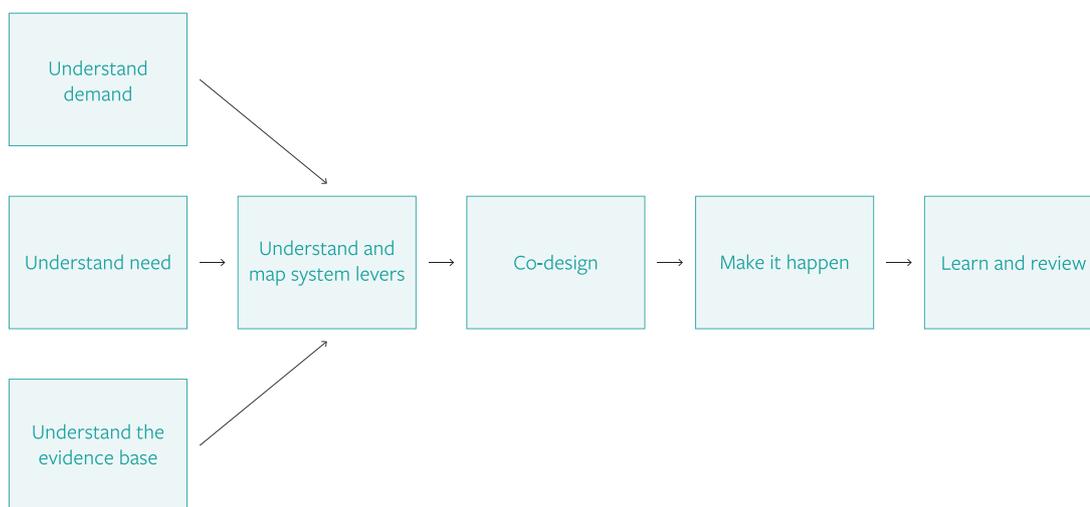

Figure 2: A learning-led model (after Davidson- Knight, Lowe, Brossard and Wilson, 2017[3])

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[3] Davidson-Knight, Lowe, Brossard and Wilson (2017) "A Whole New World: Funding and Commissioning in Complexity" Collaborate/Newcastle University https://collaboratecic.com/a-whole-new-world-funding-and-commissioning-in-complexity-12b6bdc2abd8

Figure boxes: Understand demand → Understand and map system levers; Understand need → Understand and map system levers → Co-design → Make it happen → Learn and review; Understand the evidence base → Understand and map system levers

Potential model: Demand-led commissioning

Demand-led commissioning focusses on understanding the problem (analysis) in terms of need, demand and evidence. A more structured approach than the 'learning led' one this model merges analysis, planning and delivery with collaborative service (re)design.

Figure 3: A demand-led model (after Bevan et al (2017), Seddon, J (2014))[4]

What we need - levers to improve commissioning

- Actions need to be more local. National interventions and centralised levers don't help us drive change locally.

- The lever that drives positive commissioning is trust which is difficult to build where there's negative history of competition. We need to understand how we got here to reset these relationships (see Annex A).

Key learning: questions to explore

These questions guided the way the Coping with Complexity programme developed, but can also help you to think about your own approach to coping in complex systems.

Changing the system

- How do we solve social problems with people, not using a recipe?

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[4] Bevan, Kippin ,Karakusevic, Randle (2017) "Collaborative Demand- Led Design" http://wordpress.collaboratei.com/wp-content/uploads/Collaborative-Demand-Led-Design.pdf Seddon, J (2017) "Saving money by doing the right thing: why local by default should replace diseconomies of scale'. http://locality.org.uk/resources/saving-money-local-default-replace-diseconomies-scale

- How do we make interventions at a systems level?

- How do we (and when should we) look to scale up?

- How can we change systems in regulated environments?

- The problems we face in social care and communities are inter-connected and significant. Which levers do we pull? How much change is realistic to expect?

- How do we track, and acknowledge, whole system effects? (e.g. Using the public sector 'no redundancy' policy during budget cuts arguably displaces redundancies to the third sector, so the policy doesn't really do what it sets out to do).

Finance and resources

- How do we dis-invest intelligently?

- How do we understand whole system costs?

Environment and culture

- How can we learn to fail fast and be more agile in our approach to commissioning?

- How do we create innovative environments, organisation, teams and systems?

- How do we create worker autonomy while retaining coherence in what we're doing/offering?

Relationships and collaboration

- What is the relationship between independent funders, contracting authorities and the third sector?

- Where independent funders fund innovation, where is their locus in policy/ decision making?

- How do we create trust between people and organisations?

Leadership

- How do we grow the right kind of leadership to improve trust, and develop innovative cultures?

- How do we deal with the diffusion of responsibility across organisations and systems? Workers don't think they have the ability to influence or change, and responsibility is often diffused across organisations so it is unclear where the power and responsibility sits.

Innovation

- What is the role of evidence in a systems approach - do we build on it, or create it?

- How do supported people cope with risk, experiment and failure? Is it fair to them? Would it look like we don't know what we're doing if we experimented? Would that matter?

System purpose

One of the most effective ways to influence a system is to review or change its purpose. However, with lots of individuals, professions and organisations involved in the system, can we ever agree on what the social care system is for? Or who it is for?

> **Discussion activity:**
> **How different would the social care system be if its goals were to:**
>
> Make commissioners' and funders' lives easier?
>
> Make service providers' lives easier?
>
> Make service users/beneficiaries' lives easier?

Although the question in this discussion activity was a little tongue-in-cheek, it makes a serious point. We should not really be talking about 'coping' with complexity. Life *is* complex, people *are* complex. We and our systems need to start adjusting to that.

> **"Stop trying to change reality by attempting to eliminate complexity."**
> **David Whyte**

The systems we designed for ease of planning and control are failing, with a number of challenges explored below:

- The system is not designed to make supported people's lives easier.

- There is tension between national priorities and local variance.

- Procurement process reform is required.

- Performance monitoring is counter-productive.

- We need better feedback loops and dialogue.

The challenge

The system is not designed to make supported people's lives easier
Under Self-directed Support, the 'service user' is the commissioner, but practice does not usually reflect this. People being supported are still not central to how their own needs, aspirations and outcomes are identified – and planned for. People could have more control of money (e.g. via participatory budgeting) and support could be more personalised. but 'one size fits all' commissioning doesn't achieve this. In a real-life example, resource allocation for mental health and physical health were decided in different places, leading to difficulties for disabled people with mental health problems.

Tension between national priorities and local variance

Self-directed Support is not working consistently across the country. Local variance can lead to a postcode lottery of needs assessment and eligibility. The use of personal budgets is still under-developed as the inertia (and risk aversion) of the old system gets in the way. The recent Audit Scotland report on Self-directed Support[5] provides leverage to influence change. At the same time, personalisation is jeopardised when Health and Social Care Integration Authorities are driven by top-down priorities.

For some providers, local contracting is helpful, enabling innovation and adaptation. For others, a national contracting framework would enable greater focus on delivery rather than contracting (should Scotland-wide providers need 32 different strategies?). Either way, overly-specified contracts hinder trust and innovation.

Procurement reform

Resource pressure is what drives behaviour (tendering, competition, hourly rates), not value - or values. Reducing unnecessary competitive tendering would give greater control of resources and processes to commissioners and providers, which might lead to better decisions around value (see Chapter 3).

Performance monitoring

Procurement focuses on monitoring compliance and the production of outputs and activities, not on learning and improvement. In contrast, the new leadership mindset is not about numbers and accountability. It privileges outcomes and learning, and encourages greater adaptability – and is therefore more suited to the complex environment we are in.

Better feedback loops and dialogue

Practice is starting to change, but some partners are still more equal than others. We need spaces like those provided by *Coping with Complexity* for the right kinds of conversation and collaboration. Testing collaborative commissioning (e.g. PSPs, Alliance contracting) is part of the answer, but we need opportunities to share learning about them.

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[5] http://www.audit-scotland.gov.uk/report/self-directed-support-2017-progress-report

Figure 4: A new 'top down' system as visualised by one participant: *People, supported in communities, supported by services, supported by government.*

An effective system would align service users', service providers' and local/national governments' needs.

Trust will help us to make that shift:

- Trusting that people are the experts in their own life.

- Trust *between* organisations – to develop, sustain and make better use of resources.

- Trust *within* organisations – giving more autonomy to frontline colleagues.

Shared decision making, responsibility, risk and consequences are also important.

Key learning

If the aim of the social care system is to achieve the better outcomes and better lives we all want, no-one would invent the system and structures we have now. If risk-aversion, over-specification, unit costs and hourly rates prevail, it is because these meet the goals of the system the way it is currently designed.

But efficiency comes at a cost. If we believe that quality of life for supported people comes through personalisation, we need to have spare capacity for innovation and adaptation, for embracing complexity, not just coping with it. Our current system is not designed to make supported people's lives easier.

System change in social care funding

This chapter is based on a workshop presentation from Dr Toby Lowe. Toby is a Senior Research Associate at Newcastle University and co-author of '<u>A whole new world – funding and commissioning in complexity</u>'[7]. Toby's presentation is available from the <u>CCPS website</u>[7] with some key points summarised below.

The challenge

Evidence from around the world shows that outcome-based performance management ironically makes it *more* difficult to achieve outcomes. It leads to 'gaming', focusing on what we can control – the production of data, rather than what we can't – outcomes.

Systems produce outcomes, not organisations. So it is helpful to move away from attribution (*how do I know it was our intervention that made the difference?*) to contribution (*what was our role in the outcome being achieved?*).

This requires more trust between funders (including commissioners) and providers. People don't need the rewards and punishment that the procurement process provides. People's innate motivation is for improvement. and the engine of improvement is learning, not accountability.

Commissioners and funders can create and encourage learning environments. Measurement is still important, to support reflective practice, learning and improvement. But beware <u>Goodhart's law</u>[8]:

> 'When a measure becomes a target, it ceases to be a good measure'.

What we need – complexity friendly funding

Appendix 2 of the *Whole New World* report explores what complexity friendly funding environments might look like. Using the different headings from the report, we added a few ideas of our own:

> **What would complexity-friendly social care funding look like?**

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[6] <u>https://collaboratecic.com/a-whole-new-world-funding-and-commissioning-in-complexity-12b6bdc2abd8</u>

[7] <u>http://www.ccpscotland.org/hot-topics/complexity</u>

[8] <u>https://en.wikipedia.org/wiki/Goodhart%27s_law</u>

Principles

- Trust, transparency, flexibility.

- Human rights based, asset based, person centred. Spirit of personalisation and self-directed support.

- Based on national outcomes/ standards.

- Asset based – build in meaningful, co-productive approach. *'What matters to you?'* not *'What's the matter with you?'*

- Community focused, money close to the people, effective localisation.

Culture

- Open co-production approach, inclusive and listening to all partners involved.

- Trust-based – replace targets and compliance with learning and improvement.

- Courage, values-led leadership.

- Commissioners need help to find solutions.

- Holistic view of risk, not just a 'process' risk - 'When regulation fails, we add more regulation'. Permission to take risks and fail.

Processes

- Not one size fits all – individual support tailored to individual.

- Good market facilitation in order to create the right conditions.

- Weighted towards the best behaviour and motivations (>95%) rather than managing risk around the potential worst (<5%).

- which is risk tolerant, adaptable and focussed on learning. This is balanced with using the best from procurement in setting criteria (including quality baselines etc.)

Role of service user/beneficiary

- Primary authority – expert in own life.

- Supported to choose and control support based on personal outcomes.

- Influencer in design, costing and measuring services.

Role of funder/commissioner

- To listen to the needs, wants and aspirations of people and shape the future.

- Enabler and facilitator, bringing leadership based on good market information.

- Collaborative grant making which is risk tolerant, adaptable and focussed on learning. This is balanced with using the best from procurement in setting criteria (including quality baselines etc.) To be brave and do the right thing.

Role of funded organisations/providers

- Being alongside the supported person.

- Enabler, facilitator, provider of solutions, not creating dependency.

- Horizontal accountability – peers holding each other to account for their practice and creating safe, positive error cultures.
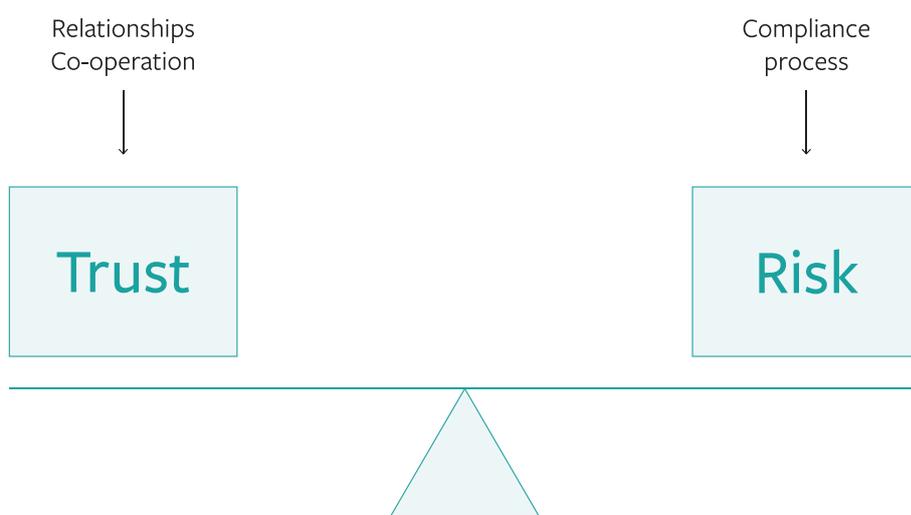
Relationships
Co-operation

Compliance
process

Trust

Risk

Figure 5: Culture change: *investing in social capital, sharing power, ownership and responsibility. With thanks to Keith Wimbles, Voluntary Action Fund*

Procurement: barrier or lever?

This chapter is based on a presentation from Robin Fallas, Senior Associate, MacRoberts LLP, whose role gives him an overview of procurement practice across the country. Robin's input led to a discussion sharing tips on influencing change, key learning from which is also noted below.

The challenge

There is too much "widget procurement" in social care - processes designed for purchasing products, not complex services. Current processes are complicated, not person-centred, and assume or engender lack of trust between commissioner and provider. Innovative processes are developing, but there is inconsistent understanding of these and the commissioning/procurement levers available.

Together with lack of capacity, these challenges mean that commissioners reach for familiar processes – off the shelf commissioning, 'the same as before'.

What we need

Commissioners and providers would benefit from having clearer understanding of:

- The capacity to use grant funding (as well as the limits on it.)

- When a service contract really is a service contract.

- Flexibility and the 'tools within the rules'.

Tools

In health and social care, direct awards of up to £589k (750,000 Euro) can be made without tendering. The 'Light Touch Regime' (LTR) can be used for contracts above £589k for 'Health, social and related' services. Other innovations include:

- Use of Prior Information Notices and extended 'redesign-focused' market engagement.

- Use of new collaborative contract structures.

- "Light Touch" Frameworks.

- "Light Touch" Dynamic Purchasing Systems.

- Framework call-offs with built-in "solution development".

There is also the <u>Sustainable Procurement Duty</u>[9] designed to focus procurement on socially responsible purchasing.

Influencing change – appreciating other people's needs and positions

If we want to influence procurement practice, it's important to find out about and understand other people's positions and the context they need to work within (e.g. best value/value for money, state aid considerations).

We can also help by:

- Highlighting the risks that come with 'widget'/'same as before' procurement.

- Seeking clarity about the tools available and any grey areas.

- Taking part in forums for sharing of innovative approaches.

Influencing change – engaging effectively

Contracting authorities are required to produce an annual Procurement Strategy which sets out how they will purchase goods and services. Asking questions about this is useful – what choices are being made and are there alternatives? The early strategy and design phases are the best time to do this.

- What is the reasoning behind the decision to use grants or service contracts (or not)?

- What is the reasoning behind any value for money/standing order arguments? (Standing orders can be changed, even if it takes time)

- What innovation is being considered/promoted?

- Why 'x' example of innovation is not being considered?

Discussion

What levers might *you* pull to effect change?

Where are *you* best to focus?

What can *you* do in reality?

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[9] http://www.gov.scot/Topics/Government/Procurement/SDPCommunityBenefits

Procurement is part of a whole system and can be a lever for change

Procurement is just one part of a complex system. We need to take a whole systems approach to change, but procurement can support diverse, sustainable markets, which ensure choice and encourage change.

Design services around what people really want

We (commissioners, funders, providers) can raise the voice of supported people, ensuring that they have *agency* and can help shape the support provided from the 'bottom' up. Failing to ask people what they actually want will lead to the same things being procured, or the wrong things being procured. Asking people will also lead to a shift away from 'widget procurement', It allows us to replace process measures (number of hours, hourly rates) with clear quality of life measures and clarity about how they'll be measured. *How do supported people define success?*

Working together

Procurement and commissioning are better designed when supported people and providers are involved in defining service specifications. At the same time, entering onto frameworks and engaging with Public Social Partnerships requires people and providers to invest time and capacity. *What's in it for them?*

It is important to understand and help people in different sectors and roles, remembering we have our own perceptions and pressures but usually, shared goals.

Do your homework

We need to educate ourselves about procurement and service options. We can ask about the aims of local commissioning and procurement – *why* is this particular approach being taken in this particular instance? What do we know about what people and communities want? Who else is involved? (The move to locality-based planning might improve our opportunities for this). *What are we trying to achieve? Will the system we design actually achieve this?*

Provide resources for innovation

The relative flexibility and freedom provided by grants can encourage innovation that might not be possible within a tight contract, for example pilots and smalls tests of change.

We can also work together to identify the structures and systems that block innovation and collaboration. Often, commissioners and providers both want change. But they face other constraints and need time and space to explore their options.

Key Learning

It's important to spend time in identifying and exploring problems before looking for (or arriving at) solutions.

- What is the system and situation we are in?

- What is the problem we are trying to solve?

- Is this the right problem?

- Defined by whom?

- To what end?

Creating, facilitating and taking part in forums (like this one) lets people in different sectors and roles hear, understand and explore these perspectives.

Sustaining services and outcomes

We have seen how procurement can facilitate innovation, but innovation doesn't rely solely on contracts. It sometimes happens despite contract arrangements, or within the confines of budgets and other requirements. Third sector organisations have years of experience of this, especially social care providers. However, with the ever-increasing pressures of competitive tendering, they need to remember and retain 'ownership' of their purpose and identities.

Finally, when discussing sustainability in this context, it can sound like providers are arguing for their continued existence, for their own sake. We need to be clear that sustainability is also about lasting impact. Commissioners and providers share the same concern: when more providers than ever before are withdrawing from contracts and tenders, gaps in provision emerge and needs go unmet.

For more information on sustainable services and impact, see the recent CCPS Business Resilience survey[10] and the Lasting Difference[11] toolkit.

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[10] http://www.ccpscotland.org/news/ccps-publishes-latest-survey-sustainability/

[11] http://www.thelastingdifference.com/

Chapter 5:
Funding innovation and change in a complex world

An interesting connection was made during the pre-programme seminar held with commissioners, providers, policy makers and funders. Grant-making trusts commonly want to fund innovation, providing time-limited support for projects and tests of change. In doing so, they may hope that if a given intervention proves effective, it will be sustained or mainstreamed through a public service contract. At the same time, public sector commissioners often desire innovation, but this can be constrained by 'same as before' procurement (see Chapter 4). Valuable opportunities are therefore being lost for finding, testing, sharing and commissioning new ways of working.

Some attempts have been made to bridge this gap, with models like Public Social Partnerships, Asset Based Community Development and Total Place emerging in recent years. For these new approaches to work, leaders must recognise that they and their organisations are part of the system they are trying to change. In 2017, one organisation that did just this was the Corra Foundation. Elaine Wilson, Head of Learning and Development, presented an overview of their learning to date.

The challenge

It is a difficult operating environment for voluntary organisations. Corra Foundation recognised this and decided to use its new funding strategy to 'support the things which matter'. For many organisations and community groups, what matters is 'keeping the lights on', and covering their core costs and overheads. Responding to what charities were asking for, and using that knowledge to shape future programmes, became key principles within the new funding strategy.

However, Corra Foundation also realised it needed to look internally and ask itself difficult questions about its identity and purpose. It decided to refocus on its core mission, aligning all of its work towards this. Historically, the organisation knew that small grants make a real (sometimes disproportionate) difference. Also, the 'funder plus' model (providing training, support, listening, feedback) adds value, building capacity and supporting learning about the effectiveness of different interventions. The organisation recommitted to these approaches.

What we need – new funding strategies

Corra Foundation's new strategy committed it to a renewed emphasis on partnerships, not just with funded groups but with other funders – and communities. In one example, Corra have teamed up with Esme Fairbairn Foundation, Lankelly Chase, The Tudor Trust and Joseph Rowntree Foundation to reach communities that were not well served by traditional grant making practices[12]. The resulting funding programme is very accessible (for example, having no application forms or closing dates), with local staff working alongside communities to understand and respond to their needs and aspirations.

This approach embodies an intentional change in the way a funder can engage with organisations and communities for greater positive impact: working in partnership, sharing power, expertise, resources, decision-making and risk. This philosophy is even embedded in the language Corra Foundation uses, for example funding proposals are not 'submitted' or 'rejected'.

Key learning

- Change happens primarily through people and relationships.

- If we want to make changes, we need to be courageous and take risks.

- Learning to truly listen to (and act upon) what people need rather than making assumptions.

- Only respond to tenders and partnerships that align with your values and approach - avoid mission drift and being pulled out of shape (this applies to funders tendering to distribute public funds as much as it does service delivery organisations).

Where do we go now with joint/aligned statutory and discretionary funding?
Funders often hope that their discretionary grants can invest in innovations that will be picked up by statutory funders and made sustainable. This is clearly not happening because of the disconnect between discretionary and statutory funding identified above.

Corra Foundation realised that sustainability is not just about money[13] . It's also about innovation, ways of working, individual and organisational change. There's still more learning to do about sustainable funding models. But where support is provided for a given amount of time, exit plans need to be in place at the beginning and innovation needs to be supported. Learning is the key.

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[12] Currently operating in Fife, East Renfrewshire, East Ayrshire, West Dunbartonshire, North Ayrshire, Forth Valley. Planning is also taking place in Inverclyde and North Lanarkshire.

[13] More information and resources on sustainability, including a case study from Corra Foundation and an exit strategy template, are available here http://www.thelastingdifference.com

Contracting for culture change - Alliancing and Alliance Contracting

One of the models that has been developed to share power, improve collaboration and support innovation is Alliance Contracting. Graeme Henderson, Director of Services and Development at Penumbra, presented an overview of the first Alliance in Scotland, leading to lively group discussions from which these notes are compiled.

The challenge

Our current structures and policies are hampering our ability to work together. Mistaking uncertainty for risk, the way we manage risk in funding and commissioning is disproportionate to the actual level of risk (or the frequency or severity of when things go wrong). In what has been shown to be an unsustainable system[14], there is probably more risk involved in staying the same than there is in changing. Austerity and market pressures now require us to accept and act on this.

Financial pressures mean we're becoming less clear about who our work 'belongs to'. In the words of an event participant, *'In the voluntary sector, we used to do things despite the money – now we do things because of it'* . Everyone should have common ownership of the problems, aspirations and solutions (this is referred to as 'alignment' in Alliance terminology) but we don't. We're in conflict with other parts of the system.

We're also losing our way with outcomes. For example, in Chapter 3 we identified the limitations of outcomes when used as performance management targets. Other issues of concern are:

- Individuals' outcomes being lost at the bottom of a 'hierarchy' of outcomes (service outcomes, organisational outcomes, commissioned outcomes etc.)

- 'Maintenance' outcomes being overlooked amidst pressure to achieve progress and change (for example maintaining a tenancy, sustaining a level of functioning or wellbeing).

What we need – new structures to change power dynamics

Alliancing as an approach provides a structure for changing power dynamics and behaviours. Helpfully, there is a clear model with mechanics and nuts and bolts which can help reassure colleagues in other roles such as finance, legal, administration. However we might need to engage national procurement colleagues in helping to persuade local colleagues that new approaches like this should be explored.

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[14] Audit Scotland, *Social Work in Scotland*, 2016 http://www.audit-scotland.gov.uk/report/social-work-in-scotland

An alliance is..."*an agreement between two or more individuals or entities stating that the involved parties will act in a certain way in order to achieve a common goal.*"

In practice this means that the commissioning authority and a group of providers work together to plan and deliver care and support. The commissioning authority and providers are equally responsible for the delivery of the alliance - it's a profound shift in power within commissioning.

Future Pathways

The In-Care Survivor Support Fund was created to support survivors of abuse alongside the national enquiry. In 2015 Penumbra won a joint bid to deliver the Fund. The full alliance is Scottish Government, Glasgow H&SCP, Penumbra, Health in Mind, Mental Health Foundation and three survivors. Initially there was a separate survivor advisory panel to support the setup, as it understandably took time for the survivor community to trust providers/institutions.

The Fund allows the employment of support co-ordinators to meet with survivors and work out a support plan and arrange it. There are no eligibility thresholds - anyone can have as good conversation to work out what they need. There's a discretionary fund, allowing co-ordinators to sign off expenditure up to £1000, with spend above £1000 considered by a panel.. The partnership uses shared metrics (in this case I-ROC[15]) to align efforts towards the same goals.

Learning from experience

- It can be **challenging for the commissioner to chair** an Alliance, as they (and others) can find it difficult to shake off previous behaviours and approaches. An independent chair is generally recommended.

- The **contracting was completely new and needed a *lot* of trust** to be developed in and between the different parties. This also meant accepting some looseness and not getting too worried if the details weren't all correct.

- **Relationships and trust take place between people**, not organisations.

- **Participation requires a huge commitment from participants** (with 4-5 hour meetings a week). This had to be fitted in around existing staff and commitments.

- **Alliances work on a consensus model** - each member has the same authority and accountability as each other. If a decision isn't passed by everyone, it falls.

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[15] https://irocwellbeing.com/

- The people in the room have to have authority to *make decisions* - in Graeme's case he has been given authority from his Board to do this.

- **The concept of doing what's 'Best for service' may be difficult** and takes time to develop in reality. It is natural and common for stress to come out when the alliance is under pressure. However, the new vision and agreed behaviours are a continual reminder when people's behaviours revert to the old way of doing things.

Key Learning

Before you step in, you need:

- **Time - resource and commitment** from you and your organisation.

- **A healthy dose of optimism** - you need to be motivated to do things differently. More of the same won't do.

- **A project manager** who is aligned with the Alliance and reporting into them. Simply reporting in to the commissioner doesn't work.

Positives about Alliances

- **Trust!** In other 'collaborative' processes (e.g. PSPs) there's sometimes less trust because of the power imbalance and dynamics in the group.

- **Not having voting.** This evens out the power structure to some extent.

- **Mutual accountability** is good for decision making. 'Your problem is my problem' – if one partner fails, the Alliance fails, so it's in everyone's interests to help each other succeed.

- **Frontline staff** are close to the alliance, with access to the alliance board for advice and sharing ideas. Staff describe having more freedom in their work as a result.

For more information on alliancing see www.lhalliances.org.uk

Future Pathways (In Care Survivor's Support Fund) https://future-pathways.co.uk

Leading change in complex situations

"The revolution will be improvised."[16] Freedman, Cromwell and Edwards

Thinking about complexity in our social care system feels overwhelming. While the approach gives us a good way to describe the situations we work in, it can leave us with a sense of 'Okay...what do we do now?'. It was therefore fitting that in the final session of the Coping with Complexity programme we explored the practice of leading change in complexity with Dr Lynne Douglas.

Lynne has recently completed a study of cross-sectoral leadership in health and social care, exploring the lived experience of senior managers leading change. Lynne shared the findings of her recent research into organisational readiness for transformation change, presenting a new framework for understanding the culture and context of change. We reflected on our own leadership roles within this, reframing the mindsets and qualities required of effective leaders in complex situations.

Part one: Purpose and aims of the research, summary of contextual reality

Leading transformational change in the context of public services reform requires an awareness of the multiple lived realities of the key stakeholders involved in change. In a system that is ever changing leaders are required to be consciously aware of how they hold the space to allow change to emerge. The relational aspects of leading change are pivotal in making outcomes happen.

Discussion

Consider your own system - as a leader, what are the top 3 barriers to implementing transformational change in your organisation?

Most of our examples related to Health and Social Care integration (managing dynamics between different teams, services and managers) and Self-directed Support (particularly the shift from 'hours of support' to outcomes):

Trying to ride two horses – or change horses midstream

- Continuing with the day job and contractual requirements while transforming into something else.

- Mission creep – managing tensions between our core values and purpose and other organisations' agendas (e.g. Scottish Government policies, tenders). Sometimes other agendas don't fit ours. And sometimes, they just don't work!

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[16] Freedman, M (2017), The Revolution Will Be Improvised: Critical Conversations On Our Changing World

Leadership in our organisations and others

- Being afraid of making mistakes. Accountability for 'success' can ironically hold it back.

- People stick to their own roles – in Local Authorities the role of commissioning and procurement is separate from social work.

- The process – it's not the people or workers that stop transformational change happening, it's the processes (e.g. approaches to procurement restrict individual choice). Local Authority variations in implementation in social care is a big barrier.

- Power dynamics between public and third sector organisations. Third sector organisations are sometimes not taken seriously or are overlooked in planning and delivering change.

- Communication problems – we can't overstate how important this is.

Resource restriction

- Having to support leadership development through charitable income.

- Lack of resources, capacity and leadership to implement change, to take people with you.

- Third sector organisations tend to have to use discretionary funding for innovation/transformation - contract rigidity is an issue. Fluid/emergent contracting styles and contracting cultures would help (see Chapter 6).

People and expectations

- Helping staff move from existing mindsets to new ones (culture, language and practices). For example, personalisation meant moving from seeing people as passive recipients of services to active participants – a parallel journey for staff and clients.

- Funders, staff, supported people understanding or wanting to be part of change. Often the people we work with and work for us are happy where they are and see transformation as unwelcome impositions.

- System fatigue and change fatigue – the view sometimes expressed as *'We're tired of changing, are we not there yet?!'*

- Staff and organisations having unconscious fears for their jobs and futures, resulting in protectionism.

Think of an occasion where you were unsuccessful in delivering a transformation. What was your key learning?

- Large scale change is possible but it takes time. We need to take a long view and keep at it. We also need to be confident we'd know when we've reached our destination. This is partly about having good measures for change, and partly about avoiding simply paying lip service to 'a job well done'. (But we should celebrate success. We might not achieve exactly what we planned...but it might be the place we needed to get to.)

- We also need to accept change is a journey, not a destination. We'll never fully arrive at a point where no more change is needed!

- We need clarity and confidence in our organisational identity and expertise.

- Designing tendering and procurement processes so they are fit for purpose, i.e. getting the best out of what's there.

- Using the legislation to promote reasons for change.

- Being collaborative – the best change happens as part of a team. Focus on empowering people and use positive language.

- Ensure the capacity and resources to lead change are in place, separate from the day to day management of services.

Part two: Enablers and barriers in the delivery of transformational change, seizing the opportunity - making it happen

Culture within organisations takes many forms. It might be explicit or hidden, conscious or unconscious. It also manifests in how we perceive the realities and cultures of other people and organisations. For example, if we just think of 'service providers' as organisations who provide things for us, or of 'service users' as passive recipients, we can overlook their potential role as partners, influencers or innovators. Unless leaders have access to diverse voices and perspectives, we limit our own thinking. Without diversity and innovation, we will do more of the same.

This is challenging for leaders. We have learned certain ways of thinking and acting in response to the expectations we carry. To maximise the likelihood of success in large scale change, as leaders we need to consider the aspects we attend to, and the intentions we hold, when entering into dialogue to take a change forward. If we feel isolated and afraid to show our vulnerability, we are likely to meet new ideas with cynicism and judgment, rather than being open to letting things go – and letting things come. We approach challenges from an 'ego' perspective (me at the centre) rather than an 'eco' perspective (me as part of a bigger whole) [17, 18].

Discussion

Describe your leadership style when leading change in your organisation.

Share an experience of where you have been successful in delivering a transformation or change across a boundary.

What key attributes did you bring to the delivery of the change?

We need to be able to adopt different leadership styles for different situations. But we always need to be able to listen properly.

We can only succeed in achieving change if we work in partnership, but collaboration is very resource intensive and needs to be supported. Time, resources and permissions need to be shared equitably. We need selflessness as leaders, trusting other people and putting them first – which isn't always easy. It helps if we know our respective roles in partnerships, but mistrust is built into the current system. Procurement, for example, is designed on the basis of mistrust and risk aversion. New structures and systems can help change this (See Chapter 6).

In one example we discussed, a complex system was influenced by partners being co-located. Having daily multi-disciplinary team meetings focused on the key issues, but also built relationships, trust and understanding. In another example, using an independent neutral chair supported equality of leadership. However they are achieved, time and space for learning and relating are necessities not luxuries. In one example, partnerships carried out joint development activities, so partners didn't just meet for business and negotiation.

We concluded with a reflection of the importance of relationships with ourselves, particularly being consciously aware of the mindsets with which we meet changes and challenges. This informs our intent. And when it comes to influencing change, individual intent is at least as important as the complexity of the system we are in.

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17 These ideas draw from 'Theory U'. Visit https://www.presencing.org/

18 https://www.ted.com/talks/jeremy_heimans_what_new_power_looks_like

Key learning

- Health and social care integration is not assimilation. We need to celebrate diversity (of professions, identities, realities) in collaboration.

- We need to build existing and new leaders' skills and competency to lead in complexity and across organisational and sector boundaries. There should be support for leaders to deal with emergence. *'What's best for service, not best for me or my organisation?'.*

- Current processes and performance management methods work against this.

- We need to develop agility in systems and processes. What does sustainability look like in an emergent system? What is our intention and where is our attention? What are our success measures? We must attend to how organisations learn. Integration of learning from projects/approaches is key – attention needs to be focused here.

- Systems give the results they are designed to give. We need to spend time on discovering (or revisiting) the true intent. For example, the original intent of the Christie Commission was to support prevention, which has got lost as attention moved to the structural aspects of Health and Social Care Integration.

Complexity and systems - from insight to action

This chapter is based on a presentation given by Dee Fraser, Deputy Director of CCPS. It was given at an early stage in the programme to help contextualise systems thinking and complexity, but is presented here to help readers apply some of the programme's learning within their own system.

How we respond to complexity

Because complex situations can be so baffling, humans commonly use simple models, archetypes and short cuts to understand and respond to them. We reach for standardised responses to predetermined problems (for example, 'same as before' commissioning or service design – see below).

We're also good at finding plausible explanations for what has happened. With hindsight, it's easy to convince ourselves there are single simple causes for complex events. (For example, despite what the history books might say, there were more causes of World War I than the assassination of Archduke Franz Ferdinand!)

These plausible narratives mean we fail to explore or define problems in detail. We believe that intervening in a system can be simple and linear. We expect and rely on there being clear relationships between cause and effect. As a result, we might reach for levers like;

- Legislating

- Setting targets

- Writing guidance

- Holding people accountable

- Apportioning blame.

Although potentially powerful, these might not have the effect we want. As linear solutions to complex problems, they might meet resistance, have unexpected consequences, or fail to address to root cause of the perceived problem.

This is true at whatever level an intervention is made, whether individual, group, team, organisational, inter-organisational or societal.

Applying this to social care

To take more effective action within the system of social care, we must recognise its complexity. Involving others in exploring, mapping, researching, and co-producing solutions can help, increasing the likelihood of developing less standardised responses. We can also spend time:

- Understanding the levers available, and the level at which they might be most effective (individual, organisational etc.)

- Drawing on our own experience, research/literature and from other people.

- Experimenting, trying things out and *modelling the effects of interventions.*

There will never be easy answers, but system-level levers do exist. Some of these are listed[19] with examples from our discussions of how they might apply to procurement.

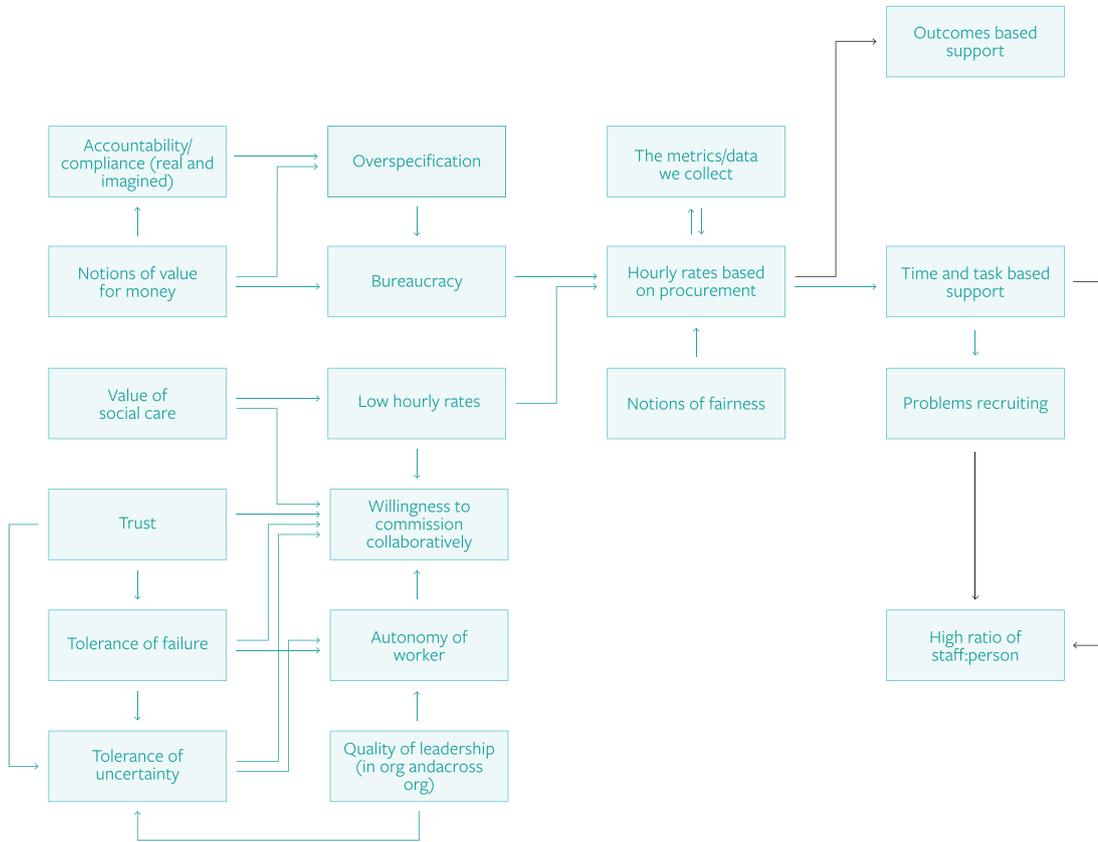| Levers of systems change	Procurement example
Change the system mindset	Putting people before process. Change the whole system goal to that of improving the lives of supported people (or similar) and work to align all roles and organisations around this.
	Abandon commissioning and procurement altogether- they are expressions of how little we trust each other.
	Supported people have a budget direct from taxation - no procurement at all.
Change the system purpose	Identifying real best value.
	Innovation, building tolerance of uncertainty and failure.
	Building trust, working with regulators and others to do this.
	Reduce the drive towards procuring everything- not everything has to be!

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[19] For more information on systems and levers, see Meadows, D (2008) "Thinking in Systems: A Primer"

Make room for innovation	Sustainable Procurement Duty (requiring involvement of communities, SMEs, third sector). Facilitate communities of practice. Move monitoring to post-award to make it more effective and relational.
Clarity about rules, constraints and consequences	Becoming familiar with legislation, TUPE, State Aid, Light Touch Regimes. Use the National Care Standards (NCS). Changing the metrics of the system (measuring long term impact).
Information flows	Procurement strategy reports. Contract registers. Establish whole system budgets. Establish and track whole system effects.
Feedback loops (e.g. 'reinforcing feedback loops' – virtuous circles)	Communities of practice – more councils / HSCPs are doing things differently. Reducing meaningless variation across areas. Reduce re-admissions/repeat interventions. Reduce re-tendering.

Table 1: Levers of system change, after Meadows, D (2008) "Thinking in Systems: A Primer"[20]

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[20] Meadows, D (2008) Thinking in Systems: A Primer" Chelsea Green Publishing see also 'leverage points' at http://donellameadows.org

Annex A – commissioning and procurement-some of the drivers that have got us here

Accountability/ compliance (real and imagined)		Overspecification		The metrics/data we collect		Outcomes based support
Notions of value for money		Bureaucracy		Hourly rates based on procurement		Time and task based support
Value of social care		Low hourly rates		Notions of fairness		Problems recruiting
Trust		Willingness to commission collaboratively				
Tolerance of failure		Autonomy of worker				High ratio of staff:person
Tolerance of uncertainty		Quality of leadership (in org andacross org)				

What has got us here? Commissioning and Procurement driver diagram

Green connector (+) increase effect
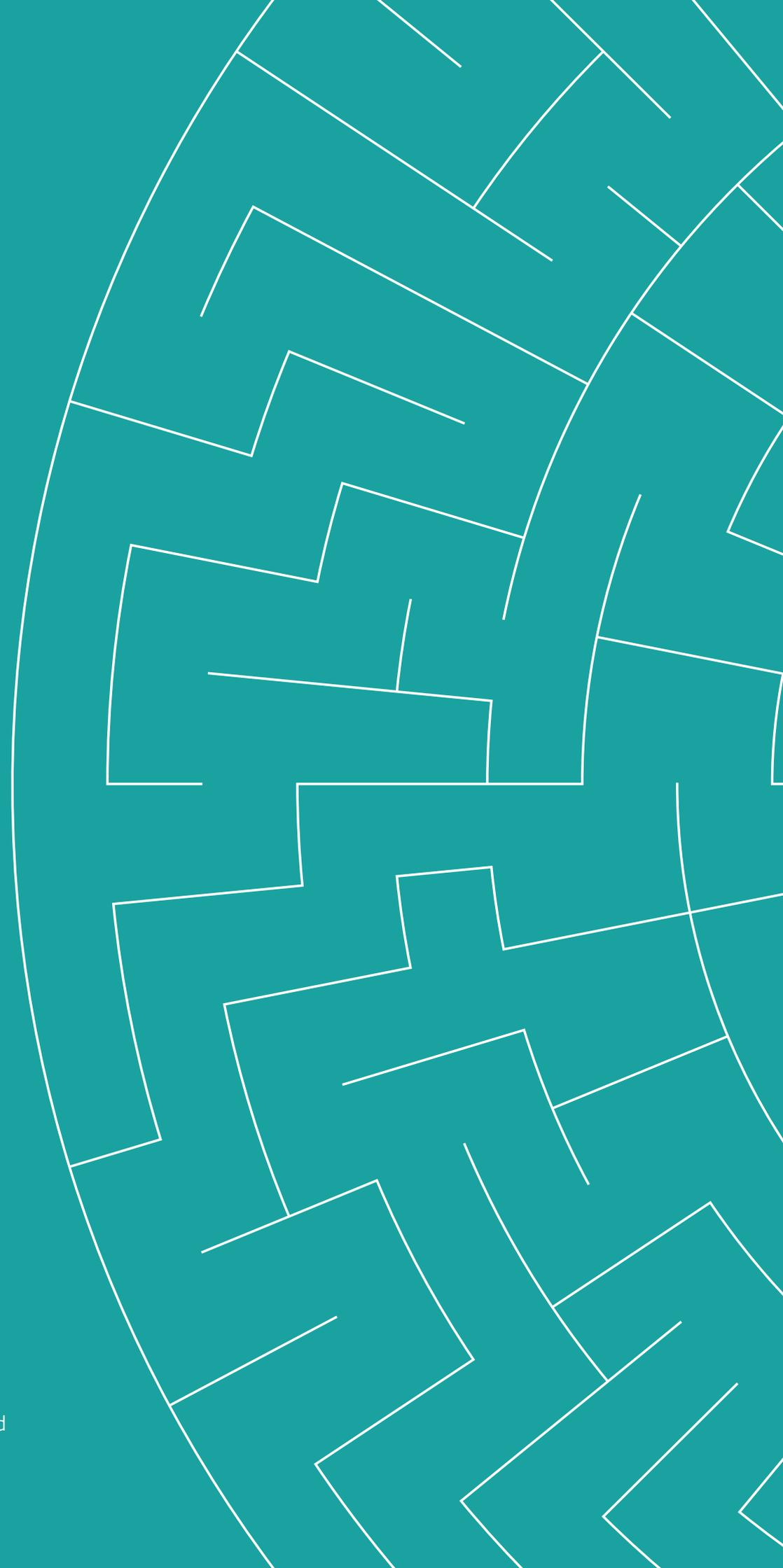
Black connector (-) increase effect

About CCPS

CCPS is the Coalition of Care and Support Providers in Scotland. It exists to identify, represent, promote and safeguard the interests of third sector and not-for-profit social care and support providers in Scotland, so that they can maximise the impact they have on meeting social need.

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