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Policy Transfer and Policy Success: The Case of the Gateway Review Process (2001–10)

POLICY TRANSFER, DEFINED BY DOLOWITZ AND MARSH AS A PROCESS BY which 'knowledge about policies, administrative arrangements, institutions and ideas in one political setting (past or present) is used in development of policies, administrative arrangements, institutions and ideas in another political setting', has become an important aspect of the contemporary world of policy-making.[1] As such, the relationship between the process of policy transfer and its outcomes is of growing importance, but it is an under-researched area. The key question is: what factors affect the success, or otherwise, of policy transfer? This article uses a putative example of successful policy transfer, the Gateway Review process (Gateway) between 2001 and 2010, to address this question. The Gateway Review process was first developed in the UK in February 2001 with the aim of improving procurement decisions and outcomes in the public sector and has since been transferred to Australia, first to Victoria, then to the Commonwealth, New South Wales (NSW), Queensland and Western Australia (WA). More recently, it has been transferred to New Zealand and the Netherlands. Here, our main focus is on the early transfers from the UK to Victoria and then to the Commonwealth level and NSW in Australia.

We begin with a brief consideration of the literature on policy transfer, focusing most directly on the factors which affect its putative success. Subsequently, we examine the crucial, prior issue of what is meant by policy success. Finally, we turn to the Gateway case, looking first at whether it has been a case of successful transfer and then, to the extent that it has been, why that is so. This article uses five main

[1] David Dolowitz and David Marsh, 'Learning from Abroad: The Role of Policy Transfer in Contemporary Policy Making', *Governance*, 13: 1 (2000), p. 5; David Dolowitz and David Marsh, 'Who Learns What from Whom: A Review of the Policy Transfer Literature', *Political Studies*, 44: 2 (1996), pp. 343–57.

data sources: the literature produced by the Gateway Units in the UK, Victoria, the Commonwealth and NSW; the reviews of UK Gateway conducted by the National Audit Office, the Public Accounts Committee and the Treasury Committee; media coverage of Gateway and related issues; the limited published literature to date on Gateway;[2] and, most importantly, extended interviews, lasting between one and two hours, with the key actors in four Gateway Units, including five interviews in the UK, four in Victoria, three in Canberra and one in NSW.

POLICY TRANSFER AND POLICY SUCCESS/FAILURE

There is surprisingly little work on the relationship between policy transfer and policy outcomes.[3] As an example, Dussauge Laguna, in what is otherwise a very interesting critique, identifies a number of weaknesses with the existing literature on policy transfer, but gives no consideration to the relationship between transfer and outcomes.[4] He focuses, instead, on four questions: what is transferred and why? how do policymakers engage in the process of transfer? where do the ideas for transfer come from? and to what extent is cross-national transfer actually based on learning from other experiences?[5] He, rightly in our

[2] Ian Glenday, 'Governments Can Deliver: Better Practice in Project and Program Delivery', in John Wanna (ed.), *Improving Implementation: Organisational Change and Project Management*, Canberra, ANU E Press, 2007, pp. 189–98; Wayne Sharpe, 'The Gateway Process in Victoria', in Wanna, *Improving Implementation*, pp. 199–218; Department of Finance and Administration, Australian Government, 'Implementing Gateway in the Australian Government', in Wanna, *Improving Implementation*, pp. 179–88; Michael Hallsworth, Gareth Nellis and Mike Brass, *Installing New Drivers: How to Improve Government's Use of IT*, London, Institute for Government, 2009; Simon Parker, Akash Paun, Jonathan McClory and Kate Blatchford, *Shaping Up: A Whitehall for the Future*, London, Institute for Government, 2010; Herbert Robinson, Patricia Carrillo, Chimay J. Anumba and Manju Patel (eds), *Governance and Knowledge Management for Public Private Partnerships*, Chichester, Wiley, 2010.

[3] For an exception, see Mark Evans, 'Policy Transfer in Critical Perspective', *Policy Studies*, 30: 3, pp. 243–68.

[4] Dussauge Laguna, 'From Lesson-Drawing to Bounded-Transfer: Bridging Policy Transfer and Institutionalist Approaches', paper presented at the fourteenth International Research Society for Public Management Conference, Berne, Switzerland, April 2010.

[5] Ibid., pp. 9–11.

view, argues that studies of policy transfer need to concentrate on the process of transfer over time, but he pays no direct attention to the outcomes generated by policy transfer, although that does not preclude his discussion from being used to address such a question.

Dolowitz and Marsh provide one exception to this general pattern, focusing specifically on the circumstances under which policy transfer occurs, but is unsuccessful.[6] They argue that policy failure is more likely if the transfer is: uninformed; and/or incomplete; and/or inappropriate. Uninformed transfer occurs when a policy is transferred with insufficient knowledge about the extent to which, and why, it works in the jurisdiction from which it is being transferred. Incomplete transfer occurs when some features or aspects of a policy are transferred, but others are not, and the success in the original jurisdiction depended at least in part on the feature(s)/aspect(s) not transferred. Finally, inappropriate transfer occurs when the contextual factors – cultural, political etc. – are very different, which leads to differences in policy outcomes in the two countries concerned.

We will use the questions raised by Dolowitz and Marsh when we consider the putative success of the Gateway Review process. However, there is a crucial question that needs to be addressed first: how do we assess/measure the success or otherwise of a particular case of policy transfer?

HOW DO WE ASSESS/MEASURE POLICY SUCCESS/FAILURE?

Here, we need briefly to consider the literature on policy success, which, as Marsh and McConnell emphasize, is very limited.[7] Marsh and McConnell attempt to address this omission, building on the distinction which Bovens, t'Hart and Peters make between programmatic and political success, but adding a process category.[8] They

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[6] Dolowitz and Marsh, 'Learning from Abroad'.

[7] David Marsh and Allan McConnell, 'Towards a Framework for Establishing Policy Success', *Public Administration*, 88: 2 (2010), pp. 564–83.

[8] Mark Bovens, Paul t'Hart and B. Guy Peters (eds), *Success and Failure in Public Governance: A Comparative Analysis*, Cheltenham, Edward Elgar, 2001; for a development of this framework: Allan McConnell, *Understanding Policy Success: Rethinking Public Policy*, Basingstoke, Palgrave, 2010.

develop a heuristic which identifies the indicators and evidence that can be used to measure success in relation to each of these categories. Programmatic success is often seen as synonymous with policy success and reflects the contemporary focus on evidence-based policy-making.[9] As such, the analysis would identify the quantifiable benefits or savings resulting from the policy; so, in the Gateway case, the focus would be on how much had been saved as a result of the review process. Process success occurs when the policy passes successfully through constitutional and quasi-constitutional procedure, a process which confers a considerable degree of legitimacy on policy outcomes, even when those policies are contested. Political success occurs when a policy assists the electoral prospects, reputation or overall governance project of the governing party.

In fact, there are two related, but different, questions if we apply this framework to the policy transfer literature: was the transfer successful in the sense that the process was accomplished with few problems? and was the transferred policy, once introduced into the new jurisdiction, successful in achieving its objectives? If we relate these questions to the Marsh and McConnell framework, the first question refers mostly to the process dimension and the second to the programmatic dimension, while the political dimension relates to both questions.

Overall then, our aim in this article is to address three questions:

- To what extent, and in what ways, has the transfer of the Gateway Review process been successful?
- To what extent has the transfer of Gateway to Victoria, and subsequently the Australian Commonwealth level, achieved its policy objectives?
- What factors have led to the putative success of this policy transfer?

In answering these questions we use the frameworks of Dolowitz and Marsh, and Marsh and McConnell.[10] So, following Marsh and McConnell, we initially examine the extent to which the policy has been successful in process, programmatic and political terms.

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[9] Wayne Parsons, 'From Muddling Through to Muddling Up: Evidence Based Policy Making and the Modernization of British Government', *Public Policy and Administration*, 17: 3 (2002), pp. 43–60; Ian Sanderson, 'Evaluation, Policy Learning and Evidence-Based Policy Making', *Public Administration*, 80: 1 (2002), pp. 1–22.

[10] Dolowitz and Marsh, 'Learning from Abroad'; Marsh and McConnell, 'Towards a Framework for Establishing Policy Success'.

Subsequently, we assess the reasons for the putative success of this case of transfer and, in particular, the extent to which such success has resulted from the fact that the transfer was informed, complete and appropriate.

Of course, there is an additional issue in this case. The policy transfer might be a success, at least in process and political terms, but the policy itself might be a failure, in the originating jurisdiction, in the transferring jurisdiction or, of course, in both. We discuss both issues here because, although our focus is more specifically on the policy transfer, the two types of success/failure are clearly related. So, the fact that the process was seen as a success in the UK, and that there was strong evidence of this, was clearly of crucial importance in Victoria's decision to transfer Gateway; in particular, it gave the policy a legitimacy which made it easier to justify. Before we discuss these issues in further detail, however, we provide a brief overview of the origins and development of the Gateway Review process.

THE GATEWAY REVIEW PROCESS

Procurement policy became an issue in the UK when three major reports between 1995 and 1999 highlighted the significant impact that procurement decisions had on public expenditure outcomes. The Gershon Review, published in April 1999, was perhaps the most influential. It led to the establishment of the UK Office of Government Commerce (OGC) in April 2000 and to the introduction of Gateway Reviews in February 2001.[11] The author of that report, Sir Peter Gershon, was subsequently asked to become the OGC's first chief executive.

The Gershon Review contained a line which suggested that the best private-sector companies had much better life-cycle management of procurement processes than public-sector organizations, often involving peer review. When Gershon became chief executive, he recruited Ian Glenday from the private sector, initially for one month, to explore whether the public sector could adopt private-sector best practice in relation to procurement. Within a month the Gateway Review process was developed and, with support from

[11] Peter Gershon, 'Review of Civil Procurement in Central Government', April 1999, available online at http://archive.treasury.gov.uk/docs/1999/pgfinalr.html.

Cabinet Secretary Sir Andrew Turnbull, ten projects were piloted. These pilots were seen as a success and, as a result, Gateway was launched with an initial focus on procurement in central government, but with subsequent expansion to include other parts of the public sector.[12]

Gateway reviews projects at six key decision points (six 'gates', hence the name): start-up; business justification; procurement strategy; investment decision; readiness for service; benefits evaluation. The reviewers are individually accredited by the OGC, with many drawn from the private sector. A risk profile is created for all procurement projects by the department's senior responsible owner (SRO), using a common spreadsheet. The end result is a score that determines the project's level of risk as high, medium or low. For projects seen as potentially high risk, the Gateway Reviews are conducted by independent teams, nominated by the Gateway Unit; medium-risk projects can have departmental representatives on the team; low-risk project reviews are undertaken by the department. The reviews are brief, lasting three to four days, during which time the emphasis is on reading documentation and interviewing all stakeholders. Subsequently, a short report is produced for the SRO. These reports initially graded projects as red, amber or green, although that process has subsequently changed. The report is discussed with the SRO and forwarded to the OGC within seven days, with all actions agreed before the Gateway team departs. Effectively, a red rating meant 'fix the problem quickly'; it did not mean that the project was stopped. However, red ratings at subsequent reviews triggered a letter to the relevant department's permanent secretary.

Gateway is an interesting case because it also has two other features which are very unusual in public policy. First, it was deliberately created as a brand. Second, this brand is franchised. Of course, branding is more associated with the business field. Insofar as branding does impact on government it is usually through its use of branded and trademarked tools, particularly those that have been originally developed in the private sector, in areas such as information technology (IT) and human resources.[13] Gateway is different because it was conceived from the outset as a brand for use within the

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[12] Glenday, 'Governments Can Deliver'.

[13] For an extended discussion see: David Marsh and Paul Fawcett, 'Branding, Politics and Democracy', *Policy Studies*, 32: 5 (2011), pp. 515–30.

public sector, after a brand consultant gave a three-hour presentation to Ian Glenday and his colleagues. This reflected a conscious decision to 'market' Gateway, initially to UK partners, including local authorities, the National Health Service (NHS) and the Ministry of Defence, and then overseas. As such, franchising also became a key element of Gateway's strategy. These two features of Gateway are clearly reflected in the trademarking of the Gateway brand, the quality of the promotional literature that is produced and in the creation of a brand assurance team in 2007.

In the UK, there have been almost 4,000 Gateway Reviews carried out by the various Gateway hubs, which are arranged either functionally – focusing on central government, local government, the NHS, the Ministry of Defence or the police force – or geographically, focusing on Scotland, Wales or the overseas jurisdictions to which Gateway has been transferred. These hubs:

- arrange and manage the Gateway Review process;
- accredit Gateway reviewers;
- collect and share lessons drawn from the process;
- contribute to the development of the Gateway process and procedures; and
- adapt the Gateway process to meet the client's needs while accepting the broad principles of the system.

UK Gateway has a governance board with representation from each of the first four functional hubs listed. There are also two stakeholder groups: one composed of the Scottish, Welsh and police force hubs, which have one seat on the board; and an international stakeholders' group, on which all the Australian jurisdictions are represented. Of course, the latter is, by its very nature, a virtual group. The key point here is that there is an extensive exchange of ideas, experience and best practice.

The widely held view that Gateway is a success – an issue that we discuss below – influenced its transfer to Australia, first to Victoria, then to the Commonwealth, NSW, Queensland and WA.[14] In addition, in 2008, it was introduced to New Zealand and the Netherlands.

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[14] Sharpe, 'The Gateway Process in Victoria'. There has also been transfer to other, sub-state, jurisdictions in Australia, notably Brisbane City Council, which has established itself as leader in this area and is attempting to market itself as a centre of information and advice about Gateway among councils in North-Eastern Australia.

To date, there have been more than 350 Gateway Reviews in Victoria and over 150 at the Commonwealth level. In the UK and both of the Australian jurisdictions the cost of the Gateway Reviews is reported as being less than 0.1 per cent of the project costs.[15]

In June 2010, the new UK coalition government announced that the OGC, and thus Gateway, would be moved to the Cabinet Office, as part of a new Efficiency and Reform Group (ERG). Later that month Nigel Smith, head of the OGC, left his post. The Cabinet Office's organizational chart of November 2010 emphasized that the ERG's structure was 'currently under review' and contained no direct mention of the OGC, although 'Efficiency and Reform Strategy', 'Major Projects', 'Procurement' and 'Buying Solutions' were mentioned by name. This was ominous, particularly in light of Smith's comments shortly before he left his post: 'OGC is now part of the Cabinet Office and part of the Efficiency and Reform Group. I would rather talk about the agendas and capability of OGC, than OGC as an organisation.'[16]

Given this background, it is perhaps unsurprising that in March 2011 a new agency, the Major Projects Authority (MPA), was established within the ERG, to: 'significantly improve: "the delivery success rate of Major Projects across Central Government" '.[17] However, the relationship between the MPA and the Gateway process was unclear in the period both immediately prior to and after the 2010 general election. For example, in April 2011, the OGC website stated that: 'This website is being reviewed and updated. Some content may no longer reflect Government policy.'[18] By October 2011, users were being redirected to the Cabinet Office webpage, the OGC's own website had been archived, and the identity of OGC as an organization, and Gateway as a process, had been subsumed within the MPA. Given the uncertainty that was present at the time of writing, the main analysis in this paper covers the period up to the 2010 election, although we do consider what these changes suggest about the putative 'success' of Gateway.

[15] Personal communications.

[16] Paul Snell, 'Nigel Smith: No Regrets', *SupplyManagement.com*, http://www.supplymanagement.com/analysis/interviews/2010/nigel-smith-no-regrets/, 14 September 2010, accessed 5 April 2011.

[17] http://www.cabinetoffice.gov.uk/sites/default/files/resources/mpa-overview.pdf, accessed 3 June 2011, p. 1.

[18] www.ogc.gov.uk, 4 June 2011.

A SUCCESSFUL CASE OF POLICY TRANSFER?

Process Success

The fact that Gateway has been adopted by a number of other juris-
dictions would appear to suggest that it is a successful policy, at least
in terms of process success. Between 2008 and 2010, for example,
the UK was approached for information and advice on Gateway by
over 30 jurisdictions, including Jordan, Saudi Arabia, South Korea,
Israel, Norway, Singapore, Iceland and France. Indeed, the high
level of interest in Gateway provided a second rationale for the
creation of the brand assurance team, which took on responsibility
for dealing with requests for information, in addition to its principal
role of protecting the integrity of the brand in any transfers that
took place.

The actual process of transfer has been an iterative one. So, while
the first transfer from the UK to Victoria involved extensive discus-
sions between the UK Gateway office and Victoria, the subsequent
transfers within Australia were much more influenced by Victoria.
These transfers occurred over a period of five to six years and after
detailed consideration of the Gateway system by all the transferring
jurisdictions. NSW provides a partial exception to this rule. Its team
was one of the first to speak to the OGC about using Gateway in 2000.
It received endorsement from Gershon, and has since implemented
a modified version of the process, which we discuss in further detail
below. Despite this difference, all of the Australian jurisdictions
shared a belief that Gateway was a successful policy and something
that they should consider adopting.

The transfer has also been a policy process success to the extent
that Gateway was introduced without contention and with a
minimum of fuss in Victoria and Canberra. In large part, this was
because, in both cases, the policy had the combined support of senior
politicians and bureaucrats. So, as an example, in 2002, the Victorian
treasurer and a number of senior civil servants visited the OGC to
discuss Gateway. Later, in January 2003, Wayne Sharpe, who had
been appointed as head of Victoria's Gateway Unit in the Depart-
ment of Treasury and Finance, talked extensively with the UK
Gateway Unit. In addition, the largely undisputed view that Gateway
had led to cost savings in the UK also meant that there was little, if
any, opposition to its introduction in Victoria.

Programmatic Success

It is very broadly claimed in the UK and Australia that the Gateway Review process has saved a great deal of money and, more generally, ensured that more public procurement projects are delivered on time and on budget. Here, of course, we are talking about the success of the policy itself, with it being regarded as a successful transfer to the extent that it has worked well in the jurisdiction to which it has been transferred. As such, it is important to say something about its putative success in the UK, because this 'success' has informed subsequent transfers, making it more likely that the Australian jurisdictions would see it as potentially useful.

Of course, there are a number of ways in which we could measure programmatic success. In this case, perhaps the most obvious way is to attempt to measure the cost savings that have resulted from the introduction of the Gateway programme. This is not easy, but, in the UK the OGC used a method approved and audited by the National Audit Office (NAO) to calculate that Gateway had saved the Exchequer £1.5 billion between 2003 and 2005 and that, by 2007, that figure had increased to over £2.5 billion as a result of more than 1,500 Gateway Reviews.[19] Moreover, the OGC claimed that, by the end of September 2006, its office had contributed more than half of the £21.5 billion efficiency savings required by the UK government's efficiency programme.[20]

There have also been a series of reports by the NAO and both the Treasury Select Committee and Public Accounts Committee of the House of Commons. These reports have been fairly positive about the effect of Gateway. For example, the Treasury Select Committee noted that the Gateway Review process had been 'welcomed by Departments' and appeared 'to be having a positive impact', while the Public Accounts Committee commented that, of all the OCG's initiatives, Gateway had: 'shown the most promise, bringing more rigorous scrutiny and oversight to IT-enabled programmes and projects, and providing the means to highlight risks sufficiently early for senior

[19] H.C. 57, *Administration and Expenditure of the Chancellor's Departments, 2006–07, Seventh Report of the Treasury Committee*, London, HMSO, Session 2007–08, p. 35; HM Treasury, *Transforming Government Procurement*, London, HMSO, 2007, p. 6.

[20] Treasury, *Transforming Government Procurement*, p. 6.

management to take recovery action'.[21] Similarly, Ian Watmore, then permanent secretary at the Cabinet Office, noted: 'Gateway is one of the best examples of quality assurance reviews I have seen in project management in 25 or 26 years . . . they do feed in lessons at the right time'.[22] Watmore continued by noting that the failures surrounding the Child Support Agency could have been prevented if a Gateway Review process had been in place: 'The problem with that bad implementation was that there was no Gateway processes to review it. I think if we did that policy again today the Gateway processes would stop you making those big decisions.'[23] Beyond these plaudits, it is clear from our interviews that the OGC also viewed the Gateway Review process as one of its most successful initiatives.

However, in June 2010, the NAO published a report, *Assurance for High Risk Projects*, which has since informed significant changes in government policy on procurement. It identified two main areas of concern: 'The lack of a clearly stated and enforceable mandate for assurance across government and consequences for non-compliance'; and 'The design of the system. Particularly the lack of integration across the individual mechanisms and the reliance on point in time assurance.'[24]

The ERG established by the new coalition government also produced a Major Projects Review in August 2010. It was not published but, according to the Cabinet Office, identified a number of 'common failings in projects which cannot be allowed to continue'.[25] The major specific points in the NAO and ERG reports that will affect Gateway over time involve proposals that: more accurate measures of the benefits of Gateway are produced;[26] Gateway is better integrated

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[21] H.C. 851, *The Office of Government Commerce, Third Report of the Treasury Committee*, London, HMSO, Session 2001–02; H.C. 555, *The Impact of the Office of Government Commerce's Initiative on the Delivery of Major IT-Enabled Projects, Twenty-Seventh Report of the Committee of Public Accounts*, London, HMSO, Session 2004–05, p. 3.

[22] H.C. 562, *Learning and Innovation in Government, Forty-Third Report of the Committee of Public Accounts*, London, HMSO, Session 2008-09, Q15.

[23] Ibid., Q36.

[24] National Audit Office, 'Assurance for High Risk Projects', http://www.nao.org.uk/publications/1011/project_assurance.aspx, accessed 4 June 2011, p. 4.

[25] http://www.cabinetoffice.gov.uk/sites/default/files/resources/mpa-overview.pdf, accessed 3 June 2011, p. 2.

[26] While there appears to be general agreement that Gateway has led to significant savings, there is some scepticism about the scale of the savings that have been reported, see H.C. 802-I, *Progress in Improving Government Efficiency*, National Audit Office,

into overall departmental assurance processes; there is a more systematic sharing of common lessons to improve procurement decisions;[27] and there are clear sanctions upon departments who fail to comply with the reports of Gateway Reviews.[28] As we indicated, it is uncertain how Gateway will fit into the MPA's portfolio, but, in our view, such changes would be welcomed by the UK Gateway Unit and, indeed, in most, if not all, of the Australian jurisdictions.

Notwithstanding criticisms, there remains considerable evidence of programmatic success. Indeed, the 2010 NAO report was still broadly positive about Gateway, arguing that it had led to 'a significant improvement to assurance for high risk projects' and that it is 'valued by stakeholders for the benefits that result from preparing for a review as well as the impact of their findings on reducing project risks and avoiding costs'.[29]

There has been little or no consistent data on the time and cost savings resulting from Gateway in Australia, although both of the people who have headed the Victorian Gateway to date and the two heads of the Commonwealth-level Gateway Unit whom we interviewed claimed that the savings have been in the range of 3–4 per cent of project cost. In addition, the current head of Gateway

London, HMSO, Session 2005–06, p. 5; H.C. 311, *Department for Work and Pensions Management of Information Technology Projects: Making IT Deliver for DWP Customers, Third Report of the Work and Pensions Committee*, London: HMSO, Session 2003–04, paras 121 and 123; H.C. 555; H.C. 406, *Annual Report for 2005–06. First Report of the Liaison Committee*, London, HMSO, Session 2006–07, paras 65 and 96; Ministry of Justice, 'Gateway Reviews', http://www.justice.gov.uk/guidance/foi-assumptions-gateway-reviews.htm, accessed 28 May 2009. Of course, the tool developed in Victoria and discussed below may be a way forward here.

[27] Interestingly, Victoria developed a 'Lessons Learnt Database', introduced in 2009, which is described as: 'a powerful new tool enabling the tailored and targeted exploration and reporting of Lessons Learnt specific to projects and their stage of lifecycle, and a predictive capacity to assess the likely risks that projects may face through to completion'. Gateway UK has shown considerable interest in this tool.

[28] This has been a fairly common criticism of Gateway, see H.C. 57, para. 70; H.C. 555, pp. 3 and 11; H.C. 57, para. 70; H.C. 292, *The National Offender Information Management System*, National Audit Office, London, HMSO, Session 2008–09, para. 2.24; H.C. 311, para. 104; H.C. 1631, *The Delays in Administering the 2005 Single Payment Scheme in England*, National Audit Office, London, HMSO, Session 2005–06, especially Appendix 6; Hallsworth et al., *Installing New Drivers*, pp. 32–5; and Parker et al., *Shaping Up*, p. 33.

[29] National Audit Office, *Assurance for High Risk Projects*, http://www.nao.org.uk/publications/1011/project_assurance.aspx, accessed 4 June 2011, p. 9.

Victoria, the head of the Commonwealth Gateway Unit and the head of the NSW Gateway Unit echoed in interview the view of Nigel Smith, former head of OGC, that collecting data on cost savings was unnecessary because the positive effects of Gateway were self-evident.

More recently, the problem of the lack of consistent data on savings has been addressed in Victoria, in a PhD thesis by a Melbourne engineering student, Ming Xu. Using data collated from the reviews conducted in Victoria between 1 January 2003 and 1 April 2008, Xu concludes that the review process has the potential to contribute towards aggregate cost savings of 22.45 per cent and aggregate time savings of 29.3 per cent. However, it is important to note that these figures are potential and not actual savings because Xu's methodology depends on all of the review recommendations being adopted and, as we have already noted, that does not always occur in practice.[30] Nevertheless, his estimated savings are notably greater than any of the Gateway Units have claimed and add significant credence to arguments concerning Gateway's policy and programmatic success. Victoria has now adopted Xu's methodology and is keeping a running total of savings and this appears to be another area in which we may see iterations in policy transfer occurring, as other jurisdictions – including the UK, particularly given the MPA's remit – adopt the Victorian tool.

In addition to cost and time savings, Victoria also emphasizes that SROs have found the Gateway process beneficial. So, over the first five years of Gateway's operation in Victoria, 92.5 per cent of SROs believed that the recommendations of their Gateway Review would help them achieve improvements in outcomes;[31] this figure was up from 82 per cent during the first three years of its operation.[32]

Of course, while there is considerable evidence that Gateway has led to more efficient public procurement decisions in the UK and Victoria, and thus can be regarded as a programmatic success in the UK and a successful programmatic transfer to Victoria, such a judgement will inevitably reflect the indicators used and the perspective adopted. As Marsh and McConnell emphasize, what counts as successful policy is almost inevitably contestable.[33]

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[30] Min Xu, 'The Value of Critical Project Decisions: Measurement and Modelling', PhD thesis, University of Melbourne, 2010.

[31] Sharpe, 'The Gateway Process in Victoria'.

[32] Ibid.

[33] Marsh and McConnell, 'Towards a Framework for Establishing Policy Success'.

Political Success

Procurement is not usually a matter of 'high politics',[34] but, on the other hand, if particular public procurement decisions turn out to be spectacular failures, then there are likely to be political consequences, if only in the short term. There are numerous examples of projects coming in late and over budget, but two spectacular ones, Wembley Stadium in the UK and the Sydney Cross-City Tunnel in Australia, serve as excellent examples. It would be interesting to undertake a thorough media analysis of the number and coverage of public procurement disasters prior to, and after, the introduction of Gateway in the various jurisdictions, but we have not done so. Nevertheless, we note that a major policy procurement disaster has not become a crucial political issue in either the UK or Victoria since the introduction of Gateway.

In the UK, the failures surrounding the Rural Payments Agency (RPA), which administers farm subsidy payments, is, perhaps, the closest thing there is to such an outcome since the introduction of Gateway Reviews.[35] By the end of 2006, the RPA's wider business change programme was significantly over budget and the new computer system that it was introducing to process payments was more than £46.5 million over budget. NAO reports identified a combination of IT failure and managerial incompetence as the main problems.[36] The IT provision in RPA had three Gateway Reviews, all of which were red, but no action was taken.[37] Of course, it is difficult to define what is meant by a major 'political' issue, but the RPA debacle received limited publicity and did not result in any ministerial resignations. Moreover, this is not a case where the Gateway Review process itself failed, but rather one in which the reviews' warnings were ignored. Certainly, there was no media criticism of the Gateway Review process in relation to the RPA, although it is important to

[34] Jim Bulpitt, *Territory and Power in the United Kingdom: An Interpretation*, Manchester, Manchester University Press, 1983.

[35] H.C. 1631, especially Appendix 6.

[36] Ibid.

[37] Tony Collins, 'Minister Given Rosy Views on Ailing Payment Scheme', *ComputerWeekly.com*, 24 October 2006, http://www.computerweekly.com/Articles/2006/10/23/219335/Ministers-given-rosy-views-on-ailing-payment-scheme.htm, accessed 4 April 2011.

note that the RPA featured strongly in the coalition government's decision to establish the MPA.

WHY HAS THE TRANSFER BEEN SUCCESSFUL?

While we acknowledge the difficulty of assessing policy success or failure, in our view is enough evidence in this case to, provisionally at least, identify the transfer of the Gateway process from the UK to Victoria and the Commonwealth as a success. This inevitably raises the issue of why this particular case of transfer has been successful.

We address this issue by considering the three questions identified by Dolowitz and Marsh as crucial to the success/failure of policy transfer:[38]

- Was the transfer informed?
- Was the transfer complete?
- Was the transfer appropriate?

Our aim is to assess the extent to which positive answers to each of these questions are associated with successful transfer in this case, acknowledging the issues that we have already raised about how we assess success, but nevertheless seeing the transfer of Gateway as a success, for the reasons discussed above. We also recognize that our assessments here are based, to a large extent, on the responses of our interviewees, who – although they are closest to the transfer process – clearly have a vested interest in viewing the transfer as successful. Here, we have triangulated the views of our respondents and attempted to assess them critically.

Was the Transfer Informed?

The simple answer here is: 'Yes'. Certainly, transfer did not represent a 'quick fix' for a political problem. A number of points are particularly important. First, the initial transfer from the UK to Victoria occurred after two years' preparatory work. As we saw, Sharpe, the first head of Victoria's Gateway Unit, visited the the UK in January 2003 to speak to people working in the Gateway Unit there. This was

[38] Dolowitz and Marsh, 'Learning from Abroad', pp. 5–23.

a key visit because he struck up a good relationship with Ian Glenday, head of the UK Gateway Unit. In the view of both Sharpe and Glenday in interview, this personal relationship was important and owed much to the fact that they were both enthusiasts. Sharpe also read a great deal of material, had many discussions with a variety of Gateway staff and was involved in two Gateway Reviews. In Sharpe's view, while reading Gateway's published material and the OGC website helped him, actually seeing how Gateway worked 'on the ground' was crucial and added an extra dimension to his understanding of the process. The fact that senior people in the Victorian government were also involved from the start, and that some visited the OGC office in 2002, was also important. Certainly, Sharpe was quick to emphasize, as was Glenday in the UK, that support from the higher echelons of government and the public service is crucial if an initiative of this sort is to be successful.

Second, the iterative process involved in the Gateway case is different from other situations for two reasons, particularly when considering the subsequent transfers of the programme within Australia. While Gateway is branded and franchised, as we saw earlier, the UK allows borrowing jurisdictions (hubs) to adapt the Gateway process to meet their needs, as long as they accept the 14 broad principles of the system. At the same time, the subsequent transfer to the Commonwealth and then on to NSW, Queensland, WA and, indeed, New Zealand was more of a transfer from Victoria than from the UK. While each jurisdiction essentially uses the branded and franchised material developed in the UK (see below), it was Victoria to which the other jurisdictions talked most, although the extent of that collaboration did vary from one jurisdiction to another. As an example, there were a number of visits by the Commonwealth to Victoria, but none to the UK before the system was introduced at the federal level. In addition, Sharpe regularly contributed to discussions about the Victorian Gateway Review process in a number of Australian jurisdictions, delivered a keynote speech at the annual conference of the Australian and New Zealand School of Government (ANZSOG) and contributed a chapter to an ANZSOG edited collection.[39] The

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[39] ANZSOG is a not-for-profit company established in 2002 to strengthen the management and policy capacity of the public sector in Australia and New Zealand. It has three core activities: executive education courses; a case study programme; and a research programme.

involvement and endorsement by Victoria also meant that potential 'borrowers' could draw on experience from within Australia, and this helped to give broader legitimacy to Gateway and the review process.

It is also worth reiterating here that there has been considerable thought about how users of the Gateway system can share best practice, even though the 2010 NAO report emphasized that this could be improved. So, as we saw, the UK Gateway board has indirect representation on all international Gateway hubs. Similarly, Victoria has coordinated an annual forum of all Gateway Units in Australia and New Zealand to exchange experiences and ideas.

Third, the branding and franchising of the Gateway Review process seems crucial and this was a point that was certainly emphasized by our interviewees. As we have already stressed, the branding and franchising of a public policy is very unusual.[40] However, what is interesting about Gateway is that it was not branded and franchised in order to raise revenue, as would clearly be the case in the private sector.[41] Instead, branding was used as a way of ensuring that any transfer of the process that did take place was done consistently and in full as the system was rolled out to different parts of the public sector in the UK. In other words, branding was used as a way of protecting the integrity of the Gateway process and the methods used. Indeed, once the transfer became international, it was regarded as particularly important to 'preserve the brand' and to franchise for two main reasons: first, to ensure that failures, which might reflect back adversely on the process in the UK, were less likely; and, second, to allow for the exchange of best practice within a common framework. The franchising of the process has also meant that Gateway UK reviews the process in the hubs every three years. To date, only Victoria has been reviewed. This occurred in 2007 and was a light touch review.

A key advantage of the branding and franchising is that the documentation is not only common, but very thorough and professional. As such, the UK and Victoria have very similar documentation. To take just one example: the sections in the booklet on the Strategic Assessment Gateway (Gateway 0 in the UK, but Gateway 1 in Victoria)

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[40] Marsh and Fawcett, 'Branding and Franchising a Public Policy'.

[41] However, OGC subsequently became more conscious that the intellectual property involved in Gateway is valuable and explored ways of raising revenue in this way.

are almost identical, with only some very minor variation in the wording (largely because the UK's documentation is slightly more recent and has thus been marginally changed in what is essentially an iterative process).

However, as indicated earlier, NSW does not follow the same pattern. It was one of the first jurisdictions to approach the OGC with the idea of using the Gateway process, but it has not maintained close links with the UK since then and does not participate in the exchange of best practice to the same extent as most of the other jurisdictions. In particular, NSW has been sceptical of the benefit that can be derived from the international hubs, as well as the constitutionality of Victoria 'leading' a hub within a federalist system, despite NSW's early bilateral exchanges with Victoria when it first took the decision to implement the Gateway Review process as a way of improving its own procurement practices.

In addition, NSW has not adopted the same branding protocols as most of the other jurisdictions. Its handbooks are not as professional and contain no mention of the fact that the Gateway Review process was first developed in the UK. According to NSW, this was because they did not see anything particularly unique about the Gateway brand and did not want to feel bound by a process that had been originally developed elsewhere. In particular, NSW did not want to feel restricted from tailoring the Gateway Review process to meet what it saw as a set of local procurement practices and a broader cultural environment that was significantly different from the one present in either Victoria or the UK. The emphasis was therefore on making Gateway work within the existing procurement system in NSW. In its view, this decision, taken at the very early stages of the transfer, is something that has been misunderstood by other jurisdictions, but it is a choice that has marked NSW out as an outlier ever since.

Overall, the key point is that the original transfer of Gateway from the UK to Victoria was informed and, indeed, all other transfers since have taken advantage of the lessons learnt from that initial transfer. As such, there have been extended discussions both before the transfer occurred and after the process has been implemented about how to continue to make improvements in the Gateway process based on the experience of other jurisdictions. NSW is an interesting case because the initial transfer was not informed by either the experience of the UK – or any other jurisdiction, for that matter. At the same

time, NSW has not taken such an active role in the sharing of best practice, largely because, unlike most other jurisdictions – which have implemented the Gateway process in its entirety – NSW has been very selective in what parts it has implemented and has also introduced significant modifications to those parts of the process that it has adopted (see below). As such, it is possible that there is not as much of an incentive for other jurisdictions to share best practice with NSW, given that its experience is likely to diverge from that of the other jurisdictions, which all use the same methods and therefore share similar experiences.

Was the Transfer Complete?

Again, the simple answer seems to be: 'Yes'. Here, the branding and franchising of Gateway is crucial. Dolowitz and Marsh argue that the transfer of the Child Support Agency from the USA and Australia to the UK failed in part because 'the agency replaced the courts and the DSS (Department of Social Security), although this was not the case in either the United States or Australia'.[42] The transfer of Gateway involved no such problems, as the branding and franchising meant that the review process was transferred intact. So, as we emphasized, the essentials of Gateway are the same across all jurisdictions other than NSW. For example: all jurisdictions have the same six gates; the roles of the SROs are identical; the reviewers are chosen in the same way and perform the same tasks; and projects are graded in the same way. It is also worth re-emphasizing that franchising has also meant that the UK Gateway brand assurance team has reviewed Victoria and intends to review all of the other international hubs. Again, this will ensure consistency in the operation of Gateway, as well as the sharing of best practice.

One important point should be reiterated here: although the Gateway Review process as it has been transferred to Victoria and the Commonwealth is almost identical to the process as it operates in the UK, local jurisdictions do have some limited scope to change the way in which the process is implemented. For example, the gates are numbered differently in Victoria from in the UK. In contrast, NSW

[42] Dolowitz and Marsh, 'Learning from Abroad', p. 19.

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has made major changes to the Gateway process.[43] This can be seen at a number of different levels. In terms of process, NSW initially only mandated a Gateway Review at the business case stage (Gate 2) after which government agencies would follow their own internal processes for tendering and evaluation. A decision was only taken some years later to extend mandatory coverage to Gate 1, and consideration is only now being given to include Gate 3.[44] This focus on the early gates reflects a conscious decision by NSW to target the planning stage of the procurement cycle as this was an area where it was felt that the current system was weakest, rather than the latter stages of the procurement process where they believed there already were good systems in place.

This focus on early gates has meant that the Gateway process in NSW has become more closely associated with the budget process. For example, all funding bids must include a Gateway report on the business case, which can include a response by the government department and agency as to how they will deal with any recommendations contained in the report. The report and the department's response are then used by the budget subcommittee to help it reach decisions about which proposals to fund over others. In short, NSW's particular focus on the first two gates suggests that its rollout has been more of an evolutionary and truncated process than in either of the two other jurisdictions examined here.

NSW has also introduced modifications to the Gateway process. For example, it assesses projects against seven 'key success factors, which are constants throughout the procurement process' and common to all six gates, including service delivery, affordability and value for money and sustainability (which are known as 'the triple bottom line').[45] This is different to the Gateway process used elsewhere, which does not use the same set of indicators across all six

[43] NSW Government Procurement, 'Gateway Review System', http://www.nswprocurement.com.au/Government-Procurement-Frameworks/Gateway-Review, accessed 4 April 2011.

[44] The NSW Gateway Unit performs reviews for Gates 3 to 6 if requested, but very few government agencies ask them to do so. Any projects that are rated as very high risk will also go through the tendering gates as well. The risk profile of a project is determined using the Gateway online risk tool.

[45] NSW Treasury, 'Business Case Gate Review Workbook', Sydney, NSW Treasury, June 2009.

gates. NSW also draws the vast majority of its reviewers from within government (including at least one reviewer from the public sector and one reviewer from the Treasury on each team), citing the reluctance of private-sector reviewers and possible conflicts of interest as reasons for this difference. Finally, we may briefly note that, whereas Gateway Units have been housed within the Treasury in most other jurisdictions, the Gateway Unit in NSW was initially based in the Department of Commerce (now the Department of Services, Technology and Administration). This suggests that it may have been more difficult for the NSW Gateway Unit to establish the same high-profile presence within government enjoyed by Gateway Units in the other two jurisdictions discussed here. This changed in 2007, when the NSW Gateway Unit was moved to the Treasury, and its standing within government increased, although its long-term position is by no means secure.

These factors, as well as those in the previous section, highlight that the transfer of Gateway to NSW has been less complete than in either of the two other jurisdictions examined here. It will be interesting to see whether this difference will have any effect on Gateway's 'success' in NSW, and it is an issue that we shall monitor.

Was the Transfer Appropriate?

In broad terms this transfer was appropriate, in large part because of the cultural and political similarities between Australia and the UK. They have a similar culture, a shared language and a political system based on the Westminster model, with a similar public service structure and ethic.[46] This meant that Australian public servants found it easy to share ideas with their UK counterparts and understand how the system might operate in their jurisdictions. In interview, Phil Kemp, head of the UK brand assurance team, placed particular emphasis on shared culture, arguing that: 'the way [transfer] works, it has a cultural aspect to it, because you have to have certain criteria to make Gateway effective, and that revolves around people being

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[46] On the importance of this see: David Dolowitz, Stephen Greenwood and David Marsh, 'Policy Transfer: Something Old, Something New, Something Borrowed, But Why Red, White and Blue?', *Parliamentary Affairs*, 52: 4 (1999), pp. 719–30.

able to listen, be prepared to accept what others say, being prepared to be challenged by others. Now, in some cultures that may not be the natural way of the world.' In the case of the transfer of Gateway to the Commonwealth such problems were even slighter, given that Victoria was the origin of most of the advice which Canberra sought. Of course, down the line, it will be interesting to see how the process operates in the Netherlands, let alone in a country such as South Korea if it is introduced there.

It is worth concluding here by emphasizing that our interviewees did not identify any other factors as being crucial in explaining the putative success of the transfer of the Gateway Reviews. As such, Marsh and Dolowitz's framework appears a useful way of approaching the question of what factors make successful policy transfer most likely.

CONCLUSION

Gateway is an interesting public policy for a number of reasons. As we have emphasized, it is a policy that is branded and franchised, a feature which is very unusual. However, it is also a policy which is unusual in terms of the policy transfer literature, and this has been the main focus of this article. It is an excellent example, perhaps even the best to date, of an iterative transfer process. The policy was developed in the UK, disseminated widely across the public sector there and then transferred to Australia, first to Victoria, then to the Commonwealth, NSW, Queensland and WA. More recently, it has been transferred to New Zealand and the Netherlands. Indeed, Gateway UK expected that the number of Gateway Reviews worldwide would pass 5,500 in mid-2011. The iterative aspects of the policy transfer are also interesting for two reasons that have only briefly been discussed here. First, in the transfer of the process across Australia and New Zealand, Victoria was more important than the UK, although what was transferred was essentially the review process developed in the UK. In addition, in Australia and New Zealand, there continues to be an exchange of best practice through the annual forums held by the Gateway Units. Second, there has been transfer back from Australia to the UK, so the jurisdiction that created the system is now learning from the borrowers.

Our initial focus here was on the extent to which Gateway and its transfer might be regarded as a 'success', both as a policy and as a case of policy transfer. Of course, we recognize that it is not easy to assess the success of a policy or a policy transfer. However, using a heuristic developed by Marsh and McConnell, we suggest that the policy has been both a process success and a programmatic success, in the UK as well as in Australia. Subsequently, we examined the reasons for the success of this policy transfer, utilizing a framework developed by Dolowitz and Marsh, arguing that the transfer of Gateway was, in large part, successful because it was informed, complete and appropriate. We nevertheless noted the existence of an outlier. It is too early to tell whether Gateway's success in NSW will be diminished because of the different approach the state has taken, but its decision not to adopt the full process clearly makes it an interesting case worthy of further consideration.

As such, it seems to us that policymakers can learn a number of things from the Gateway case. The major thing to avoid at all cost is seeing policy transfer as a quick fix. This case indicates that successful transfer is dependent on considerable prior investigation about how the policy which a jurisdiction is considering transferring operates in the original jurisdiction. Obviously, that process requires significant commitment by politicians and, especially, public servants to investigating its operation in detail and is considerably helped if strong interpersonal relations develop between individuals in the two jurisdictions. Of course, it is also helped if there is a shared common language and few cultural and political differences between the two jurisdictions.

Perhaps the most interesting/unusual feature of this case is the branding and franchising of the policy, which we and our interviewees see as important for the putative success of this transfer for three reasons. First, it has meant that, by the time that the review process was adopted in Australia, many of the details had already been worked out in the UK. Second, and related, the practical material about how to run the review process at each gate is very professional. Other jurisdictions also welcomed the fact that the process had been tried and tested elsewhere, which gave it greater legitimacy, and meant that they were reasonably happy to follow the same template and thereby maintain the integrity of the brand. Third, it avoids the problem identified by Dolowitz and Marsh that, in many cases, policy transfer is incomplete and fails because a feature that is crucial

to its successful operation in the original jurisdiction has not been transferred. Indeed, for the reasons that we have outlined here, our study and others[47] suggest that the branding and franchising of public policy will become a more common feature of public policy in the future.

[47] See especially, J. Ogden, G. Walt and L. Lush, 'The Politics of "Branding" in Policy Transfer: The Case of DOTS for Tuberculosis Control', *Social Science and Medicine*, 57 (2003), pp. 179–88.