

# POLICY MAKING IN THE REAL WORLD

*Evidence and Analysis*

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# About this report

This report is one of three that the Institute for Government is releasing as part of its research into policy making in government. It provides both an in-depth look at attempts to reform policy making over the last fourteen years and draws on both interviews with senior civil servants and ministers, in the last government, to look at the experience of policy making. It also draws on our analysis of government's own evaluations of policy, our 'Policy Reunions' looking at the factors behind policy success and the extensive academic literature on policy making. As such, it forms the evidential and analytic base for our recommendations report, *Making Policy Better*.

This report is largely the work of the Institute for Government's Senior Researcher Michael Hallsworth. In its early stages, the research was led by former Institute Fellow, Simon Parker, and in the later stages was overseen by the Institute's Programme Director, Jill Rutter. It needs to be read alongside our working paper, *System Stewardship*, which looks at the future of policy making.

Further information about the Institute's work on better policy making, including case studies from the 'Policy Reunions' and details of follow up events can be found in the Better Policy Making section of our website at [www.instituteforgovernment.org.uk/policy](http://www.instituteforgovernment.org.uk/policy)

Institute for Government

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# Executive summary

## Why look at policy making?

Making policy has traditionally been seen as Whitehall's main function. Yet, despite over a decade of sustained efforts to improve policy making, civil servants, politicians and academics continue to express concerns about the way policy is made, and whether it is ready to meet future challenges. These concerns need to be taken seriously. The strength of policy making is integral to the strength of government as a whole, and that of the country at large. When policies fail, the costs (whether monetary or otherwise) can be significant.

There would be a compelling case for studying policy making even if Whitehall could look forward to a period of stability. Clearly, this is not the case. Departmental administration budgets are being cut by an average of 33% over four years, and the Prime Minister has promised "*a total change in the way our country is run*".<sup>1</sup> In the face of these challenges, policy making will need to change – both in its function and its organisation. The Institute's Better Policy Making theme aims to show how this can be done.

## The Institute's approach

Many would argue that to assess the quality of policy making one must examine the outcomes it achieves. But when it comes to making a collective assessment of policy making outcomes, the problems quickly mount up. Therefore, in this report we focus mainly on the quality of the policy process. We examine:

- how government itself has attempted to define and improve policy making;
- how well these attempts reflect the real challenges policy makers face; and
- the effects these attempts have produced.

The Institute has drawn on a range of sources in order to address these issues, including a literature review; interviews with 50 senior civil servants and 20 former ministers; an analysis of 60 policy evaluations from three departments; a survey of members of the Political Studies Association; and a series of policy success seminars.

## The drive to professionalise policy making

The period from 1997 has seen repeated efforts to define and rationalise policy making. These efforts to improve policy making have varied in scale and focus, and have frequently overlapped or seemed to merge with one another. Yet it is possible to identify four areas of focus underpinning this activity:

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<sup>1</sup> David Cameron's speech to Civil Service Live, 8 July 2010, transcript available at: <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/07/pms-speech-at-civil-service-live-53064>

- **Process:** the actions recommended to produce policy. This strand of activity has mainly taken the form of 'policy cycles', which present the process as a logical flow between discrete phases, so that the defining of objectives precedes and informs the appraisal of options, and so on. The Treasury Green Book's 'ROAMEF' cycle is the most obvious example, but many departments have developed their own cycles;
- **Qualities:** the way in which these actions should be carried out. The Cabinet Office's Professional Policy Making initiative focused on the characteristics policy should possess, such as being innovative, forward-looking and joined up;
- **Structures:** the institutional arrangements to support better policy making. There have been many attempts to create institutional bases for policy making, such as the Prime Minister's Strategy Unit, and the growing use of 'flexible policy pools' in departments; and
- **Politics:** the way in which political aims and desires contribute to policy making. The new Policy Skills Framework presents successful policy as the combination of politics, evidence, and delivery.

Harold Lasswell famously defined politics as "*who gets what, when, and how*".<sup>2</sup> We argue that these four aspects represent the 'what, how, who, and why' of the policy process. But we believe that, for each of these aspects, recent reforms have failed to address the realities of policy making.

## The gap between theory and practice

The attempts to improve policy making have all suffered from a gap between theory and practice. Either they have presented unrealistic models of policy making, or have failed to provide the support to turn desired practices into reality. Most importantly, they have excluded ministers, thus neglecting the fact policy is the responsibility of both parties, and a product of their joint efforts.

As a result, civil servants often know what they *should* be doing, but experience difficulties putting it into practice. Some ministers, meanwhile, feel that it can be hard for them to be involved at the right time and in the right way to deliver their objectives. Those who succeed find *ad hoc* solutions to the problems that arise. But the lack of realistic processes leaves too much in policy making to chance, personality, and individual skill.

There are signs that the policy profession is starting to address some of these problems. But there is considerable work to be done in order to create a realistic, coherent approach to improving policy making. As outlined below, each of the four areas present major challenges.

## Process: the dominant model of the policy process is unrealistic

Virtually every interviewee dismissed policy cycles like ROAMEF as being divorced from reality. Most academics agree with this judgment, and in 1999 the Cabinet Office also explicitly rejected the use of policy cycles, on the basis that practitioners did not feel they accurately reflected the realities of policy making. There are four main reasons why:

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<sup>2</sup> Harold D. Lasswell, *Politics: Who Gets What, When, How*, McGraw-Hill, 1936.

### Policy making does not take place in distinct stages

The 'stages' of policy making do not just often overlap, they are often inseparable. In the real world, policy problems and policy solutions frequently emerge together, rather than one after another. In other words, plans may be present at the same time, or before, a need to act has been identified. This can lead to poorly conceived policies if ministers present a *fait accompli* solution that is flawed, or whose relationship to a policy problem is unclear – but will not hear it challenged.

The current policy process does not do enough to address these difficulties. Policy makers agreed the solution was 'directed exploration', where ministers are clear about their goals, and then are prepared to engage in an honest, iterative discussion about how to achieve them. However, such discussions are impeded by a lack of time, appropriate institutional arrangements, and problems in ministerial-civil service relationships. We need better ways of ensuring that the policy problem has been fully considered, and the option tested properly.

### Policies need to be designed, not just conceived

Current processes greatly underestimate the value of *policy design*. A greater emphasis on policy design helps to ensure that the planned actions represent a realistic and viable means of achieving the policy goals. In business, there is a quality control phase where new products are prototyped and stress-tested, before being trialed and finally going to market.

While such testing does happen for some public sector policies, it should be much more extensive and rigorous: the policy process still does not provide enough support to make it happen systematically. Nevertheless, the complexity of modern governance means it is unlikely that policies can be designed perfectly, so that nothing will go wrong or need to be revised. Therefore, the people implementing a policy need the capacity and opportunity to adapt it to local or changing circumstances.

### Policy making is often determined by events

Policy making does not take place in a vacuum, where the government is in total control of its agenda. The result can be sharp discontinuities and apparently illogical decisions, as the government's coherent position can get overwhelmed by events. But not all events are the result of the external world affecting policy makers; some are 'self-generated'. Many of our interviewees made it clear that the desire to capture the news agenda, generate headlines, or be seen to be acting, could lead to over-hasty announcements.

### The effects of policies are often indirect, diffuse, and take time to appear

Current guidance presents policies as discrete interventions to tackle specific problems, whose effects can then be reliably measured and evaluated. But there is plenty of evidence that the effects of these interventions may be complex, wide-ranging and unintended. Given the complexity of the problems with which government deals, it may be unlikely that a policy will produce effects that are both measurable and attributable. Indeed, it may actually be unhelpful to think of policies as discrete interventions that can achieve a particular goal on their own. Policy may be the cumulative impact of many different initiatives in a particular area, or it may be about managing a wider system. Unless the policy process is set up to capture those impacts and be sensitive to other, interlinked policies, the real impact of a policy cannot be properly understood.

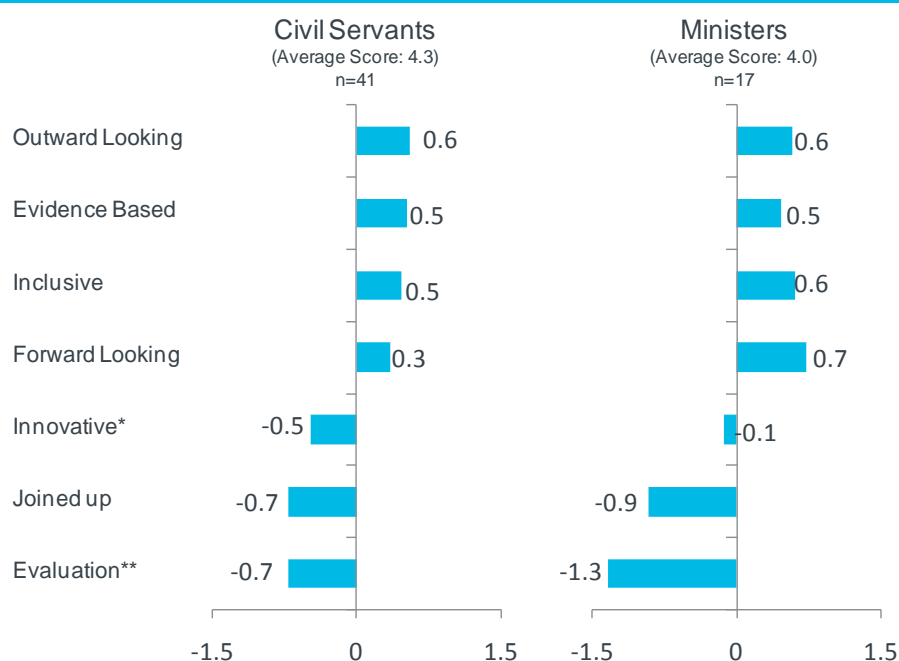


The more one delves into the reality of policy making, the more that policy cycles and their like resemble a comforting narrative that imposes specious order on a complex reality. Maintaining this narrative often means that, in practice, policy makers often have to fall back on their native wits. This is why many interviewees voiced concerns about the *ad hoc* nature of policy making: there is not so much a lack of recommended processes, just a lack of realistic ones.

### Qualities: there is clarity on the desired qualities of policy making, but not on how to achieve them

Clearly, it matters *how* policy makers go about their business, and the thrust of the Cabinet Office’s approach has been to define the qualities that policy making should possess. During the course of 2010, we conducted a survey that asked ministers and civil servants to what extent policy making possessed the qualities specified by the Cabinet Office. Figure 1 shows the relative strengths and weaknesses that were identified.

**Figure 1 – Strengths and weaknesses of policy making characteristics**



Based on a survey of former ministers and Civil Servants. The results show the deviation from the average score given for various categories response to the following question: "In your experience, how often would you say that government policies were ..." (using a seven point scale where 1 = 'never' and 7 = 'always').  
 \* Innovative, Flexible and Creative; \*\* Evaluation, Review and Learning

What is striking is that, despite concerted efforts at improvement over the last ten years, the results seem to be stable over time. Our findings are very similar to those obtained by the Cabinet Office in 2001. And it is striking how reports aimed at improving policy making have kept returning to the same issues over the years: there are obvious weaknesses in policy making, which are widely acknowledged and yet still endure.

Our research indicates that these problems endure because of systemic barriers. Recent attempts to reform policy making have not adequately addressed these barriers: guidance is often effective at detailing *what* should be done, but not *how* it should be done. As one civil servant explained, “*if you’ve got to be evidence-based, and inclusive, and joined up, and consultative, and outward-looking, you can’t deliver a policy in a week - but ministers want policies tomorrow*”.

We have taken two of the qualities that remain elusive in order to explain the systemic problems that prevent them from being realised – and which are not adequately addressed by current approaches.

### Evaluation, review and learning

Most policy makers agree that evaluations are important, and Whitehall commissions them in significant numbers. But most politicians and civil servants are extremely sceptical about whether Whitehall *learns* from evaluations effectively: lessons often do not feed back into policy design or problem formulation. In other words, evaluations are often commissioned but often ignored. There are several reasons why this happens:

- ***Central government is culturally not very interested in the past.*** Some ministers admitted that they simply were not interested in how effective their predecessors’ policies had been, even if they were of the same party. Similarly, civil servants often feel that their incentives are geared towards looking forwards to the next big policy issue;
- ***Timescales for evaluation and policy making are out of sync.*** There was a common complaint that evaluations took too long. We found many instances of evaluations being published some years after the policy had been superseded. There is also a role for real-time evaluation of policy implementation that is more flexible, inquiring and independent than performance management;
- ***Departments have the incentives and opportunity to tone down unfavourable findings.*** The government has many incentives to curb or soften evaluation findings that are critical, but which could lead to significant learning. And the department responsible for the particular policy commissions and oversees the evaluation, so it has a major say over what is published. Since many evaluators depend on repeat contracts, they have powerful incentives to acquiesce in self-censorship;
- ***Evaluations are often not built into policy design, or are poorly executed.*** Another issue is that evaluation may not be sufficiently built into policy design. Again, systemic pressures often undermine good intentions. Early in the policy process, civil servants are under pressure to deliver; evaluation can be seen as a problem for another day. But even if the policy process makes room for evaluation, the evaluation itself may be poorly constructed – as in the DWP’s recent ‘Pathways to Work’ programme; and
- ***Evaluation findings are often not managed well, and may inhibit organisational learning.*** There is little evidence that evaluations were collated and managed to provide a repository of knowledge for the departments. Furthermore, there is no cross-departmental owner to make linkages between evaluations, and their varying formats make it difficult to aggregate lessons and build a cohesive understanding.



## Innovation

The last ten years has seen a significant institutional commitment to innovation, whether through the creation of innovation units, capability building programmes, or 'innovation' budgets. Yet these efforts have not addressed many of the systemic barriers to making policy innovatively that exist. There are strong pressures to maintain the status quo, and fewer incentives to innovate than to not. But there is also a pressing need to think about the exact role that innovation should play in policy making, rather than recommending it as an unqualified good. In particular, the following points need to be recognised:

- ***Civil servants often need to act as a counterbalance to ministers.*** Civil servants point out that much of their work concerns managing risk for ministers and developing policy that is robust in the face of uncertainty. Interviewees argued that ministers will usually tend to be the ones pushing for more innovative, risk taking options, with the civil service acting as a counter-balance. Whilst ministers have an important role to play in challenging practices and giving signals that innovation is approved, the civil service's role in the partnership means it always needs to be considering other factors apart from novelty. Innovation on its own does not lead to good policy making; a focus on risks and the realities of delivering policies must be maintained. The danger is that this point will be lost in the current drive for innovation in the civil service;
- ***The current setup may not encourage innovation that contributes to better policy making.*** Civil servants know they have to be innovative, but there is a lack of clarity over what this means in practice. The type of innovation that ensues is therefore likely to be heavily shaped by the culture and incentives they experience. Whitehall prizes ideas, intellectual prowess, and problem solving. These tendencies are likely to place a heavy emphasis on the 'invention' aspect of innovation – coming up with ingenious solutions to pre-existing problems. At the same time, the current situation discourages other aspects of innovation, such as prototyping and experimentation. There is a risk that encouraging innovation will result in more policy ideas that are intellectually daring and apparently attractive, yet flawed or difficult to implement;
- ***Making policy making more outward-looking is not a complete solution.*** A relatively small proportion of successful innovations are generated from external sources: some ministers felt that civil servants may not be 'plugged into' an external network that provides them with the latest, high-quality thinking. Therefore, opening up the policy process to outside influences is likely to improve innovation. But this is not a complete solution: current pressures can mean that being open to influences can *limit* innovation. Policy makers can get 'locked into' a wider community of stakeholders who have set positions or views. Therefore, the desired outcome is not so much openness to ideas outside the policy making process *per se*; rather, it must be discerning openness.

## Structures: structural changes have been incoherent and incomplete

There have been many attempts to change organisational structures in the service of better policy making. Undoubtedly, these changes have brought improvements. At the same time, some changes have led to confusing or incoherent arrangements – both within the centre of government, and in the relationship between the centre and departments.

The incoherence of arrangements can be explained by two basic reasons. First, rational plans are not always realised in practice. For example, the Centre for Management and Policy Studies had a clear and distinctive function, yet was undermined by the fact powerful institutional players had differing ambitions for the organisation.

Second, rational plans are not always formulated in the first place. There were concerns that, in previous years, the distribution of policy making functions at the centre of Whitehall had been 'chaotic'. While many of these problems were caused by personalities, they have had lasting consequences.

The most significant consequence is reduced continuity or coherence between policy 'stewardship' and the launch of major new policy initiatives. The structures created at the centre of government have sucked in radical thinking, which becomes divorced from the checks provided by stakeholder relations, performance monitoring, and so on. Now, this undoubtedly brings benefits, such as innovation and dynamism. But it can also cause incoherence and reduce the capacity for policy evolution rather than revolution. In other words, inter-departmental structures may over-privilege dynamism and novelty in policy making.

At the same time, policy functions have been re-structured within departments. We undertook a survey to judge the latest situation, and discover whether any of the following were present:

- **A central strategy unit** that would typically deal with long-term, cross-cutting issues;
- **A central policy unit** that would typically produce and coordinate departmental policy;
- **A flexible pool** of policy makers who can be deployed quickly to policy areas; or
- **A body that scrutinises policy centrally and links to ministers**, along the lines of a board or committee – more senior and reactive than a policy unit.

Our findings are presented in Figure 2 (correct as of October 2010).

**Figure 2 – Survey of departmental policy structures**

	BIS	CLG	DCMS	Defra	DfE	DH	DWP	HMT	HO	MOJ
Central strategy unit	Directorate - specific pools	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Central policy unit	No	Yes	No	No	Yes	Yes	No	No	No	No
Flexible pool	Directorate - specific pools	Yes	Yes	Yes	Yes	Likely	Directorate - specific pools	Likely	No	Likely
Central policy scrutiny with ministerial link	Yes	Directorate - specific pools	Yes	Yes	Directorate - specific pools	Yes	No	No	No	Likely

Yes
  No
  Likely
  Directorate - specific pools

The main finding is that the situation is in flux (which partly explains the current variety in setups). The most obvious trend is the increasing adoption of flexible pools over the past few years. Practically all the departments have some kind of pool or are likely to adopt one soon. This movement to flexible policy pools is the most widespread, significant and recent of the changes to the departmental policy structures.

The cuts to Whitehall running costs give an apparently strong case for the adoption of flexible pools. But there is the danger that these reforms will be undermined by their failure to address wider structural issues. They may also introduce a new divide between those who develop policy, and those who oversee its implementation and manage long-term relationships. In order to prevent this, three main issues need to be addressed: governance, career structures, and knowledge management.

### Governance

The first issue is around the way that flexible pools are governed. Interviewees were clear that the mere existence of pools would not ensure their success. There also needs to be an effective means of coordination and oversight, so resources are matched to priorities. We heard evidence that this does not always happen. With good governance, pools could lead to a cohesive arrangement where a minister-led board or unit aligns resource allocation, overall departmental objectives and policy commissioning in a way that has not happened before (brought together through business plans).

### Career structures

As the use of flexible pools increases, so does the need to ensure that career structures also allow policy makers to build up expertise in a particular area. Yet interviewees also voiced concerns that remaining in one policy area for a long period can lead to policy makers becoming jaded, inflexible and more at risk of stakeholder capture.

One solution could be to allow career progression within a particular field of expertise. There is a case for divorcing policy expertise from line management responsibilities and creating an alternate career structure for 'policy experts', as happens in the private sector. Such policy experts could provide continuity, subject expertise, stakeholder contacts and oversight of a high quality, frequently updated body of evidence.

The use of pools also puts extra pressure on the Policy Profession to ensure professional policy making skills are up to scratch. There was criticism from some ministers of the level of analytical training given to civil servants engaged in policy making. In other countries there is a higher expectation that policy makers will possess a formal policy qualification that gives a base level of capability, and there is evidence that this can add value to policy making.

### Knowledge management

It is widely acknowledged that the civil service has a poor institutional memory. The transition to flexible pools increases the need for the civil service to improve its management of institutional knowledge, since fewer people will remain tied to a policy area. By 2009, ten departments reported they had a strategy in place to improve learning. The key is to make sure these strategies address the real constraints on knowledge management; there is evidence that previous solutions have worked better in theory than in practice.

## Politics: existing approaches neglect politics or treat it as something to be 'managed'

Many languages do not have separate terms for 'policy' and 'politics'. There is a good reason why: politics is integral to policy making. But most of the existing attempts to improve policy making pay little attention to the role of politics or ministers, and focus on technocratic advances alone. When politics is mentioned, it is presented as something external to the policy process, a 'context' that must be 'understood' or 'managed'. Such an attitude grows out of a long tradition of believing that the application of 'higher' scientific criteria can answer the questions currently mired in the rather distasteful realm of politics.

Such a treatment of politics is:

- **Unrealistic:** in reality, policy making can never be extricated from politics;
- **Undesirable:** politics adds value to policy making; and
- **Flawed:** evidence and analysis is never 'pure' or above politics

The recent Policy Skills Framework may signal a new direction, since it includes politics as one of the three main dimensions of policy making, alongside evidence and delivery. But the framework alone cannot give an account of *how* these behaviours can be achieved, which means more is needed to close the gap between the theory and practice of policy making.

Moreover, there is no framework of expected skills or behaviours that ministers have to observe. The only assessments of ministerial policy making are extremely informal, if they take place at all. This exemption of ministers is perhaps the biggest flaw in attempts to improve policy making.

Good policies emerge from a combination of the political (mobilising support and managing opposition, presenting a vision, setting strategic objectives) and the technocratic (evidence of what works, robust policy design, realistic implementation plans). The two poles are largely represented by ministers and civil servants. Of course, this is a simplification – some ministers are natural technocrats, and many civil servants develop strong political instincts. But for the right balance to be achieved, ministers and civil servants need to recognise these roles and create effective working relationships that respect and value the contributions both can bring. However, again institutional processes do not adequately support these aims, and this leads to three main problems:

### Ministers may not allow a sufficient degree of challenge

Ministers have to recognise the value of challenges to their proposals. If they do not, civil servants have few resources to raise important issues, since they are conscious of the need to create and maintain a 'good relationship' with their minister. In the absence of institutional support, it often appears that the easiest way to do this is to give the new minister what they want. Alternatively, civil servants adopt a strategy of 'picking their battles' – that is, working out which policies can be challenged without seeming to be obstructive. But the way in which battles are picked is haphazard and *ad hoc*. As a result, we heard many reports of the ministerial-civil servant relationship failing to be entirely candid. For ministers, the issue is how to distinguish valuable challenge from simple foot-dragging, and how to create an atmosphere where civil servants do not just agree with you because you are their minister.

### Civil servants are more likely to over-manage ministers

Problems do not just arise from ministers making opposition difficult. Rather, a lack of honest conversations can also arise when the technocratic approach leads civil servants to 'over manage' ministers. Civil servants start to anticipate ministers' decisions, and may make their own political judgements about what is and is not acceptable. The danger then is that ministers have to take decisions on the basis of an unnecessarily constrained range of options. There can be a number of causes: wanting to please; assuming that ministerial reactions can be predicted; or eliminating what appears to be undoable, in order not to appear to lack political judgement.

### Ministers may be involved in the policy process too late and in the wrong way

Ministers often complain that they are involved in the policy process too late, to be confronted with 'pre-cooked' options. But a key role of ministers is to set strategic direction for the department, and that cannot happen if they are engaged at or near the end of the process. A particular source of complaint is the nature of the policy submission, the conventional vehicle for civil servants to put advice to ministers in what remains a predominantly written culture. There are two opposing problems: when too much is put into the submission, or too little. In the first, officials load material into the submission, leaving ministers confused about the main messages; in the second, officials can attempt to make a submission look short and simple so that it simply gets a tick from a minister without too much scrutiny.

The good news is that, when they reflect, ministers and civil servants both agree on the kind of relationship they desire. Both groups consistently use words like 'open', 'trusting' and 'challenging' to describe the way they want to work together. Their common aim is to create a situation in which politicians and officials have a clear and shared sense of purpose and drive, which then creates enough trust between the two sides so that civil servants can challenge ministers through evidence and analysis. Rather than ignoring politics, the role for policy makers is to achieve the best use of political principles in government: to embrace the value politics can bring, while mitigating the problems it can create.

An effective relationship between ministers and civil servants is critical to making policy successfully. The evidence from our research is that we cannot take for granted that this will just happen. In their absence, successful minister-civil servant relationships are left purely to chance, personalities and individual skill. Of course, good relationships cannot be guaranteed; they will always be dependent on personalities and other contingencies. But institutions should be more effective at creating the conditions that enable good relationships to flourish, and mitigate the consequences when they do not.

### Conclusion

A better policy process is needed, for two important reasons. First, although policy making is inherently complex and messy, we believe that the institutions of government have a responsibility to introduce order where appropriate. Second, the process of democratic government is based on the electorate voting for policies, noting how and whether these policies have been realised, and holding the government to account accordingly. The more that this process is illusory, the more democracy is undermined.

The key to improving policy making is to construct a more realistic process that is resilient to the pressures on both ministers and civil servants, and which enables them to achieve the right blend of politics and technocracy in making policy. We may not be able to create a perfect process that is perfectly adhered to, but we can create a better one that is followed more often. In contrast, the current processes are too brittle - they break rather than bend when put to the test.

Although resilient institutional processes are necessary for good policy making, they are not sufficient on their own. The goal is not to simply design processes that reflect the reality of policy making, but also to improve that reality. In other words, we need to bring the policy process closer to the real world, and bring the real world closer to the policy process.

Policy making has often been seen as a topic that is too large, or too difficult, to tackle successfully. This report gives structure to the issue, and reveals the real world of policy making that has been neglected for far too long. Mostly importantly, it sets out the goals that will lead to improved policy making, while being realistic about the barriers to achieving them.

Understanding why previous reform attempts have had relatively little success is an important starting point for building a better, more resilient approach to policy making. But concrete proposals for reform must look forward as well as back. Our working paper, *System Stewardship*, sets out the challenge to conventional policy making created by the need to deal with increasingly complex policy problems in a more decentralised world that involves multiple actors.

Our parallel report, *Making Policy Better*, brings the findings of these two reports together and sets out our proposals for improving policy making.



# 1. Introduction: The Institute's Better Policy Making theme

This report is one of a collection which brings together research the Institute for Government has conducted under its Better Policy Making theme. There are two main strands:

1. **High level reports** that set out our approach and summarise our overall findings which include: This report, *Policy Making in the Real World*, assessing the past and current attempts to improve policy making; and a working paper, *System Stewardship*, which looks at the role of policy making in an era of decentralised and redistributed power. It also considers whether we have a realistic understanding of what policy is and what level of success it can achieve.
2. A series of **Policy Success seminars**, which reunite the main players to discuss past policies judged to be successful by members of the Political Studies Association. We have published individual case studies for the reunions held so far, and will bring them together to derive common lessons.

These strands are brought together in a separate report, *Making Policy Better*, which sets out a more resilient process for policy making and recommends how to address systemic problems.

Better policy making is clearly linked to the other themes of Institute work – a more effective Whitehall, leadership for government, new models of governance and public services, and parliamentary and political reform. It also develops our earlier work on applying behavioural theory to policy making.<sup>3</sup>

The task of improving policy will not be accomplished overnight. In a recent speech, Tony Blair recommended that the Institute should “*provide a continual education about the process of policy making*”.<sup>4</sup> The Better Policy Making theme marks the start of that process.

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<sup>3</sup> Michael Hallsworth, et al. *MINDSPACE: Influencing Behaviour through Public Policy*, Institute for Government and Cabinet Office, 2010.

<sup>4</sup> Tony Blair's speech to the Institute for Government, 28 June 2010, transcript available at: [http://www.instituteforgovernment.org.uk/pdfs/tony\\_blair\\_addresses\\_institute\\_for\\_government\\_transcript.pdf](http://www.instituteforgovernment.org.uk/pdfs/tony_blair_addresses_institute_for_government_transcript.pdf)

## 2. Why look at policy making?

*“The most important contribution to better performance is better policy.”<sup>5</sup>*  
(Cabinet Office, 2001)

### Policy making matters

Making policy has traditionally been seen as Whitehall’s main function.<sup>6</sup> Yet government policy makers express concerns about their current performance and their readiness to meet future challenges. When the Institute for Government analysed the training needs of the top 200 senior civil servants recently, we were surprised at the level of anxiety expressed about policy making. The analysis concluded that *“the newer generation of directors general suspects that policy making is a machine which is not very effective – there is simply too much policy, it is often wrong first time, and is still rooted in separate departments even when the issues are supposed to be joined up.”<sup>7</sup>*

Politicians have also voiced disquiet about the policy making process. Perhaps unsurprisingly, their criticisms often focus on the advice provided to ministers. Kenneth Clarke, for example, argued in 2008 that *“the Civil Service has lost its policy role... Frank and fearless advice and actual involvement all the way through in the formulation of policy can spare the Ministers an awful lot of chaos and anguish.”<sup>8</sup>* The Public Administration Select Committee, meanwhile, recently criticised the policy process as hurried, hyperactive, and insufficiently informed by practical experience.<sup>9</sup>

Those who observe and analyse policy making are often even more critical. As a recent overview of the topic argued, *“policy scientists have documented time and again that policy makers fail to accomplish their objectives; that policies can have serious unintended effects; and that efficiency is not exactly the guiding principle in many public sector programmes and organizations.”<sup>10</sup>* The studies of policy ‘disasters’, ‘fiascos’ and ‘pathologies’ continue to pile up – although it is worth noting that the UK emerged relatively well from a 2001 study of international performance in four major policy areas.<sup>11</sup>

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<sup>5</sup> Cabinet Office, *Better Policy Delivery and Design*, 2001, p.10.

<sup>6</sup> Peter Hennessy, *Whitehall*, Pimlico: 3<sup>rd</sup> edition, 2001, p.736; June Burnham and Robert Pyper, *Britain’s Modernised Civil Service*, Palgrave Macmillan, 2008, p.245.

<sup>7</sup> Zoe Gruhn, et al. *What’s on the minds of the SCS?*, Institute for Government, 2009 [Unpublished]. See also the concerns from officials presented in Guy Lodge and Ben Rogers, *Whitehall’s Black Box*, IPPR, 2006, pp.34-39.

<sup>8</sup> Kenneth Clarke, evidence to the Public Administration Select Committee in 2008, available at: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpubadm/c983-iii/c98302.htm>

<sup>9</sup> Public Administration Select Committee, *Good Government*, HC 97-I, 2009, pp.21-25.

<sup>10</sup> Mark Bovens, Paul ‘T Hart, B. Guy Peters, ‘The State of Public Governance’, in Mark Bovens, Paul ‘T Hart, B. Guy Peters (eds.), *Success and Failure in Public Governance: A Comparative Analysis*, 2001, pp. 7-8.

<sup>11</sup> See, for example: Edward Leigh, ‘An open letter to my successor as Chair of the Committee of Public Accounts’, 2010, available at: <http://www.timesonline.co.uk/tol/news/politics/article7079044.ece>; Mark Bovens and Paul ‘T Hart, *Understanding Policy Fiascoes*, Transaction Publishers, 1996; Patrick Dunleavy, ‘Policy Disasters: Explaining the UK’s Record’, *Public Policy and Administration*, vol. 10, 1995, pp. 52-70; Bovens, ‘T Hart, Peters (eds.), *Success and Failure in Public Governance*, 2001, p.641. Professors Anthony King and Ivor Crewe are currently conducting a major ESRC study into failure in public policy.

These concerns need to be taken seriously. The strength of policy making is integral to the strength of government as a whole, and that of the country at large. When policies fail, the cost can be significant. The poll tax was estimated to have cost the country over £20bn; the “*unforeseen additional costs*” of introducing single farm payments currently stand at £680m.<sup>12</sup> The National Audit Office agrees that poor policy making has significant and widespread impacts, including:<sup>13</sup>

- poor quality public services;
- little or no benefit delivered or not sustainable in the long term;
- sections of society excluded from benefits;
- users’ expectations not met;
- adverse social or environmental consequences; and/or
- adverse effects on economic competitiveness

Finally, policy making incurs direct costs: 19,436 civil servants were employed in ‘policy delivery’ in 2009, while each government department produces an estimated 171 policy or strategy documents on average each year.<sup>14</sup>

There would be a compelling case for studying policy making even if Whitehall could look forward to a period of stability. Clearly, this is not the case. Departmental administration budgets are being cut by an average of 33% over four years, the size of the civil service will shrink much more dramatically than in the 1980s or 1990s, and the Prime Minister has promised “*a total change in the way our country is run*”.<sup>15</sup>

Clearly, the policy making function will need to change – both in what it does, and in the way it is organised. The Institute’s Better Policy Making theme aims to show how this can be done. We start by establishing how to judge the quality of policy making.

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<sup>12</sup> David Butler, Andrew Adonis and Tony Travers, *Failure in British Government: The Politics of the Poll Tax*, Oxford University Press, 1994, p.180; National Audit Office, *A Second Progress Update on the Administration of the Single Payment Scheme by the Rural Payments Agency*, 2009.

<sup>13</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.1.

<sup>14</sup> While ‘policy delivery’ represents only 3.7% of the total civil service, it is the second largest professional grouping after ‘operational delivery’ – estimates from the Annual Civil Service Employment Survey, 2009, available at: [http://www.statistics.gov.uk/downloads/theme\\_labour/Civil-service-tables-2009-final.xls](http://www.statistics.gov.uk/downloads/theme_labour/Civil-service-tables-2009-final.xls). Figures on policy documents are taken from Objective Corporation, *The Policy Lifecycle Management Process: Streamlining the Process for Document Production and Consultation*, 2010, p.14.

<sup>15</sup> Her Majesty’s Treasury, *Comprehensive Spending Review*, 2010, p.5; David Cameron’s speech to Civil Service Live, 8 July 2010, available at: <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/07/pms-speech-at-civil-service-live-53064>

## Policy making is difficult to define and measure

Many would argue that to assess the quality of policy making one must examine the outcomes it achieves. Undoubtedly, policies should be judged by their effects rather than their intent, and there are many studies of individual policy failures and (to a lesser extent) successes which attempt to do exactly that.<sup>16</sup>

But when it comes to making an *aggregate* assessment of policy making outcomes, the problems quickly mount up. There are no obvious common measures that could capture the range of effects policies produce; the timescale over which any judgment should be made is contested; and there would be serious difficulties in making causal links between policies and outcomes.<sup>17</sup> An overall assessment of this kind requires such a degree of assumption and arbitrary selection that it necessarily becomes political.<sup>18</sup>

For all these reasons, in this report we focus mainly on *how* policy is made – the quality of the policy process. Relatively few studies have tried to do this for government as a whole.<sup>19</sup> Even where studies have been conducted, they have struggled to develop objective and widely accepted measures of policy making quality.<sup>20</sup> For example, past attempts to create policy metrics have generally failed to measure anything very meaningful: policy making has highly contestable definitions of success and few standard processes and routines. In New Zealand, individual government departments created as many as 46 performance indicators for their policy making, including measures of logic, accuracy, consultation and presentation. An independent assessment of these measures came to the conclusion that they usually just “*count what can most easily be counted*”.<sup>21</sup>

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<sup>16</sup> Notable full-length studies include: Butler, Adonis and Travers, *Failure in British Government*; Irving L. Janis, *Victims of Groupthink*, Houghton Mifflin Company, 1972. Analyses can be found in the relevant academic journals, such as *Public Administration* and *Public Policy and Administration*; in the reports of the National Audit Office, Public Accounts Committee, Public Administration Select Committee and departmental select committees; in independent inquiries commissioned by government; in the outputs of think tanks and research institutes; and, of course, in newspapers and magazines.

<sup>17</sup> For an overview of these problems, see Michael J. Hill, *The Public Policy Process*, Pearson Longman, 2005, pp.6-22.

<sup>18</sup> A recent attempt to make a judgment of this kind is Polly Toynbee and David Walker, *The Verdict: Did Labour Change Britain?*, Granta Books, 2010.

<sup>19</sup> Most academic policy analyses do not attempt to judge policy outcomes across government, but focus instead on discrete ‘policy sub-systems’. Peter John, *Analysing Public Policy*, Pinter, 1998, p.6. Those that attempt to take an aggregate view usually do so in order to make international comparisons, but even then rarely make a judgment on ‘policy making’ as such. One of the most useful of these studies is OECD, *Government at a Glance*, 2009.

<sup>20</sup> Some studies have argued against the concept of identifying ‘best’ government practices that can be applied across countries. See Matt Andrews, ‘Good Government Means Different Things in Different Countries’, *Governance: An International Journal of Policy, Administration, and Institutions*, vol. 23:1, 2010, pp. 7-35.

<sup>21</sup> Robert Gregory and Zsuzsanna Lonti, ‘Chasing Shadows? Performance measurement of policy advice in New Zealand Government Departments’, *Public Administration*, vol. 86:3, 2008, pp. 837-856.

Part of the problem lies in the difficulty of defining policy making. Our focus is on policy making as an activity intended to achieve the purposes of politicians in government. But the 'policies' that this activity produces can refer to many different things, including:

- the goals or strategies of [political] leaders;
- specific acts such as decisions, announcement and statutes;
- an overriding logic of action (e.g. 'our policy on the environment'); and
- a structure of practice (e.g. 'the school's policy on late essays')<sup>22</sup>

Despite this variety of uses, 'policy making' is often understood to mean the formal expression of activities undertaken by government to achieve outcomes, often through legislation.<sup>23</sup> Yet policy may have none of these characteristics. Policy may need to be inferred from practice (rather than being formally stated); policy may require government to do nothing (rather than to act); and policy may be created purely for temporary political positioning (with no intention of achieving outcomes). Furthermore, a policy may not fulfil the goals of the government in a simple way: politicians may have to accept a whole range of frustrations in order to fulfil the ultimate policy goal of decentralisation.<sup>24</sup>

### The need to assess government attempts to improve policy making

As the preceding section shows, there are many difficulties in defining policy making and producing an overall measurement of its quality. This report takes a different approach. It examines:

- how government itself has attempted to define and improve policy making;
- how well these attempts reflect the real challenges policy makers face; and
- the effects these attempts have produced.<sup>25</sup>

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<sup>22</sup> Taken from Hal Colebatch, Robert Hoppe and Mirko Noordegraaf, 'Understanding Policy Work', in Hal Colebatch, Robert Hoppe and Mirko Noordegraaf (eds.), *Working for Policy*, Amsterdam University Press, 2010, pp. 11-30.

<sup>23</sup> This is the way that most policy makers understand policy. See: Edward C. Page and Bill Jenkins, *Policy Bureaucracy: Government with a Cast of Thousands*, Oxford University Press, 2005, pp.56-9. It is also how most observers appear to perceive policy: the great vast majority of policies selected by members of the Political Studies Association in response to an Institute survey possessed these characteristics; for more details, see: [www.instituteforgovernment.org.uk/betterpolicymaking](http://www.instituteforgovernment.org.uk/betterpolicymaking)

<sup>24</sup> As the Deputy Prime Minister has remarked, politicians being held responsible for decisions that are out of their hands "will feel uncomfortable to say the least: responsibility without power, the curse of the decentralising Minister". Speech to the Institute for Government, 9 September 2010.

<sup>25</sup> Our report *System Stewardship* considers whether a new understanding of policy is needed in an area of decentralisation and fiscal restraint; our report *Making Policy Better* recommends new methods of improving policy making.

The report examines how domestic, rather than foreign, policy is made. Its focus is primarily on policy making in central government, taking place in the interaction between ministers, civil servants and stakeholders. We thus focus less on how policies are formed in opposition.<sup>26</sup> We also focus less on the role of Parliament, since its role is being examined in depth by other Institute projects – and much policy is made without recourse to primary legislation.<sup>27</sup>

The Institute has drawn on a range of sources in order to address these issues:

- A **literature review** of the theoretical approaches to understanding policy making and existing reports on policy making (for example, from select committees and think tanks);
- An analysis of **existing data**, including Capability Reviews, press releases and public opinion surveys;
- An analysis of **60 policy evaluations** from three central government departments: the Department of Work and Pensions, Department for Education, and the Home Office;
- **Workshops** with central government policy makers to develop and test our findings;
- A **survey** of the members of the Political Studies Association on the 'most successful policies of the past 30 years';
- A series of **policy success** arising from the Political Studies Association survey; and
- **Interviews** with a total of 70 ministers and civil servants. We interviewed 20 former ministers, most of whom had very recent experience of life in government. All were Labour politicians; seven were former secretaries of state, the remainder ministers of state or parliamentary under-secretaries. We interviewed 50 senior civil servants from eight major central government departments: most were deputy directors, although our sample also included a few directors and directors general. The departments interviewed were: the Department of Health; the Department of Business, Innovation and Skills; Department of Work and Pensions; Department for Education; Department of Environment, Food and Rural Affairs; Department for Culture, Media and Sport; Communities and Local Government; and Her Majesty's Treasury. We also interviewed three former special advisers.

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<sup>26</sup> Nevertheless, policy making in opposition is clearly an important and relatively under-developed area for study, as Peter Hennessy has pointed out; see Hennessy, *Whitehall*, 2001, Chapter 7.

<sup>27</sup> See Akash Paun and David Atkinson, *Balancing Act: The Right Role for Parliament in Public Appointments*, Institute for Government, 2011; Julian Wood and Bill Moyes, *Responsibility Without Power*, Institute for Government, 2011.



Crucially, our approach incorporates the perspectives of ministers as well as civil servants, since policy is the responsibility of both parties, and a product of their joint efforts.<sup>28</sup> Indeed, we believe this is the first attempt to study contemporary policy making that incorporates 'both sides of the story' in this way.<sup>29</sup> As a result, we use the term 'policy makers' to refer to both ministers and civil servants, except where we specify otherwise.

The next chapter gives an overview of the government's attempts to define and improve policy making. Chapter Four identifies four underpinning themes to the government's approach: process, qualities, structures and politics. Chapters Five to Eight show how the real world of policy making differs from the government's approach for each of these four themes. Finally, Chapter Nine explains how we can adopt better methods for improving policy making.

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<sup>28</sup> When it comes to policy making, the old distinction between the domain of 'policy', where politicians determine actions to be carried out, and that of 'administration', where officials carry out those actions, is clearly inappropriate. See Woodrow Wilson, 'The Study of Administration', *Political Science Quarterly*, vol. 2:2, 1887, pp. 197-222.

<sup>29</sup> There have, of course, been studies of public administration that include both civil service Ministerial perspectives. But they have tended to either focus on the general relationship between the two parties, or on a specific issue other than policy making. See, respectively, William Plowden, *Ministers and Mandarins*, IPPR, 1994; Lodge and Rogers, *Whitehall's Black Box*, 2006.

## 3. The drive to professionalise policy making

Government has taken a more professional approach to policy making over the last thirty years. There has been a movement away from policy advice by generalists to one informed by concepts of risk, management, and delivery of services.<sup>30</sup> In particular, the period from 1997 has seen repeated efforts to define and rationalise policy making. In order to understand policy making today, it is essential to grasp the basics of this story. We offer a summary of the main developments below.

### 1998: The Performance and Innovation Unit (PIU)

Created in 1998 and based in the Cabinet Office, the PIU was intended to provide “a resource for policy development for the whole of Government”.<sup>31</sup> It had two main functions:

- Focusing on issues that cross departmental boundaries and proposing policy innovations to improve delivery of the government objectives; and
- selecting aspects of government policy that require review, in order to improve co-ordination and delivery when more than one public body is involved.<sup>32</sup>

The main purpose of the PIU was, therefore, to be cross-cutting and tackle the issues that were “*simply falling between the cracks*” of departments, rather than replicate their policy functions.<sup>33</sup>

### 1999: The vision of ‘modernised’ policy making

The *Modernising Government* White Paper was published in March 1999.<sup>34</sup> It presented a set of reforms to “*create better government to make life better for people*”, with policy making at the top of the list. The rationale was that the management reforms of the 1980s and 1990s had meant “*little attention was paid to the policy process*”. As a result, policy making was fragmented, risk averse and focused on the short term.<sup>35</sup> The White Paper outlined new principles for policy making, and set out the existing government definition of policy making:

*the process by which governments translate their political vision into programmes and actions to deliver ‘outcomes’ – desired changes in the real world.*

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<sup>30</sup> See June Burnham and Robert Pyper, *Britain’s Modernised Civil Service*, Palgrave, 2008.

<sup>31</sup> HC Deb, 28 July 1998, cc132-4W.

<sup>32</sup> *Ibid.*

<sup>33</sup> David Halpern, *The Hidden Wealth of Nations*, Polity, 2010, p.267.

<sup>34</sup> Cabinet Office, *Modernising Government*, 1999, p.15. All subsequent quotes in this paragraph are from this source, available at: <http://www.nationalschool.gov.uk/policyhub/docs/modgov.pdf>

<sup>35</sup> Despite this narrative, “much of the White Paper can be seen as a continuation and development of programmes of reform and change that had been implemented in the UK through the 1980s and 1990s”. Andrew Wyatt (2002) ‘Evidence Based Policy Making: The View from a Centre’, *Public Policy and Administration*, vol. 17:3, 2002, pp. 12-28.

The Cabinet Office then fleshed out the White Paper's principles into a model of 'professional policy making'.<sup>36</sup> The model is based on a set of nine characteristics that policy making should possess:

- **Forward looking:** takes a long term view, based on statistical trends and informed predictions, of the likely impact of policy;
- **Outward looking:** takes account of factors in the national, European and international situation and communicates policy effectively;
- **Innovative and creative:** questions established ways of dealing with things and encourages new ideas; open to comments and the suggestions of others;
- **Using evidence:** uses best available evidence from a wide range of sources and involves key stakeholders at an early stage;
- **Inclusive:** takes account of the impact on the needs of all those directly or indirectly affected by the policy;
- **Evaluates:** builds systemic evaluation of early outcomes into the policy process;
- **Reviews:** keeps established policy under review to ensure it continues to deal with the problems it was designed to tackle, taking account of associated effects elsewhere; and
- **Learns lessons:** learns from experience of what works and what does not.

The following year, the PIU published two reports on joined up policy making (*Wiring It Up*) and the use of statistical modelling for evidence based policy (*Adding It Up*). Together with a National Audit Office report on *Modern Policy Making*, they effectively represent the completion of the first phase of work to define a desired model for policy making.<sup>37</sup>

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<sup>36</sup> Cabinet Office, *Professional Policy Making for the Twenty First Century*, 1999; available at: <http://www.nationalschool.gov.uk/policyhub/docs/profpolicymaking.pdf>

<sup>37</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001; available at: [http://www.nao.org.uk/publications/0102/modern\\_policy-making.aspx](http://www.nao.org.uk/publications/0102/modern_policy-making.aspx). For an account of the initial progress of implementing *Modernising Government*, see the monthly 'Milestones' progress updates produced between September 1999 and August 2000; available at: <http://webarchive.nationalarchives.gov.uk/20100512143614/http://archive.cabinetoffice.gov.uk/moderngov/action/miles2.htm>. It is worth noting that many of the structural recommendations were met. However, several of the actions to achieve the desired characteristics, such as systematic policy evaluation and learning the lessons from failure, remained aspirations at the time the monitoring ceased.

## 1999: The Centre for Management and Policy Studies (CMPS)

In a separate development, by 1998 there was a view that the changes to the Civil Service College were needed.<sup>38</sup> Responding to a report by Richard Bayly, a decision was made to create a Centre for Management and Policy Studies. The CMPS's remit was wider than just policy, which represented one of four directorates within the organisation. Including the 'policy' element was intended to encourage more rigorous, high quality research to improve civil service knowledge management, rather than responding to the government of the day. According to the view of its director, Ron Amman, the CMPS did not exist to formulate policy itself, but to facilitate it being made well.<sup>39</sup>

## 2002: The Prime Minister's Strategy Unit (PMSU)

By 2002, policy functions at the centre of government had become congested and contested. The PIU existed uneasily with the Prime Minister's Forward Strategy Unit (FSU), a smaller organisation that overlapped more directly with departmental policy areas.<sup>40</sup> In response, the Prime Minister's Strategy Unit was created by combining the PIU, the FSU, and the Policy Directorate of the CMPS, which had been struggling to make an impact.<sup>41</sup> The Strategy Unit sat alongside the Number 10 Policy Directorate, a small team that shadowed departmental work in core policy areas, and which had a larger role than its preceding Number 10 Policy Units.<sup>42</sup>

PMSU had two important effects on policy making. First, its work overlapped with departments' policy responsibilities (much more so than PIU). PMSU "*generally favoured close working arrangements*" with the Departments most affected and "*often PMSU teams would physically locate in the Department most likely to be responsible for acting on the conclusions*".<sup>43</sup> The centre of government thus had a significant policy making resource, which was being deployed in areas where previously departments had considerable autonomy.

Second, the presence of PMSU led to a series of strategy units being established within departments. By 2008, most Whitehall departments had done so, with the intention that this would bring "*an empirically rigorous, long-term and politically attuned approach to policy making*".<sup>44</sup> Thus, a new centre for policy making had been established within existing departmental structures.

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<sup>38</sup> Catherine Haddon, *Centre for Management and Policy Studies*, Institute for Government, forthcoming in 2011.

<sup>39</sup> *Ibid.*

<sup>40</sup> Halpern, *The Hidden Wealth of Nations*, 2010, pp.268-271.

<sup>41</sup> Paul Fawcett and Oonagh Gay, *The Centre of Government – No. 10, the Cabinet Office and HM Treasury*, House of Commons Library Research Paper 05/92, 2005, p.60; Ronald Amann, 'The Circumlocution Office: A Snapshot of Civil Service Reform', *Political Quarterly*, vol. 77:3, 2006, pp. 334-359.

<sup>42</sup> As discussed in BBC News, 'More Power for Downing Street', 22 June 2001, available at: [http://news.bbc.co.uk/1/hi/uk\\_politics/1402492.stm](http://news.bbc.co.uk/1/hi/uk_politics/1402492.stm). The Policy Directorate was renamed the Policy Unit in 2007, and its membership at that time can be found at: <http://www.prospectmagazine.co.uk/2007/08/9718-newsandcuriosities/>. For an account of the function of preceding policy units, see John M. Lee, George W. Jones and June Burnham, *At the Centre of Whitehall: Advising the Prime Minister and Cabinet*, Macmillan, 1998, Chapter 7.

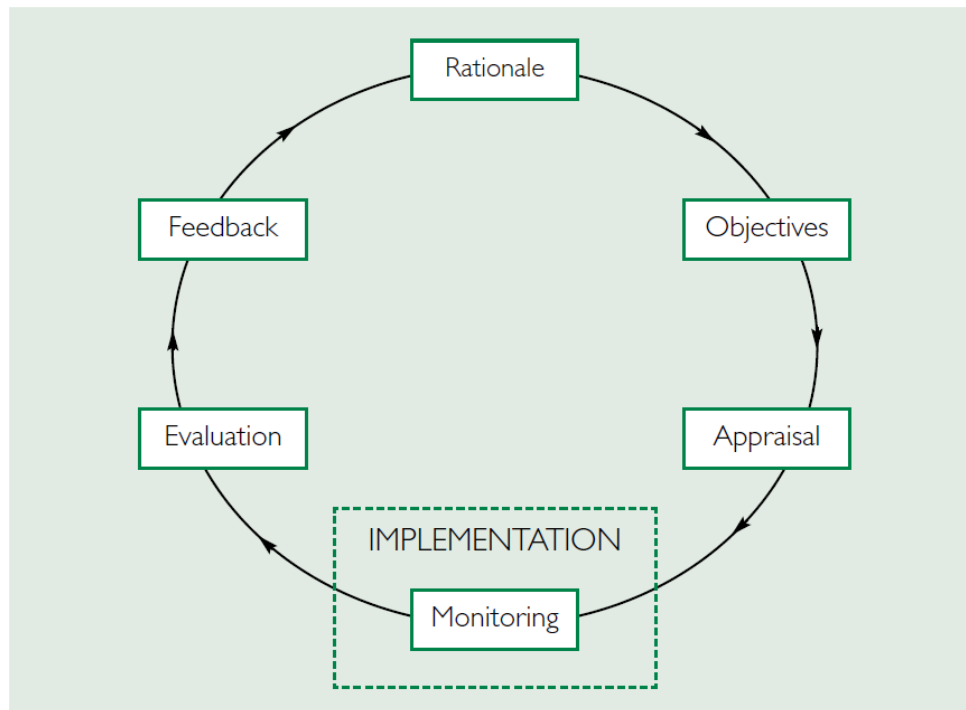
<sup>43</sup> Halpern, *The Hidden Wealth of Nations*, 2010, pp.268-272.

<sup>44</sup> *Ibid.*, p274.

## 2003: The ROAMEF policy cycle

Away from the structural changes, guidance on the policy process was also evolving. In 2003, the Treasury published the new version of its “*binding guidance for departments and executive agencies*” on the appraisal and evaluation of government action.<sup>45</sup> *The Green Book*, as it is known, set out a ‘policy cycle’ to represent the desired policy process:

Figure 3 – ROAMEF policy cycle



Source: HM Treasury, *The Green Book*, 2003

In this ‘ROAMEF’ cycle, each stage follows on rationally from the previous one, so that a rationale is developed, then objectives are set, then options are appraised.<sup>46</sup> The ROAMEF cycle presents policy making as a controllable sequence where ‘the government’ produces a ‘policy’ that addresses a clear goal. The policy represents a set of planned actions that are then implemented, with monitoring to assess the extent to which the goal was fulfilled. The framework is technocratic, with politics, values and events seen as external ‘noise’ that needs to be minimised.

<sup>45</sup> HM Treasury, *The Green Book: Appraisal and Evaluation in Central Government*, 2003, p. v. *Green Book* available at: [http://www.hm-treasury.gov.uk/d/green\\_book\\_complete.pdf](http://www.hm-treasury.gov.uk/d/green_book_complete.pdf)

<sup>46</sup> *Ibid.*

The Green Book claimed that the ROAMEF cycle was based on some departments' existing guidance, but its publication has also allowed the approach to spread through government further.<sup>47</sup> For example, policy cycles constitute the current policy making guidance for the Department for Environment, Food and Rural Affairs, Department for Education, and the Home Office.<sup>48</sup>

## 2004: Professional Skills for Government

A new phase in the approach to improving policy making was signalled by a 2004 speech by Tony Blair called 'Civil Service Reform: Delivery and Values'.<sup>49</sup> The speech emphasised existing approaches, such as the need for more 'a more strategic and innovative approach to policy', and the shift away from policy advice to delivery. But it also led to a major new programme called Professional Skills for Government, which aimed to make "*professionalism 'a defining characteristic for policy makers and operational staff as much as for specialists'*"<sup>50</sup>

Accordingly, the programme defined policy making as a 'professional skill', with an accompanying Policy Profession to oversee its development.<sup>51</sup> The Profession is led by a board of senior policy leaders, with a network of Heads of Profession in each department. They aim to strengthen policy making by setting standards for assessing performance; helping policy makers build knowledge and share best practice; and building a cross-government policy community.<sup>52</sup>

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<sup>47</sup> See, for example, ODPM, *Assessing the Impacts of Spatial Interventions*, 2004, available at: <http://www.communities.gov.uk/documents/corporate/pdf/146865.pdf>; Government Social Research, *Analysis for Policy: Evidence-based policy in practice*, 2007, available at: [http://www.civilservice.gov.uk/Assets/Analysis%20for%20Policy%20report\\_tcm6-4148.pdf](http://www.civilservice.gov.uk/Assets/Analysis%20for%20Policy%20report_tcm6-4148.pdf); BIS, *Impact Assessment Guidance*, 2010, available at: <http://www.bis.gov.uk/assets/BISCore/better-regulation/docs/10-898-impact-assessment-guidance.pdf>

<sup>48</sup> The models of policy best practice listed here are not public, but were provided to the Institute for Government on request.

<sup>49</sup> Tony Blair's speech at the Civil Service Reform: Delivery and Values event, 24 February 2004, available at: <http://webarchive.nationalarchives.gov.uk/+/number10.gov.uk/page5399>

<sup>50</sup> Cabinet Office, *Civil Service Reform: Delivery and Values*, 2004, p.5; available at: [http://umbr1.cabinetoffice.gov.uk/media/205077/delivery\\_values.pdf](http://umbr1.cabinetoffice.gov.uk/media/205077/delivery_values.pdf)

<sup>51</sup> <http://www.civilservice.gov.uk/about/improving/psg/psg-identifier/framework-policy-profession.aspx>; <http://www.civilservice.gov.uk/my-civil-service/networks/professional/policy-profession/index.aspx>

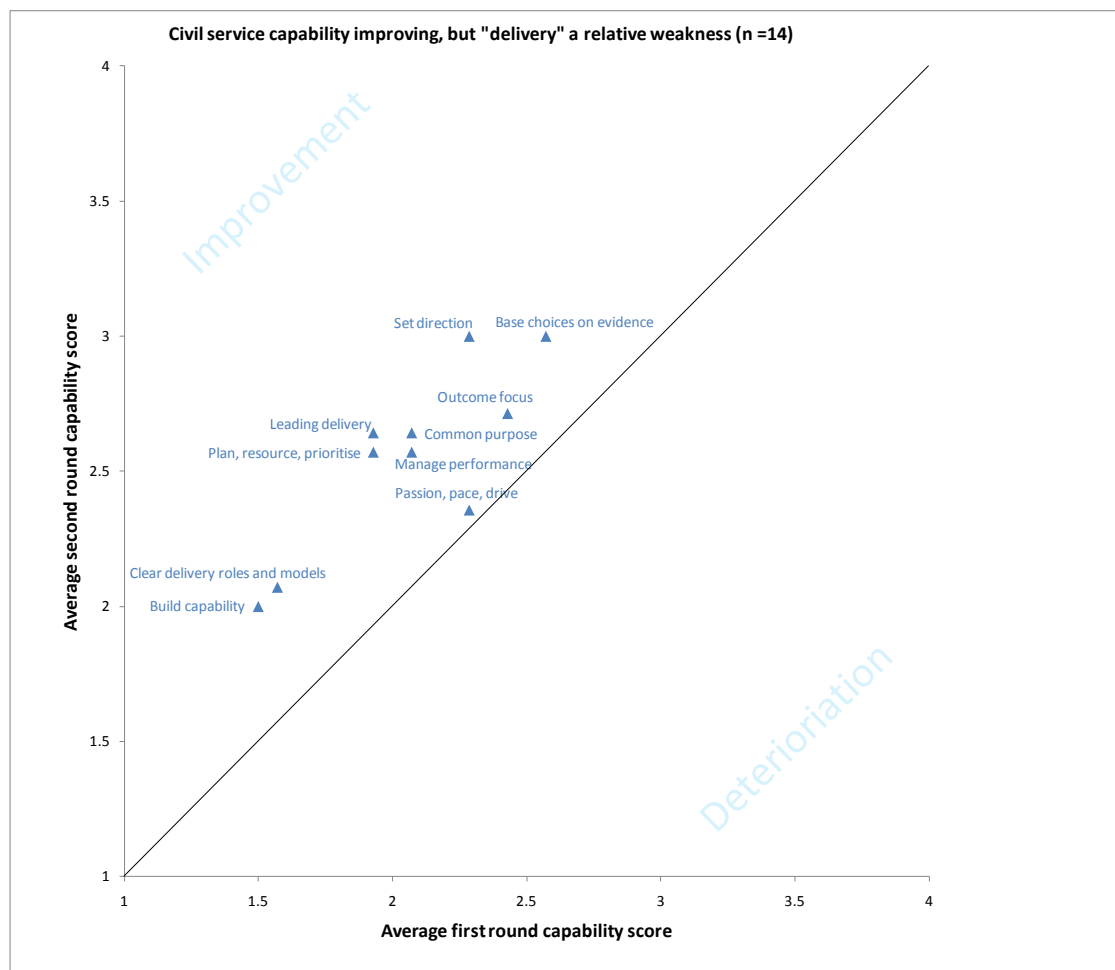
<sup>52</sup> <http://www.civilservice.gov.uk/my-civil-service/networks/professional/policy-profession/heads-policy-profession.aspx>



## 2005: Capability Reviews

Launched in 2005, Capability Reviews assess departments on ten elements of capability - none of which measure policy making capability as such.<sup>53</sup> However, the results are clearly relevant to policy making, as Figure 4 shows.<sup>54</sup> There are three clear strengths: setting direction, focusing on outcomes, and the use of evidence to inform choices (which is seen to have improved through greater use or availability of policy analysts).<sup>55</sup> These three elements relate closely to the task of 'policy advice'. In contrast, weaker scores relate to the process of realising goals through action – 'delivery', in the language of Capability Reviews.

Figure 4 – Civil service capability reviews



<sup>53</sup> We are referring to the model of capability used between 2006 and 2009, which has since been updated, although it still does not measure 'policy capability' as such; see Cabinet Office, *Capability Reviews: Refreshing the model of capability*, 2009.

<sup>54</sup> Institute for Government analysis of Capability Reviews, which are available at: <http://www.civilservice.gov.uk/about/improving/capability/index.aspx>. In Figure 4, the scales were constructed by assigning a numerical value to the four possible levels of capability, as follows: zero for 'serious concerns', one for 'urgent development area', two for 'development area', three for 'well placed', four for 'strong'.

<sup>55</sup> See, for example, both rounds of Capability Reviews for CLG, DCMS, Defra, DfT, DWP, HMT, and the most recent reviews for BERR, DECC and DCSF. See also Annette Boaz, et al. 'Does Evidence-Based Policy Work? Learning from the UK Experience', *Evidence & Policy*, vol. 4:2, 2008, pp. 233-253.

## 2010: The Policy Skills Framework

One of the main tasks of the Policy Profession has been to set out the skills that constitute good policy making. After development work by Government Skills,<sup>56</sup> the Policy Skills Framework was launched in 2010. The Skills framework has two main elements.

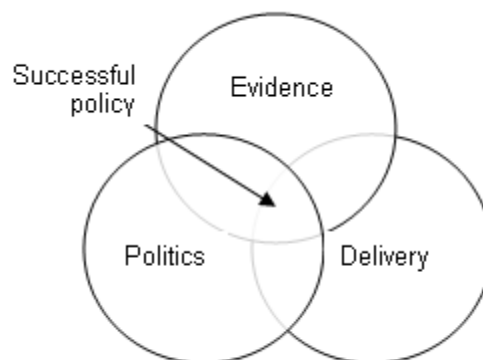
1. First, a basic structure of how the policy process proceeds:
  - understanding the context;
  - developing the options;
  - getting to a decision;
  - making it happen;
  
2. Second, 'three cross-cutting themes which need to be considered to deliver successful policy':
  1. the importance of sound evidence as a basis for policy development;
  2. working in a political context; and
  3. focusing on delivery from the outset.<sup>57</sup>

The Framework thus argues that successful policy is produced when evidence, politics and delivery all come together (Figure 5).<sup>58</sup>

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**Figure 5 - Policy skills framework**

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<sup>56</sup> Capita Resourcing, *Policy Profession in Central Government Skills Needs Analysis*, 2009; available at: [http://www.civilservice.gov.uk/Assets/TNA-policy-Jul09\\_tcm6-37343.pdf](http://www.civilservice.gov.uk/Assets/TNA-policy-Jul09_tcm6-37343.pdf)

<sup>57</sup> <http://www.civilservice.gov.uk/my-civil-service/networks/professional/policy-profession/policy-skills-framework.aspx>

<sup>58</sup> Taken from <http://www.civilservice.gov.uk/my-civil-service/networks/professional/policy-profession/policy-skills-framework.aspx>

## Making sense of the attempts to improve policy making

Recent attempts to improve policy making have varied in scale and focus, and have frequently overlapped or seemed to merge with one another. Yet it is possible to identify four major strands underpinning this activity:

1. **Process:** the actions recommended to produce policy (e.g. the ROAMEF cycle);
2. **Qualities:** the way in which these actions should be carried out (e.g. *Modernising Government's* recommendation that policy should be innovative and forward-looking);
3. **Structures:** the institutional arrangements to support better policy making (e.g. the creation of strategy units in departments); and
4. **Politics:** the way in which political aims and desires contribute to policy making (e.g. the recent Policy Skills Framework).<sup>59</sup>

We believe that, for each of these four aspects, most past reforms have failed to address the realities of policy making. The new Policy Skills Framework is a major step in the right direction because it acknowledges for the first time the centrality of politics; but, at the time of writing, it is too new to have had a significant impact, and is still directed at civil servants alone. The next chapter gives an overview of our case.

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<sup>59</sup> Harold Lasswell famously defined politics as “who gets what, when, and how”; see Lasswell, *Politics: Who Gets What, When, and How*, 1936. We argue that these four aspects represent the ‘what, how, who, and why’ of the policy process.

## 4. The gap between theory and practice

In the course of our research, a striking finding began to emerge. The picture that practitioners painted was very different from the one suggested by attempts to improve policy making. A gap between theory and practice became apparent. In other words, policy makers lack the resources to deal with the real problems they face; they often know what they *should* be doing, but experience difficulties putting it into practice.

Within this overall finding of a gap between theory and practice, four main problems present themselves.

1. **Process:** the dominant model of the policy process is unrealistic;
2. **Qualities:** there is clarity on the desired qualities of policy making, but not on how to achieve them, so attempts to embed them have failed to make notable progress;
3. **Structures:** structural changes have been incoherent and incomplete, and face new challenges as Whitehall downsizes; and
4. **Politics:** past approaches neglected politics or treated it as something to be 'managed'.

None of these attempts at reform address the role of ministers, despite the fact that all policy results from collaboration between ministers and civil servants. As such, they omit half of the crucial partnership and have a limited view of the environment within which all policy is made.

The rest of this chapter gives a brief summary of these problems, which are explored in more detail in the subsequent chapters.

### Process: the dominant model of the policy process is unrealistic

Most interviewees thought that, on their own terms, policy cycles like ROAMEF should produce policies that use government resources effectively and efficiently. Nevertheless, almost every interviewee argued that they are divorced from reality; policies “*are not made with your policy cycles... that’s not how the real world works*”, said one.<sup>60</sup> Indeed, as long ago as 1999 the Cabinet Office explicitly rejected the use of policy cycles, saying:

*we started to try to represent the ‘modernised’ policy process in the traditional way, using a model... showing sequential activities organised in a cycle. But we found that experienced policy makers reacted against such a presentation because they felt it did not accurately reflect the realities of policy making.*<sup>61</sup>

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<sup>60</sup> Civil service interviewee.

<sup>61</sup> Cabinet Office, *Professional Policy Making for the Twenty-First Century*, 1999, Section 2.9.

Many academics agree with this judgment (although they do not always offer practical alternatives).<sup>62</sup> Indeed, recommended processes often seem to be simply “*the shell of policy presented for public and media consumption*”, rather than practical application.<sup>63</sup>

What is interesting is that many of the frameworks themselves admit this point, saying that they offer an ideal to guide policy makers’ actions, rather than a real process to be followed.<sup>64</sup> But simply providing an unrealistic ideal is hardly sufficient, given the importance of policy making. And, in any case, we found little evidence that doing so was adding much value. We believe that more can be done - there is a place for process, it just has to address the real challenges that policy makers face.

In the face of practical experience and academic evidence, the Cabinet Office abandoned attempts to use a policy cycle, and focused on the qualities of policy making instead. Given this decision, it is surprising that the Treasury continues to base its ‘binding guidance’ for policy making on such a cycle.<sup>65</sup> Moreover, the Green Book guidance now appears, slightly modified, in several departments’ specific policy cycles. Not only is the government’s main piece of guidance on the policy process divorced from reality, it is inconsistent with the Cabinet Office’s approach.

The more one delves into the reality of policy making, the more that policy cycles and their like resemble a ‘policy myth’: “*a narrative created and believed by a group of people which distracts attention from a puzzling part of their reality*”.<sup>66</sup> Attempts to improve policy making must confront reality, however puzzling it may seem. Maintaining the comforting narrative of a policy cycle often means that, in practice, policy makers often have to fall back on their native wits. This is why many interviewees voiced concerns about the *ad hoc* nature of policy making: there is not so much a lack of recommended processes, just a lack of realistic ones. As one former special adviser commented:

*You know, it just feels quite sort of unstable from the inside, and a part of that I think is not terribly good training and not terribly good standardisation of the ways in which you do certain things... [doing things] slightly differently is probably fine, but some [Bill teams] just did things fundamentally differently, and it was very, very clear that there is nobody working from a really clear template... I suppose what I’m saying is that the amount of ad hoc-ery really, really surprised me. Ad hoc-ery in terms of policy making, officials’ expertise and knowledge of the system.*

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<sup>62</sup> There are many ‘non-rationalist’ accounts of policy making, notably: Charles E. Lindblom, ‘The Science of “Muddling Through”’, *Public Administration Review*, vol. 19, 1959, pp. 78-88; Michael D. Cohen, James G. March, and Johan P. Olsen, ‘A Garbage Can Model of Organizational Choice’, *Administrative Science Quarterly*, vol. 17, 1972, pp. 1-25; John W. Kingdon, *Agendas, Alternatives and Public Policies*, Longman, 2<sup>nd</sup> ed. 1995; Paul A. Sabatier and Hank C. Jenkins-Smith (eds.), *Policy Change and Learning: An Advocacy Coalition Approach*, Westview Press, 1993.

<sup>63</sup> John, *Analysing Public Policy*, 1998, p.27.

<sup>64</sup> Cf. Peter Bridgman and Glyn Davis, ‘What Use is a Policy Cycle? Plenty, if the Aim is Clear’, *Australian Journal of Public Administration*, vol. 62:3, 2003, pp. 98-102.

<sup>65</sup> Similarly, the new Policy Skills Framework presents the policy process as a sequence of stages.

<sup>66</sup> Dvora Yanow, *How Does a Policy Mean? Interpreting Policy and Organizational Actions*, Georgetown University Press, 1996, p.191.

The National Audit Office's last major report on policy making concurred with this view, saying that most departments "*considered policy making a 'black box' process, something which is somewhat intuitive and happens as a matter of course*".<sup>67</sup>

### Qualities: there is clarity on the desired qualities of policy making, but not on how to achieve them

The main thrust of the Cabinet Office's Professional Policy Making approach is to define the qualities that policy making should possess. The qualities are presented as "*a series of high level features which, if adhered to, should produce fully effective policies*".<sup>68</sup> The problem with this approach is that it fails to address real-world pressures that prevent policy makers from 'adhering to' what is required. As one civil servant explained, "*if you've got to be evidence-based, and inclusive, and joined up, and consultative, and outward-looking, you can't deliver a policy in a week - but ministers want policies tomorrow*".

During the course of 2010, we conducted a survey that asked ministers and civil servants to what extent policy making possessed the qualities outlined by the Cabinet Office.<sup>69</sup> Figure 6 shows the relative strengths and weaknesses that were identified. It is important to note that these are *relative* strengths and weaknesses: in other words, the data do not necessarily tell us that evaluation in government is poor in absolute terms - they simply suggest that evaluation is the weakest element, compared to the others.

The similarities between the views of ministers and civil servants are striking. They both tend to agree that government is better at being outward looking, inclusive and evidence based, and worse at evaluation, joining up and innovation.

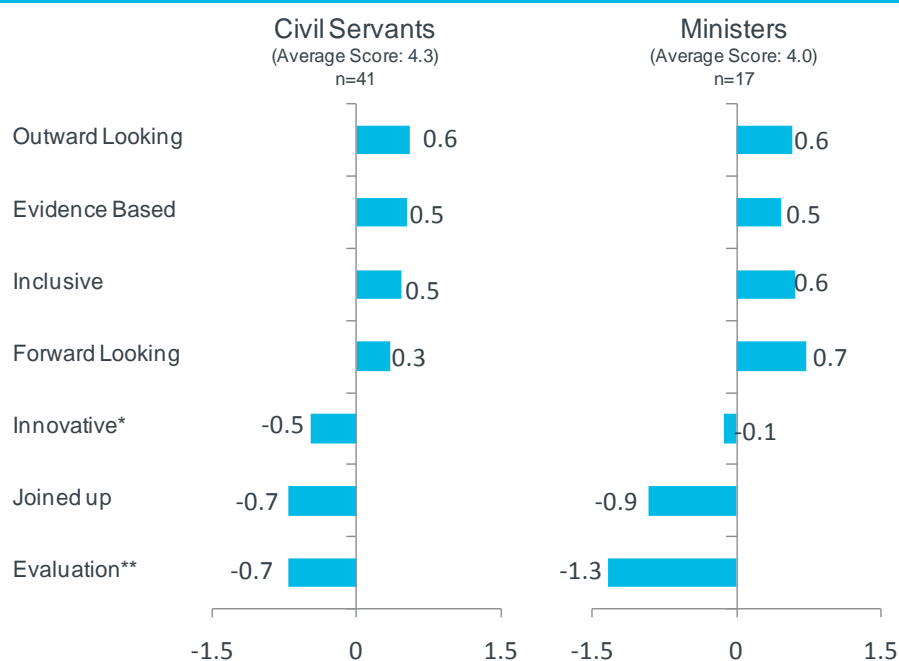
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<sup>67</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.48.

<sup>68</sup> Cabinet Office, *Professional Policy-Making for the Twenty-First Century*, 1999, para 2.1.

<sup>69</sup> For the methodology of this survey, see Annex A. Note the small sample size for ministers means results should be seen as indicative only.

**Figure 6 – Strengths and weaknesses of policy making characteristics**



Based on a survey of former ministers and Civil Servants. The results show the deviation from the average score given for various categories response to the following question: "In your experience, how often would you say that government policies were ..." (using a seven point scale where 1 = 'never' and 7 = 'always').  
 \* Innovative, Flexible and Creative; \*\* Evaluation, Review and Learning

What is more interesting is that, despite concerted efforts at improvement over the last ten years, the results seem to be stable over time. Our findings are very similar to those obtained by the Cabinet Office in 2001: being inclusive and evidence-based emerged as strengths; joining up, evaluation and innovation as weaknesses.<sup>70</sup> Similarly, relative strengths and weakness remained mostly constant between Capability Review rounds.<sup>71</sup> And it is striking how reports aimed at improving policy making keep returning to the same issues over the years: the need to increase innovation,<sup>72</sup> join up better,<sup>73</sup> listen to 'delivery agents' more,<sup>74</sup> and so on. There are obvious weaknesses in policy making, which are widely acknowledged and yet still endure.

<sup>70</sup> Cabinet Office, *Better Policy-Making*, Centre for Management and Policy Studies, 2001; available at: <http://www.nationalschool.gov.uk/policyhub/docs/betterpolicymaking.pdf>

<sup>71</sup> See Chapter 3.

<sup>72</sup> See, most recently, NESTA, Innovation Unit, The Lab, *Radical Efficiency: Different, Better, Lower Cost Public Services*, 2010; John Bessant, Tim Hughes and Sue Richards, *Beyond Light Bulbs and Pipelines: Leading and Nurturing Innovation in the Public Sector*, Sunningdale Institute, 2010.

<sup>73</sup> In 1854, the Northcote-Trevelyan report noted the "fragmentary character" of the Civil Service, wherein "each man's experience, interests, hopes, and fears are limited to the special branch of service in which he himself is engaged", leading to "the growth of narrow views and departmental prejudices"; in Stafford Northcote and Charles Trevelyan, *A Report on the Organisation of the Permanent Civil Service*, 1854. Some would argue that little has changed over the last 150 years. See Simon Parker, et al. *Shaping Up: A Whitehall for the Future*, Institute for Government, 2010, Chapter 3.

<sup>74</sup> Sunningdale Institute, *Engagement and Aspiration: Reconnecting Policy Making with Front Line Professionals*, 2009; Cabinet Office, *Listening to the Front Line: Capturing Insight and Learning Lessons in Policy Making*, 2009.



Our research indicates that these problems endure because of systemic barriers to making policy innovative, long-term, and so on. Recent attempts to reform policy making have not adequately addressed these barriers: guidance is effective at detailing *what* should be done, but not *how* it could be done. As one interviewee said of the need to work across departments, “*I think we know all about it, I think we know what the issues are, but I think we still really struggle to crack it, basically, and the structures are not set up in a way to make it easy.*”<sup>75</sup>

Policy makers *know* they should be innovative and joined up, but face major difficulties realising these qualities in practice. Again, the theory does not take note of the reality, which means policy makers are given few practical means to tackle the issues. And so problems endure.

### Structures: structural changes have been incoherent and incomplete

As Chapter Three shows, there have been many attempts to change organisational structures, both within departments and at the centre of government. These reforms have been driven by:

- Pressure to ‘join up’ between departments and within departments;
- the goal of taking a more long-term, strategic approach to policy making;
- the desire to make more use of analysis and evidence, and to strengthen quantitative skills in policy making; and
- ambition on delivery.<sup>76</sup>

Undoubtedly, these changes have brought improvements: the Strategy Unit, for example, is widely seen to have supplied fresh ideas and a more joined-up approach to making policy.<sup>77</sup> At the same time, some changes have led to confusing or incoherent arrangements – both within the centre of government, and in the relationship between the centre and departments.

There are already indications that some of these structural reforms will not endure. The role of the Delivery Unit had already changed with its move to the Treasury, and now it has disappeared; the Strategy Unit has been disbanded and dispersed; the Treasury appears to be returning to a more conventional Finance Ministry role.

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<sup>75</sup> Compare to the judgment the Cabinet Office made in 1999: “In particular, the importance of joining up effectively is now well understood by policy makers though they are still feeling their way when it comes to how best to achieve it”; in Cabinet Office, *Professional Policy-making for the Twenty-First Century*, 1999, Section 1.3.

<sup>76</sup> See David Richards, *New Labour and the Civil Service: Reconstituting the Whitehall Model*, Palgrave, 2007.

<sup>77</sup> See House of Lords Constitution Committee, *The Cabinet Office and the Centre of Government*, 2010, paras 44-52; available at: <http://www.publications.parliament.uk/pa/ld200910/ldselect/ldconst/30/3004.htm>

Yet some of the changes will assume ever greater importance. Within departments, there have been reforms to reflect new demands on policy making: many now have 'pools' of policy makers who can be deployed flexibly to address problems. These reforms present policy making as a series of discrete and finite projects, with civil servants acting on a quasi-consultancy model. They offer many potential advantages, such as making departments more responsive to ministerial priorities, and increasing efficiency by having fewer people 'locked into' standing policy teams.<sup>78</sup> In the face of impending budget reductions, most departments now appear to be moving to the policy pool model.

The problem is that the reforms are in danger of being incomplete. Several structural issues that are vital to the success of policy pools are not being addressed: governance, career structures, team composition, and knowledge management. Moving to more flexible structures requires a corresponding drive to learn lessons and deal consistently with stakeholders. The risk is that a new fissure will be introduced: between those who develop policy, and those who oversee its implementation and manage long-term relationships.

Flexible pools offer a credible way to cope with a reduction in policy personnel. They could lead to a cohesive arrangement where minister-led boards align resource allocation, overall departmental objectives and policy commissioning in a way that has not happened before, brought together through business plans. But this vision is unlikely to be achieved unless other structures are reformed as well.

### Politics: existing approaches neglect politics or treat it as something to be 'managed'

Many languages do not have separate terms for 'policy' and 'politics'.<sup>79</sup> As Chapter Eight shows, there is a good reason why: politics is integral to policy making. But most of the existing attempts to improve policy making pay very little attention to the role of politics. *Professional Policy Making* treats politics briskly, before moving on to set out its model of policy making. It presents politics as something external to the policy process, as a 'context' that must be 'understood' or 'managed'.<sup>80</sup> As an academic observer notes, in this model "*policy-making is characterised as an ideology / value free zone in which professional policy makers are only interested in what work*"; when politics does feature, it "*appears as something of an irritating obstacle in the way or a problem to be managed and overcome*".<sup>81</sup>

The recent Policy Skills Framework signals a new direction, since it includes politics as one of the three main dimensions of policy making, alongside 'evidence' and 'delivery'. The framework specifies certain goals that civil servants should achieve when dealing with the political dimension of policy making. In this regard, it represents a major step forward.

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<sup>78</sup> There has, however, been little evaluation of the impact of the approach in departments which have tried it.

<sup>79</sup> Yehezkel Dror, 'Training for Policy-Makers', in Michael Moran, Martin Rein and Robert E. Goodin (eds.), *The Oxford Handbook of Public Policy*, Oxford University Press, 2006, p.81.

<sup>80</sup> Cabinet Office, *Professional Policy Making*, 2001, Figure 3, para 1.6.

<sup>81</sup> Wayne Parsons, 'Modernising Policy-making for the Twenty First Century: The Professional Model', *Public Policy and Administration*, vol. 16, 2001, pp. 93-110; Wayne Parsons, 'From Muddling Through to Muddling Up – Evidence Based Policy Making and the Modernisation of British Government', *Public Policy and Administration*, vol. 17, 2002, pp. 43-60.

But the framework alone cannot give an account of *how* these behaviours can be achieved. There is no account of how institutional support will help policy makers overcome the barriers to 'maintaining political legitimacy' as a policy is implemented. More is needed to close the gap between the theory and practice of policy making, and this should be a priority for the ongoing work by the Policy Profession.<sup>82</sup>

Although the new framework gives politics a central role, there are still elements of a technocratic approach. Political implications are to be 'managed', political buy-in must be 'secured', and the political context 'acknowledged'.<sup>83</sup> Such an approach may be inevitable: after all, the civil service is a politically neutral body, concerned with the administration of policy decisions that ministers make and for which they are held accountable. But, as many have noted, in the real world of policy making the notional clear division of responsibilities becomes fuzzier.<sup>84</sup> As one experienced special adviser argued:

*the best process is when ministers and SpAds and officials all see themselves as having a considerable amount of responsibility to originate policy, to plan it, to think hard about implementation, to identify and work through political obstacles and implementation obstacles. And, really, there aren't that many things that should be exclusively the SpAds' terrain or exclusively the officials' terrain.*

But if ministers and civil servants are part of the same policy making team, they do not all have to obey the same rules. The *Ministerial Code* states that "Ministers have a duty to give fair consideration and due weight to informed and impartial advice from civil servants, as well as to other considerations and advice in reaching policy decisions."<sup>85</sup> That aside, there is no framework of expected skills or behaviours that ministers have to observe.<sup>86</sup> The only assessments of ministerial policy making are extremely informal, if they take place at all. One minister of state we interviewed thought this was a major problem:

*I found it quite extraordinary that at no time in my eight years as a minister was I ever subject to any formal evaluation of my performance, successes, failures, what seemed to be going well, what wasn't.*

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<sup>82</sup> See <http://www.civilservice.gov.uk/my-civil-service/networks/professional/policy-profession/index.aspx>

<sup>83</sup> To use an analogy: in government policy guidance, politics has moved from being treated as an uncertainty (i.e. something that must be tolerated) to being treated as a risk (capable of being calculation and management); the next step would be to represent it as an opportunity as well.

<sup>84</sup> See, for example, Hugh Hecllo and Aaron B. Wildavsky, *The Private Government of Public Money: Community and Policy Inside British Politics*, Macmillan, 1974; William Plowden, *Ministers and Mandarins*, IPPR, 1994.

<sup>85</sup> Ministerial Code, section 5.2; available at: <http://www.cabinetoffice.gov.uk/media/409215/Ministerialcodemay2010.pdf>

<sup>86</sup> The political commitment to 'evidence-based policy' in the late 1990s and early 2000s is considered in Chapter Eight.

The exemption of ministers is perhaps the biggest flaw in attempts to improve policy making.<sup>87</sup> A recent study concluded that ministers are “*insufficiently accountable for their performance*”, and therefore “*civil servants are not in a good position to resist improper demands [or] challenge Ministerial amateurism or prejudice.*”<sup>88</sup> Our interviews showed a high level of agreement on what the minister-civil servant relationship *should* be like, but this was not always realised in practice. Ministers may fail to enable an atmosphere in which constructive challenge is possible; civil servants can react by censoring themselves and ‘over managing’ ministers.

Past attempts to improve policy making have been technocratic, and have neglected the value that politics brings. But good policies emerge from achieving the right blend of the political (mobilising support and managing opposition, presenting a vision, ability to set strategic objectives) and the technocratic (evidence of what works, robust policy design, good implementation plans). One way of achieving this blend is to exploit the value of *politics* for policy making, while minimising the effects of *politicking*. But this can only happen if there is institutional support which recognises the forces at play, rather than trying to write politics out of the equation.

## Summary

Looking at the reality of policy making reveals that recent improvement attempts have often offered “*a very peculiar and wholly inaccurate representation of both the policy-making process and the challenge of actually improving it*”.<sup>89</sup> There seems to be a gap between theory and practice: policy makers know what they should be doing, but often experience difficulties putting it into practice. As a result, they often have to rely on inconsistent and ad hoc measures.

There are signs that the policy profession is starting to address some of these problems. But there is considerable work to be done in order to create a realistic, coherent approach to improving policy making. The following four chapters show the extent of the challenge.

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<sup>87</sup> We found just one instance of Ministers being mentioned in attempts to improve policy making. *Modernising Government* stated that the CMPS would offer joint training for Ministers and civil servant “to allow them to discuss the way policy is, and should be, made” (Section 2.12). It appears that two induction programmes and a high-level seminar were held (<http://webarchive.nationalarchives.gov.uk/20100512143614/http://archive.cabinetoffice.gov.uk/moderngov/download/act0008a.pdf>). As noted, the CMPS lost its policy function in 2002.

<sup>88</sup> Lodge and Rogers, *Whitehall's Black Box*, 2006, p.7.

<sup>89</sup> Parsons, ‘From Muddling Through to Muddling Up’, 2002, p. 54.

## 5. Process

*“All the models that I've ever seen are great in theory but usually assume that you're going to stop for a month and examine everything. The world is rarely like that.” (Senior civil servant, 2010)*

### Policy making is presented as a series of stages

Most guidance for making policy presents the process as a logical flow between discrete phases, so that the defining of objectives precedes and informs the appraisal of options, and so on. There are good reasons for thinking this way, since it represents our basic model of democracy: politicians are elected with goals, which are translated (through a process of consultation and lobbying) into plans for action by government, and then executed by officials. It is a basic input-output model, and has strong intuitive appeal.

Clearly, there are elements of truth in the stages model. Some aspects of policy development may be able to conform to its neat and rational approach, and there is a good case for trying to manage external pressures to try to ensure that it does. Moreover, most current models represent the process as cyclical rather than purely linear, so that experience of previous policies informs new ones. This has the advantage of recognising that few policies are built on green field sites – most modify existing positions, which may have grown up piecemeal over time.

The issue is not that the model is wrong, but that it is too distant from reality to be useful. As the National Audit Office (echoing the Cabinet Office) points out, existing guidance is not well used precisely because *“it reduces policy making to a structured, logical methodical process that does not reflect reality.”*<sup>90</sup> Even policies which have the semblance of proceeding in stages actually consist of a series of reversals and repetition. Stages are fused together, get driven by contingencies not logic, and produce diffuse effects that overlap with those from other policy initiatives.<sup>91</sup>

Current guidance offers little support for policy makers faced with such situations, apart from restating what should be happening. Indeed, the lack of realism in the policy stages model may actually create new problems for policy makers. The following sections show how far the realities of policy making diverge from the recommended model.

### Policy making does not take place in distinct stages

While interviewees could see the logic of describing policy making in stages, they thought it did not have much use for people in the thick of the policy process. As one civil servant said:

*I think half of the trouble about better policy making is that... when Whitehall tries to improve it through models and kind of approaches and so on, is that sometimes people don't recognise when they're formulating a policy; and [policy making] never happens as a process with a beginning, a middle and an end, the way it sort of ought to.*

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<sup>90</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.48.

<sup>91</sup> Government Social Research, *Analysis for Policy: Evidence-based Policy in Practice*, 2005, p.12.

It is unlikely that policy 'never' happens this way. But it is true that the stages of policy making do not just often overlap, they are often inseparable. The pressures of the real world of policy frequently lead to the identification of a policy goal and the selection of options for action becoming fused together. In other words, plans may be present at the same time, or before, a need to act has been identified. As one civil servant put it, "*we are not living in a perfect world where we just get given a problem and get told, 'Go away and work out what your solution is.'*" The policy problem gets analysed only in the light of possible solutions, rather than on its own terms.

There are two main ways this fusion leads to poorly conceived policies:

- when existing policies confuse the way options are matched to policy goals;
- when ministers are fixed on a solution that is flawed or whose relationship to a policy problem is unclear.

The following sections explain each of these points briefly.

### Existing policies can confuse the way options are matched to policy goals

There are powerful forces acting in the favour of existing policies – bureaucracies have a tendency to inertia and continuity, and the difficulty of 'stopping things' in government has been remarked upon.<sup>92</sup> In terms of policies, longevity breeds legitimacy; the result can be that a policy becomes 'its own cause'.<sup>93</sup> Therefore, care is needed when adapting existing policies to new goals, since they may impede a clear analysis of the policy problem.

Child Maintenance was given as an example of a policy that ended up attracting goals which fitted it poorly. The guiding rationale for setting up the child support system was that parents should take responsibility for their children.<sup>94</sup> Subsequently, alleviating child poverty became a major policy goal, and Child Maintenance began to be framed as a means of achieving this goal.<sup>95</sup> But was it the best way of doing so? We heard the argument that the system was a fairly inefficient way of transferring money to mothers so they can, in turn, spend it on children. A straight benefits-type income transfer was presented as a cheaper alternative.<sup>96</sup> The prior existence of the child maintenance system means it is naive to say the policy process simply moved from the consideration of options to the selection of goals. As one interviewee said, there was a sense in which civil servants were

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<sup>92</sup> Christopher Pollitt, *The Essential Public Manager*, McGraw-Hill, 2003. Some interviewees said that organisational or cultural factors may lead to civil servants adapting existing ideas for Ministers. One former Minister said that some standing policy teams "Ministers come in every now and then and say oh I want to do this, they will get something off the shelf and re-label it and send it back up, and say here it is, they would just have rewritten the briefing that says well this is what you want Minister. It is not." See Chapter Seven.

<sup>93</sup> Aaron B. Wildavsky, *Speaking Truth to Power: The Art and Craft of Policy Analysis*, Little Brown, 1979.

<sup>94</sup> DWP, *A New System of Child Maintenance*, 2006, paragraph 7; available at: <http://www.dwp.gov.uk/docs/csa-summary.pdf>

<sup>95</sup> The 2006 White Paper represents "a new system that is more clearly focused on tackling child poverty"; in DWP, *Raising Expectation and Increasing Support: Reforming Welfare for the Future*, 2008, p.135.

<sup>96</sup> There is support for this point in Chapter 2.2 of Christine Skinner, Jonathan Bradshaw and Jacqueline Davidson, *Child Support Policy: An International Perspective*, DWP, 2007; available at: <http://campaigns.dwp.gov.uk/asd/asd5/rports2007-2008/rrep405.pdf>



*trying to retro-fit a vision onto a policy that was already in place, when actually that wasn't really what the policy had been designed to achieve... finding a way to position their established policy and delivery into a new political kind of structure and [saying], 'Oh, well actually we thought this was all about personal responsibility but actually it's really all about job opportunities...'*

Of course, any realistic policy maker needs to start from the existing system, not least because any change produces winners and losers – and too many losers may make the policy undeliverable. But there are also organisational pressures which influence such decisions, which may need to be corrected for to ensure good policy making. The situation is more complicated than most models admit, which means they can offer little practical help.

### Fixation on solutions with flaws or unclear goals

Ministers frequently enter office with plans to get things done, particularly if they have had time to formulate them in opposition. Rather than identifying a problem and working with the civil service to find options to address it, policies can enter the process with a defined shape. Ministers may want civil servants to implement *this* plan, rather than consider others. Doing so may not be a problem, but the risk is that ministers introduce plans for action which have an unclear goal or which address the problem in a flawed way. As one civil servant explained:

*Very often the problem is not even conveyed to you... We'd be presented with a solution and then expected to either implement it or advise on it. And of course it's impossible to do that if you don't understand what [ministers] perceive the problem to be that they're trying to solve.*

The current policy process does not do enough to address these difficulties. Policy makers agreed that an honest, iterative discussion with ministers was needed to address them. High-level policy goals need to be clearly established. However, such discussions are impeded by a lack of time and appropriate institutional arrangements (Chapter Seven), as well as problems in ministerial-civil service relationships (Chapter Eight). Rather than having this explorative discussion, policy making quickly gets bound up in options, which can obscure the policy problem at stake. One civil servant explained the situation:<sup>97</sup>

*I think very rarely do we get the time and the space to be able to kind of say, 'What is it that we are trying to achieve here?' And it's very rare that you get to sit down with a minister and just kind of go, 'Just tell me what you want me to do. What do you want to achieve? And let's make sure that we have the policy end-goal in mind.' Because what they end up doing is they kind of say, 'I want to do [this specific imitative],' and we say, 'Okay, what do you mean by [that]? Okay, right so you need such-and-such.' So immediately you go into that problem-solving thing rather than necessarily kind of going, 'Right, when you say that, what is it you want to achieve? And actually is [that initiative] the right way of doing it?' Because, you know, people have decided that they have a vision and if they've decided that the policy is kind of linked to that, where sometimes those are not right - but we don't really have much of a discussion about them necessarily.*

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<sup>97</sup> The policy being discussed here has been excised to preserve anonymity.



As the final sentence indicates, the problem may not be that the policy goal is unclear, but rather that it is linked to a delivery mechanism that is not quite right. The policy cycle is not much use here because we have departed from it almost before the process has begun. There is a need for realistic safeguards to help ensure the option has been tested properly, not least because experience shows that policy design is not a simple matter - and it can lead to major problems if not heeded properly.

The Chancellor of the Exchequer concluded the 2007 Budget with a flourish. He stated that his measures meant that the election pledge to not raise income tax would be met. In fact, he could go further:

*Indeed to reward work, to ensure working families are better off, and to make the tax system fairer, I will from next April cut the basic rate of income tax from 22p down to 20p. The lowest basic rate for 75 years. And I commend this Budget to the House.*<sup>98</sup>

The move created an instant political advantage: the surprise announcement of a tax cut “produced huge roars on the Labour benches and awkward gasps on the Tory benches”.<sup>99</sup> The ability to announce a cut in income tax had great symbolic power. But this ability was only created by corresponding abolition of the 10p band of income tax. The government’s initial position was that those on lower incomes would not be worse off thanks to a corresponding increase to tax credits.<sup>100</sup> However, evidence grew that significant sections of the population would, in fact, lose out.<sup>101</sup> After MPs received waves of complaints, the threat of a backbench rebellion grew.<sup>102</sup>

Eventually the government agreed to raise the personal tax-free allowance, which led to most low and middle earners being “back where they would have been”; the government borrowed money to pay for the changes, which cost £2.7bn.<sup>103</sup> Looking back, the Treasury Select Committee criticised the “sudden and final nature of Budget decisions”, and reflected that “such short-term benefits are outweighed by the longer term benefits resulting from proper consultation”<sup>104</sup> Giving greater weight to the design flaws when deciding to go ahead with the policy would have actually led to greater political advantage (and better policy making).

If solutions and problems often emerge together, then honest discussions become vital checks to ensure policy is made well. One senior civil servant went as far as claiming that “90% of success is in the articulation of the task”. But if these discussions take place it is more owing to chance or personalities than good process, since the current model does not acknowledge the complexity and pressures of the real world. As one interviewee put it:

*You don’t start from scratch, surveying the evidence and so on and building up from there and arriving at some policies. Someone comes in with an idea and our job so often is to sort of retro fit the evidence and rationale to support the policy that ministers have already decided they want to pursue.*

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<sup>98</sup> [http://www.direct.gov.uk/en/N11/Newsroom/DG\\_067074](http://www.direct.gov.uk/en/N11/Newsroom/DG_067074)

<sup>99</sup> [http://news.bbc.co.uk/1/hi/uk\\_politics/6472999.stm](http://news.bbc.co.uk/1/hi/uk_politics/6472999.stm). The political advantage of the announcement features heavily in: [http://news.bbc.co.uk/1/hi/uk\\_politics/6475031.stm](http://news.bbc.co.uk/1/hi/uk_politics/6475031.stm)

<sup>100</sup> <http://news.bbc.co.uk/1/hi/6477315.stm>

<sup>101</sup> See, for example, <http://www.ifs.org.uk/publications/4195>

<sup>102</sup> [http://news.bbc.co.uk/1/hi/uk\\_politics/7330007.stm](http://news.bbc.co.uk/1/hi/uk_politics/7330007.stm)

<sup>103</sup> <http://www.timesonline.co.uk/tol/money/tax/article3952706.ece>

<sup>104</sup> Treasury Committee, *Budget Measures and Low-income Households*, 2008; available at: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmtreasy/326/326.pdf>

This is the situation civil servants often find themselves in. Therefore, we need better ways of ensuring that the policy problem has been fully considered, and to enable civil servants to help politicians formulate their strategic policy goals. Such goals are crucial – civil servants said that a lack of direction also leads to poor policies. So, the challenge for the policy process is to create a situation of ‘directed exploration’, where ministers are clear about their goals, and then are prepared to engage in a honest, iterative discussion about how to achieve them.

### Policies need to be designed, not just conceived

A number of policies fail, not because they were intrinsically bad ideas, but because they were poorly designed – whether they be the Child Support Agency, Individual Learning Accounts or, arguably, tax credits. A greater emphasis on *policy design* helps to ensure that the planned actions represent a realistic and viable means of achieving the policy goals. The policy’s purpose and the means by which this purpose will be realised become fully integrated. In business, there is a quality control phase where new products are prototyped and stress-tested, before being trialled and finally going to market.<sup>105</sup> Many ideas that look good on paper never make it through.

While such testing does happen for some public sector policies, it could be much more extensive and rigorous.<sup>106</sup> One interviewee expressed the problem eloquently:

*If we built aeroplanes the way we build policy, none of them would ever fly. What I mean by that is that if you are designing an aeroplane, you have a really rigorous process of testing and quality control around it before you kind of let it loose. And I think most of the time in policy making we don't do that. Sometimes we do. Actually, I think the bigger the policy the more likely you are to do that. So a policy that is going to cost billions of pounds is something which has a lot of OGC Gateway-type reviews done to it and so on, and there is quite a lot of quality control built into that. But we see a lot of relatively smaller policies kind of being taken forward to Cabinet for agreement which don't have that degree of quality control around them, and they're basically just wheezes – you know, they're wheezes which kind of might fly or might not fly. But some of them... they have the potential to affect millions of people, and even though the cost to the public purse may not be enormous, the cost to individuals or the inconvenience to individuals is real.*

Individual reports may have stressed the importance of policy design, but the policy process still does not provide enough support to make it happen systematically.<sup>107</sup> It is important to note that inadequate policy design is not specific to the UK context. William D. Eggers and John O’Leary explain that there is a “*design trap*” in the US policy making system, and report findings that fewer than one-third of America’s senior federal executives believe that the federal government is effective at designing public policy.<sup>108</sup>

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<sup>105</sup> For example, one model for conducting this quality control is Failure Mode and Effects Analysis. See: <http://www.fmea-fmeca.com/>

<sup>106</sup> At a local level, Barnet Council is currently prototyping some of its initiatives. See: <http://www.guardianpublic.co.uk/prototyping-public-services>

<sup>107</sup> The government’s best treatment of this issue is the PIU’s working paper *Better Policy Delivery and Design*, 2001. See also National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001; Davis B. Bobrow and John S. Dryzek, *Policy Analysis by Design*, Pittsburgh University Press, 1987.

<sup>108</sup> William D. Eggers and John O’Leary, *If We Can Put a Man on the Moon... Getting Big Things Done in Government*, Harvard Business Press, 2009, pp. 52-77.

Nevertheless, there are many specific aspects of the UK system that mean policy design is under-developed. Prestige and power is concentrated on fixing the scope and conception of the policy, parameters that are often set in an atmosphere that values decisiveness and speed. The way the current process separates the design of policy from its implementation creates problems when combined with current career structures. As one civil servant put it, there are few incentives to consider whether the policy design is realistic – the sense is that “*if you’ve designed the policy you’ve done your bit, you’re perhaps moving on, you’re not there to then be held accountable for whether it was well delivered or not.*” A lack of ‘real world’ experience also contributes to designs that are based on unrealistic predictions about how people will behave, often derived solely from models or assumptions.<sup>109</sup>

One of the main reasons given for poor policy design are the “*very, very poor connections between policy advice and delivery experience, so often policy ideas are put forward in the absence of any understanding whatsoever in how you actually deliver anything*”, in the words of a former cabinet minister. The obvious solution is to increase the involvement of implementers in designing policies, but interviewees made clear this still happened irregularly, rather than systematically.<sup>110</sup> The barriers to doing so are both practical (e.g. the momentum that may have built up behind a particular option) and cultural (e.g. the status accorded to abstract analysis rather than practical expertise). As one civil servant argued:

*I think that no matter what the time pressure you're working to, you should avoid just closing down and not talking to anyone else about it. There have been some instances I can think of where we've done stuff at such time pressure that I haven't, for example, been able to talk to the department in detail about what we've been designing and then in implementation it becomes a nightmare.*

At the same time, the operational perspective should not drown out all others; when designing a policy, the key is to get a balance of perspectives. As one interviewee explained:

*you've still got to think about what is possible legally, or what we can afford, and there is always the political presentational dimension.*

Despite the need to build in design to the policy process, the complexity of modern governance means it is unlikely that policies can be designed perfectly, so that nothing will go wrong or need to be revised. We explore this issue further in our *System Stewardship* report.

### Policy making is often determined by events

Policy making does not take place in a vacuum, where the government is in total control of its agenda. Much policy making is driven by the need – actual or perceived – to respond to events. As one civil servant explained, these events can lead to:

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<sup>109</sup> This is a problem that recurs in studies of policy failures. The Child Support Act and the introduction of single farm payments are obvious examples. See Jane Lewis, 'The Problem of Fathers: Policy and Behaviour in Britain', in Barbara Hodson (ed.) *Making Men into Fathers: Men, Masculinities and the Social Politics of Fatherhood*, Cambridge University Press, 2002, pp.125-149; the National Audit Office noted the lack of understanding of “likely consumer behaviours” in its report on *The Delays in Administering the 2005 Single Payment Scheme in England*, 2006.

<sup>110</sup> “Involving implementers and evaluators in policy design is key to assessing the practicability of a policy. We found, however, that implementers and evaluators were consulted fairly late in the design process”; in National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.31.

*media pressure to come up with an answer, and come up with it quickly, and to be seen to be doing something before you have a chance to think of it.*

The results can be sharp discontinuities and apparently illogical decisions. One former cabinet minister explained how the government's coherent position can get overwhelmed by events:

*We were very, very keen that policy should be driven by the overall strategy of the government, and the overall strategy of the government became to be economically sound, to reform the public service to make them consumer driven not producer driven, and to fight crime and antisocial behaviour effectively. So the aim of policy was to achieve those broad strategic objectives.*

*The difficulty was that in order to deliver those objectives, a particular crisis would affect what you did. So for example, policy on the Health Service was very heavily driven by the Health Service crisis of 1999 to 2000 in which there was an influenza epidemic, a large number of hospitals got overstretched, and we had to do something about that.*

*We agreed in the early part of 2000 to significantly increase real investment in the Health Service. We at no stage analysed what you should be doing with the Health Service in detail and we followed up a few ideas but effectively too late because we ended up giving this extra money to the Health Service over a three or four year period without any real view about how you would spend it.*

The current administration claims that it will be less governed by the impulse to make policy in direct response to events, and so far there is evidence it is fulfilling this goal.<sup>111</sup> Events also affect policy making in less obvious ways. Policy making represents a series of decisions, each of which are affected by contingent events. As one civil servant wondered:

*once you've done all this work [in the policy cycle]... What is it that finally pushes the decision?... is it really all this work that you do or is it political constraints? That the decisions came on a day when something particularly annoying hit the media?*

Indeed, there is plenty of recent evidence that our choices are greatly affected by factors in our immediate environment of which we are unaware.<sup>112</sup> This means that each decision in the policy process is affected by different contingent factors; they are not made on the unvarying rational basis that existing models assume.

The importance of events suggests that adjustments and reassessments may be crucial to policy making, rather than disruptions to an ideal cycle. As one civil servant put it:

*you have to be able to turn on a sixpence.*

On the other hand, simply responding to events may lead to ineffective, incoherent policy. The crucial point is that there needs to be institutional support to help ensure that such decisions consider policy outcomes, as well as other, perhaps short-term, pressures. Currently, this support is patchy.

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<sup>111</sup> The government's refusal to change gun laws in response to a mass shooting in June 2010 has been remarked upon: <http://www.bbc.co.uk/news/10227429>

<sup>112</sup> Hallsworth, et al. *MINDSPACE*, 2010.

Not all events are the result of the external world affecting policy makers. Many of our interviewees made clear that the desire to capture the news agenda, generate headlines or be seen to be acting could lead to over-hasty announcements. As one civil servant reflected:

*Certain ministers were worse than others, but [there was] a long succession of announcements, and no soon after you have finished one announcement then you are onto the next one. You know, it became quite deeply embedded in the culture that making an announcement was the policy. Or that was the output and that was how other people measured their performance.*

Such self-generated events can often cut across or short-circuit more conventional policy-making activities. And it is important to remember that policies take time to have an impact. Therefore, the gap between Westminster/ Whitehall action and change on the ground can be a matter of years. In short, there is a poor fit between the 'policy cycle' and the political cycle.

## Conclusion

The idea that policy making proceeds in a series of stages is an old one. The political scientists Hogwood and Gunn gave the most influential statement of the idea in their 1984 book *Policy Analysis for the Real World*.<sup>113</sup> The civil service has adapted and adopted their model but, in doing so, has neglected their point that a variety of policy approaches are needed, including those that are “*highly political, pluralist, bargaining and incrementalist*”.<sup>114</sup> In other words, the 'real world' aspect has been left behind – although the policy making profession is now bringing the politics back in (but see Chapter Eight).

The stages model presents a naive view of policy making. Some of its constituent parts are necessary for the making of good policy, but its suggestion that policy can be made through a series of logical, sequential steps, with a clear beginning and end within a finite period, is a dangerous over-simplification. We offer a more realistic vision of policy making in our *System Stewardship* report.

Most policy making bears little resemblance to the model, and so it brings few practical benefits. If policies are successful, it is usually because of contingent factors, rather than because they have been guided by a realistic model of the policy process. Therefore, significant benefits could come from setting out a process which aims for the improvement of policy making, but which is grounded in reality - and thus is more resilient to the inevitable pressures and distortions that occur. We may not be able to create a perfect process that is perfectly adhered to, but we can create a better one that is followed more often.

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<sup>113</sup> Brian W. Hogwood and Lewis A. Gunn, *Policy Analysis for the Real World*, Oxford University Press 1984.

<sup>114</sup> *Ibid*, p.62, cited in Louise Shaxson (2008) 'Who's sitting on Dali's Sofa?', in *Evidence-based Policy-making*, PMPA/National School for Government, 2008.

## 6. Qualities

*“Policy was not driven by adjectives.”  
(Former cabinet minister, 2010)*

### There is clarity on the desired qualities of policy making, but not on how to achieve them

Clearly, it matters *how* policy makers go about their business. The *Civil Service Code* sets out some fundamental qualities that need to be present: public money needs to be used “*properly and efficiently*”, for example.<sup>115</sup> The process of modernisation has led to the desired qualities of policy making assuming even greater importance, since they form the core of the Cabinet Office’s Professional Policy Making approach.

The problem is that identifying such qualities is only half the story: policy makers are familiar with what is desired, but find that the real world throws up significant barriers to realising them. After a decade of effort, several important qualities remain elusive, notably: being joined up, innovative, and open to learning. Some may say that this is because these qualities are intrinsically difficult to achieve. But this still raises the question of whether we are pursuing them in the most effective ways. We argue not: our analysis indicates that current reform efforts do not tackle the real barriers that exist.

This chapter takes two of these qualities and explains the systemic problems that prevent them from being realised – and which are not adequately addressed by current approaches. They are evaluation, review and learning; and innovation. We have not dealt with joining up because it is dealt with at length in another recent Institute report.<sup>116</sup>

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<sup>115</sup> Cabinet Office, *The Civil Service Code*, 2010; available at: <http://www.civilservice.gov.uk/about/values/cscode/index.aspx>

<sup>116</sup> Parker, et al. *Shaping Up*, 2010; available at: <http://www.instituteforgovernment.org.uk/pdfs/shaping-up-a-whitehall-for-the-future.pdf>



## Evaluation, review and learning

### Evaluations are often commissioned but often ignored

The *Modernising Government* White Paper stated the desire that “government should regard policy making as a continuous, learning process, not as a series of one-off initiatives”. Such learning would be accomplished by far greater use of policy evaluations and feedback from those delivering policies.<sup>117</sup> These initiatives mirrored the European Commission’s increasing emphasis on evaluation use.<sup>118</sup> The same year, the Cabinet Office made the size of the task clear by documenting “a widespread perception amongst policy makers that the policy process does not put enough emphasis on learning lessons from experience”.<sup>119</sup> A recent World Bank study agreed that at this point evaluation was “a very low level activity in the UK”.<sup>120</sup>

Eleven years on, there has been some progress: most policy makers agree that evaluation is important, and that government spends a significant amount of money on commissioning formal assessments of past policy.<sup>121</sup> But most politicians and civil servants are extremely sceptical about whether Whitehall *learns* from evaluations effectively: lessons often do not feed back into policy design or problem formulation.<sup>122</sup> In other words, the task of evaluation is performed more often, but the desired quality (learning) has not permeated policy making.<sup>123</sup> In the words of two civil service interviewees:

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<sup>117</sup> Cabinet Office, *Modernising Government*, paragraph 6; available at: <http://www.archive.official-documents.co.uk/document/cm43/4310/4310-02.htm>

<sup>118</sup> A 1996 Communication on evaluation recommended that every operational service had a sector or unit “with lead responsibility for evaluation”, to work “in close collaboration with programme management and financial/budget units”. See European Commission, *Evaluation of Community Expenditure Concrete Steps towards Best Practice across the Commission*, SEC 96/659 final, 1996; Kevin Williams, Bastiaan de Laat and Elliot Stern, *The Use of Evaluation in the Commission Services: Final Report*, Technopolis France and The Tavistock Institute, 2002, p.4.

<sup>119</sup> Cabinet Office, *Professional Policy-making for the Twenty-First Century*, 1999, para 10.2.

<sup>120</sup> Colin Talbot, *Performance in Government: The Evolving System of Performance and Evaluation Measurement, Monitoring, and Management in the UK*, World Bank, 2010, p.11; available at: [http://siteresources.worldbank.org/INTEVACAPDEV/Resources/ecd\\_24.pdf](http://siteresources.worldbank.org/INTEVACAPDEV/Resources/ecd_24.pdf)

<sup>121</sup> We tried to collate the total amount that Whitehall spends on evaluations. The Government Social Research Unit informed us that such data simply is not collected; the spending is not categorised in Resource Accounts or COINS data; some departments give a figure in their Evidence and Innovation Strategies, but these are not always available. Talbot, *Performance in Government*, 2010, p.14 comes to the same judgment.

<sup>122</sup> “Evaluations are an important way to learn from past experience, although the learning is often not embedded into organisational culture and working practice.”; in National Audit Office, *Helping Government Learn*, 2009, p.16.

<sup>123</sup> The question of how policy makes ‘learn’ from evaluation is complex and has been debated for the past thirty years. See Valerie J. Caracelli and Hallie Preskill (eds.), *The Expanding Scope of Evaluation Use*, Jossey-Bass, 2000. Here we mean an ‘instrumental’ mode of learning, where policy makers’ subsequent decisions are informed by the specific findings and recommendations in evaluations. In other words, “intended use by intended users” – Michael Quinn Patton, *Utilization-focused Evaluation*, Sage, 1986, p. 39.



*Whitehall is rather good at commissioning evaluations of policy. I used to find it quite frustrating... that people spend so much time kind of tendering for and setting up the evaluations of policies. I mean it just seemed to be sort of endless. The issue is how they're used. The issue is not whether people commission them. Of course they do commission them, and that is good practice, and people do it, but do they use them? Probably not. Are they done in a way which means that they're easy to use and give you the right lessons? Probably not.*

*I think we're quite bad at this, even though we have an evaluation strategy and evaluation reports. I'm not sure we systematically learn from them.*

This judgment was reflected in the vast majority of interviews, and was the main reason given for the poor scores the category received in our survey. In other words, evaluations are often commissioned but often ignored. Reflecting on his nine year tenure, the Chair of the Committee of Public Accounts said that fact that “*problems arise in 2010 which repeat those of 2001*” indicates “*a systemic failure to learn from experience acquired within and across departments*”.<sup>124</sup>

### Central government is culturally not very interested in the past

There are powerful cultural and practical reasons why this happens. For a start, central government is culturally not very interested in the past, mainly because it is always occupied with present problems.<sup>125</sup> Some ministers admitted that they simply were not interested in how effective their predecessors' policies had been, even if they were of the same party:

*You only really go back and visit something when it becomes a future problem for you. It's because of the time, it's almost like an indulgence, when you've got everything else that you have to do, to sit around navel-gazing about whether or not the policy that you brought in or your predecessor brought in three years ago, which isn't actually causing you a problem, is actually working or not working. (Former Minister of State)*

Similarly, civil servants often feel that their incentives are geared towards looking forwards to the next big policy issue. As one put it: “*I think that there is always something more exciting over the horizon, so the looking back isn't necessarily encouraged, and it's not necessarily celebrated... people don't see it as a part of their cycle of work.*”

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<sup>124</sup> Edward Leigh, 'An open letter to my successor as Chair of the Committee of Public Accounts', 2010; available at: <http://www.timesonline.co.uk/tol/news/politics/article7079044.ece>

<sup>125</sup> See the discussion of 'organisational unlearning' in Christopher Gilson, Patrick Dunleavy and Jane Tinkler, *Organizational Learning in Government Sector Organizations: Literature Review*, London School of Economics Public Policy Group, 2009; available at: <http://www.nao.org.uk/idoc.ashx?docId=ea222df3-f40f-4887-9ac1-91933dab2961&version=-1>

## Timescales for evaluation and policy making are out of sync

We also heard that the evaluative practices contribute to this problem: there was a common complaint that evaluations took too long. Government policy is fast moving, but academic evaluations can often take years to complete. Policy makers argued that this meant that the results were less useful because “*the world has actually moved on so much*”, and they were less likely to be noticed because the people involved have moved on as well.<sup>126</sup> We found many instances of evaluations being published some years after the policy had been superseded.<sup>127</sup>

Policy makers said the systemic problem was that evaluators and policy makers are on ‘different wave-lengths’, with neither camp understanding the constraints and priorities of the other. There were calls to bring the two communities closer together, perhaps through ‘fast-track access’ to a department’s key academic partners.<sup>128</sup> While some outcomes can only emerge over many years, there is also a role for real-time evaluation of policy implementation that is more flexible, inquiring and independent than performance management:<sup>129</sup>

*It’s almost like if people who are implementing it see that the policy isn’t working as it was intended, that can be fed back ... [but] I think policies are made in central government, and they get pushed out to other tiers of government or even to other agencies completely, and I think here in central government we almost step back. And there isn’t an incentive for those agents or those agencies to report back and give us that sort of intelligence. So perhaps there is a lack of dialogue between us and the people implementing the policies. In fact, I don’t think I really see it happening.*

## Departments have the incentives and opportunity to tone down unfavourable findings

Meanwhile, the government has many incentives to curb or soften evaluation findings that are critical, but which could lead to significant learning. As one interviewee said, “*Quite often, it is a question of ‘Oh god, how do we try and suppress this and try and play down this report that says some rather unflattering things about our minister’s pet policy that we have already rolled out.’*” Academics have recognised this point themselves, admitting that:

*In the ideal world of policy analysis, policy evaluation is an indispensable tool for feedback, learning and thus improvement. In the real world of politics, it is always at risk of degrading into a hollow ritual or a blame game that obstructs rather than enhances the search for better governance.*<sup>130</sup>

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<sup>126</sup> As one review puts it, “synchronising evaluation outputs with different policy needs over time is seen as an important means of encouraging learning” – Williams, de Laat and Stern, *The Use of Evaluation in the Commission Services*, 2002, p.43.

<sup>127</sup> See, for example: Communities and Local Government, *The Long-term Evaluation of the Best Value Regime: Final Report*, 2006; Home Office, *Evaluation of Drug Testing in the Criminal Justice System*, 2004.

<sup>128</sup> There have been many attempts to bring the worlds of academia and policy making closer together. The Canadian work on ‘linkage and exchange’ is particularly relevant. See Michael Hallsworth, et al. *Briefing on Linkage and Exchange*, RAND Europe 2008, available at: [http://www.rand.org/pubs/occasional\\_papers/2008/RAND\\_OP231.pdf](http://www.rand.org/pubs/occasional_papers/2008/RAND_OP231.pdf).

<sup>129</sup> This intention would be to create ‘back talk’, messages sent back to policy designers that violate their assumptions and show how the policy is being realised compared to the intended design. See Donald A. Schön and Martin Rein, *Frame Reflection: Toward the Resolution of Intractable Policy Controversies*, Basic Books (1994), p.123.

<sup>130</sup> Mark Bovens, Paul ‘T Hart, B. Guy Peters, ‘The Politics of Policy Evaluation’, in Moran, Rein and Goodin (eds.), *Oxford Handbook of Public Policy*, 2006, p.320.

Policy makers felt that the media's ferocious excoriation of any government error was a major driving force here. The desire to avoid admitting mistakes means they are not officially acknowledged, creating a barrier to learning from them in future. One interviewee told us that:

*[ministers] are less interested in reviews and how successful their policies are because a review is bound to find some aspects which aren't as good as they might be - and so the press will pick up on that, and you will get a report saying '[the policy] was a fiasco.'*

Dame Deirdre Hine's recent review of the government's purchase of swine flu vaccine is a good example. The report concluded that "*the UK response was highly satisfactory*" and "*soundly based in terms of value for money*"<sup>131</sup> The ensuing newspaper headlines included: "*Ministers wasted millions on stockpile of swine flu drugs for epidemic that never arrived*", "*Swine flu probe hits at flawed advice*", and "*UK's £1bn swine flu blunder left 20m vaccines unused*"<sup>132</sup> Of course, the media should expose and criticise government errors. But the way the media reacts to policy failure creates more policy failure in turn.

Not only do departments have the incentives to suppress evaluation findings (rather than learn from them), they also have the means to do so. The department responsible for the particular policy commissions and oversees the evaluation: they have a major say over what is published. This can lead to:

*pressure to actually make something look a little a bit better than it necessarily was or not show the flaws (Civil Servant)*

One respected evaluation expert cited a major evaluation that he believed had been awarded to the 'safe pair of hands', rather than the most expert bidder. And since many evaluators depend on repeat contracts, they have powerful incentives to acquiesce in self-censorship.

### Evaluations are often not built into policy design, or are poorly executed

Another issue is that evaluation may not be sufficiently built into policy design.<sup>133</sup> For example, the evaluation of the £25m Reducing Burglary Initiative was undermined by "*a number of design weaknesses*". The weaknesses were "*principally derived from a failure to account sufficiently for the wider programme context within which evaluation would take place*". The main point is that "*evaluation and programme designs needed to be developed together at the appropriate strategic level*".<sup>134</sup> Again, systemic pressures often undermine good intentions. Early in the policy process, civil servants are under pressure to deliver; evaluation can be seen as a problem for another day. As one put it, "*you know you should do [evaluation], but all the energy, all the people you've got and all the money you've got, has got to go on actually getting [the policy] done*".

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<sup>131</sup> Deirdre Hine, *The 2009 Influenza Pandemic*, 2010; available at:

<http://interim.cabinetoffice.gov.uk/media/416533/the2009influenzapandemic-review.pdf>

<sup>132</sup> <http://www.dailymail.co.uk/news/article-1291099/British-taxpayers-spent-1-2bn-swine-flu-pandemic-was.html#ixzz0zUllloW6W>; <http://www.ft.com/cms/s/0/a732c7de-8541-11df-9c2f-00144feabdc0,s01=1.html>; <http://www.thisislondon.co.uk/standard/article-23851528-britain-hit-with-pound-12bn-bill-for-swine-flu.do>; <http://www.mirror.co.uk/news/top-stories/2010/07/02/greedy-swines-115875-22376153/#ixzz0zUnjQYFb>.

<sup>133</sup> Jonathan Cook, et al. *Making the Most of Evaluation*, SQW Consulting, 2008, p.6.

<sup>134</sup> Home Office, *The Reducing Burglary Initiative: Design, Development and Delivery*, 2004, pp. ix-x.

Even if the policy process makes room for evaluation, the evaluation itself may be poorly constructed. For example, the Committee of Public Accounts recently issued a critical report on the DWP's 'Pathways to Work' programme. It found that the initial evaluation was 'flawed' and therefore "gave an over-optimistic impression of what the programme could achieve, which then contributed to a lack of realism in the bids submitted by providers and the targets set in their contracts."<sup>135</sup> A flawed evaluation effectively condemned the policy to failure.

The truly concerning aspect of this case is that apparently effective safeguards had been put in place. The permanent secretary said the decision to set up the evaluation this way was "the considered view of a highly professional group", and the Office of Government Commerce commended the evaluation process as an example of best practice.<sup>136</sup> Such a situation must raise questions about the safeguards, but it also points out that the quality of evaluation that is available may constrain the learning that policy makers can achieve.<sup>137</sup>

The problem is not just a methodological one. Our study of 60 evaluations showed that they usually only considered questions of efficiency and effectiveness – their analysis started rather far 'downstream', and therefore excluded crucial questions around policy design and rationale.<sup>138</sup> This is not a new problem; the organisational theorist Donald Schön noted it forty years ago.<sup>139</sup> What this means is that evaluations concentrate on the narrow technical question of 'did this set of actions work', and neglect wider questions about how policy is made, which could lead to greater learning. In other words, evaluations do not help policy makers move from considering 'how well did I solve this problem – and could I solve it better in future?' to 'how well do I solve problems – and could this be improved?'<sup>140</sup>

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<sup>135</sup> Committee of Public Accounts, *Support to Incapacity Benefit Claimants through Pathways to Work*, 2010, p.3.

<sup>136</sup> Leigh Lewis, giving evidence on 21 July. Committee of Public Accounts, *Support to Incapacity Benefit Claimants through Pathways to Work*, 2010, Ev 12-13, q.137, q.139.

<sup>137</sup> The debate over what are appropriate standards for evaluation is contested. On the one hand, there is the Campbell Collaboration approach, which emphasises the need to find mechanisms that work across contexts; on the other, Pawson and Tilley's 'realist evaluation' focuses more on why outcomes can differ within programmes. See: David P. Farrington, 'Methodological Quality Standards for Evaluation Research', *The Annals of the American Academy of Political and Social Science*, vol. 587:1, 2002, pp. 49-68.

<sup>138</sup> See, for example, Paul Dawson and Lucy Cuppleditch, *An Impact Assessment of the Prolific and Other Priority Offender Programme*, 2007, p. Iv; available at: <http://www.compassunit.com/docs/rdsolr0807.pdf>

<sup>139</sup> "Evaluation may address itself to the relative effectiveness or efficiency of the means by which a policy is to be accomplished but seldom (except perhaps on change of administration) to the appropriateness of the policy itself." – Donald A. Schön, *Beyond the Stable State: Public and Private Learning in a Changing Society*, Penguin, 1973, p.114.

<sup>140</sup> Christopher Argyris frames this as the contrast between "single loop learning" and "double loop learning"; see Christopher Argyris and Donald A. Schön, *Organizational Learning: A Theory of Action Perspective*, Addison-Wesley, 1978.

As a result, civil servants and ministers both felt that many evaluations did not derive enough practical recommendations for the future from their judgment of the past. Again we can relate this back to the system by which evaluations are initiated and managed. Because individual departments commission evaluations, they are often shaped around that department's concerns and exclude wider consequences.<sup>141</sup> There is no cross-departmental owner to make linkages, and evaluations from different providers and for different departments are in varying formats, so it is difficult to aggregate lessons and build a cohesive understanding.

### Evaluation findings are often not managed well, and may inhibit organisational learning

Even within departments, there is little evidence that evaluations were collated and managed to provide a repository of knowledge for the organisation. As one civil servant put it, "*when I came to this department four years ago, there wasn't a collective sense of 'This is what we know and this is what we understand.' It was a more sort of haphazard route of inducting yourself*". The problem extends to the use of evidence more generally: Government Social Research reported that many officials "*found it difficult to establish what research had been undertaken within their own departments and what evidence was available more widely*".<sup>142</sup>

Maintaining this kind of repository is crucial: the Department of Health pointed out that the current work on NHS policy was drawing on the original 1990s evidence on the internal market and GP fund holding. In other words, while evaluations may not feed directly and immediately into new policy making, they may turn out to be invaluable later, and may indirectly shift overall patterns of thinking.<sup>143</sup> The lack of adequate information management systems is exacerbated by the frequency with which policy makers move between posts. We address this issue further in the 'Structures' chapter.

The final problem was that the drive to formal evaluations may actually *retard* policy learning. Some policy makers argued that commissioning evaluations may outsource the learning that needs to take place within government. One argued that an over-reliance on formally commissioned external evaluation was:

*a way of way of discharging our responsibility [by saying], 'Oh, someone else is going to do the evaluation for us,' I think if you ever want proper learning people have to learn for themselves. While evaluation can inform this learning, it cannot take its place.*

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<sup>141</sup> Sometimes evaluations themselves point out that the brief they have been given prevents them from examining important aspects of the policy. See, for example, Rob Greig, et al. *Short Breaks Pathfinder Evaluation: Interim Report*, Department for Education, 2010, para. 6; available at: <http://www.education.gov.uk/publications/eOrderingDownload/DFE-RR062.pdf>

<sup>142</sup> Government Social Research, *Analysis for Policy: Evidence-based Policy in Practice*, 2005, p.28.

<sup>143</sup> This is the 'enlightenment' model of how evaluations can contribute to learning, proposed in Carol Weiss, 'The Many Meanings of Research Utilization,' *Public Administration Review*, vol. 39:5, 1979, pp. 426-431.

## Conclusion: the need for more independence in evaluation

Learning is seen as important quality for policy making. While government has got much better at commissioning evaluations as a tool for learning, they do not always fulfil this purpose. There are many systemic pressures that inhibit learning: from the policy making side, present problems always seem to loom large, the media punishes every error that is revealed, departments exclusively control the scope and findings of their evaluations, findings are not collated, evaluation is often not built into policy design, and it may actually reduce learning; from the evaluators' side, evaluations take too long, there are incentives to self-censor, standards may be variable, and they often do not present recommendations in a way that is useful to policy makers.

The problems caused by the bilateral relationship between department as commissioner and evaluator as supplier are significant. The UK has already established an independent body to evaluate the impact of development spending.<sup>144</sup> There is a good case for looking at ways of bringing more independence into the evaluation process.

## Innovation

### Despite widespread efforts, incentives for innovation remain limited

The *Modernising Government* White Paper “stresses the need for policy makers to be flexible and innovative, willing to question established ways of dealing with things and to create an environment in which new ideas can emerge and be tested”.<sup>145</sup> In 1999, the Cabinet Office found some examples of this happening, where resources and political will were present. But they also found a “widespread view the civil service culture does not welcome new thinking or change” and “general acceptance that fear of failure and the high penalties attached to ‘mistakes’ are powerful disincentives to real innovation”.<sup>146</sup>

The last decade has seen major efforts to increase awareness of the need for innovation, and develop the ability to meet that need. There is no doubt that they have succeeded on the first count: in the words of a recent overview, “innovation has entered the Whitehall narrative”.<sup>147</sup> In the face of a ‘perfect storm’ of new challenges, raised expectations and squeezed finances, it is seen as the ‘radical’ response that is needed.<sup>148</sup> A survey of central government organisations found that 80% of respondents thought that the profile of innovation in central government had increased between 2006 and 2009, and over 90% thought innovation could improve policy development.<sup>149</sup>

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<sup>144</sup> For the UK see: <http://www.dfid.gov.uk/media-room/news-stories/2010/mitchell-full-transparency-and-new-independent-watchdog-will-give-uk-taxpayers-value-for-money-in-aid/>; for Sweden, see: <http://www.sadev.se/en/About-SADEV/>

<sup>145</sup> Cited in Cabinet Office, *Professional Policy Making for the Twenty First Century*, 1999, para. 6.1.

<sup>146</sup> *Ibid*, para. 6.4.

<sup>147</sup> Bessant, Hughes and Richards, *Beyond Light Bulbs and Pipelines*, 2010, p.1.

<sup>148</sup> Michael Harris and David Albury, *The Innovation Imperative: Why Radical Innovation is Needed to Reinvent Public Services for the Recession and Beyond*, NESTA, 2009; Geoff Mulgan, *Ready or Not? Taking Innovation in the Public Sector Seriously*, NESTA, 2008.

<sup>149</sup> NAO, *Innovation Across Central Government*, 2009, p.42.



There is significant evidence of institutional commitment to innovation. Currently, there are Innovation Units or teams in BIS, DWP, and CLG. There is now a central Public Sector Innovation resource, which includes a Capability Building for Innovation Programme.<sup>150</sup> An 'Innovators Council' was set up in 2009 as part of a "drive for radical innovation".<sup>151</sup> The Council claimed that it "helped promote fresh thinking on policy development".<sup>152</sup> Outside Whitehall, many organisations provide specialist innovation advice, including the Sunningdale Institute, the Young Foundation, NESTA, the Design Council, and the Innovation Unit (previously based in DfE). Finally, the NAO has estimated that in 2009 departments allocated at least £3bn to 'innovation' budgets, in addition to the £2.5bn of public funding to support public sector innovation.<sup>153</sup>

Our interviewees generally agreed that policy making was more innovative than it had been. Yet current institutional support does not address many of the systemic barriers to making policy innovatively that exist. As the Innovators Council itself reported, "despite much good intention across Government and public services to innovate, in practice there remain strong pressures to maintain the status quo."<sup>154</sup> Most policy makers see there are fewer incentives to innovate than not, and "most of the systems which control civil service work carry implicit messages that innovation is not recommended."<sup>155</sup> For example, the NAO's judgment that "staff do not consider they have an incentive to voice innovative ideas" is given credence by the fact that only 39% of civil servants think it is safe to challenge the ways things are done in their organisation.<sup>156</sup>

Both ministers and civil servants agreed that there are real, endemic hurdles to innovation, which may elude the grasp of formal mechanisms:

*The civil service is a large organisation with a certain culture. So you might think of being innovative, but it is hard to break out of ways of doing things - many of which are unspoken, rather than any formal policy framework. (Senior civil servant)*

*[Whitehall] doesn't promote imagination or creativity. It promotes process. It promotes being a conformist. It promotes a career structure that is based very much on whether you please your superior or particular permanent secretary. (Former minister of state)*

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<sup>150</sup> <http://publicsectorinnovation.bis.gov.uk/support/capability-building-for-innovation-programme>

<sup>151</sup> Her Majesty's Government, *Working Together: Public Services on Your Side*, 2009; available at: <http://www.hmg.gov.uk/media/15556/workingtogether.pdf>

<sup>152</sup> Her Majesty's Government, *Enabling Innovation: The First Year of the Innovators Council*, 2009; available at: [http://www.hmg.gov.uk/media/60278/enabling\\_innovation.pdf](http://www.hmg.gov.uk/media/60278/enabling_innovation.pdf)

<sup>153</sup> NAO, *Innovation Across Central Government*, 2009, p.5; available at: [http://www.nao.org.uk/publications/0809/innovation\\_across\\_government.aspx](http://www.nao.org.uk/publications/0809/innovation_across_government.aspx)

<sup>154</sup> Her Majesty's Government, *Enabling Innovation*, 2009, p.17; available at: [http://www.hmg.gov.uk/media/60278/enabling\\_innovation.pdf](http://www.hmg.gov.uk/media/60278/enabling_innovation.pdf)

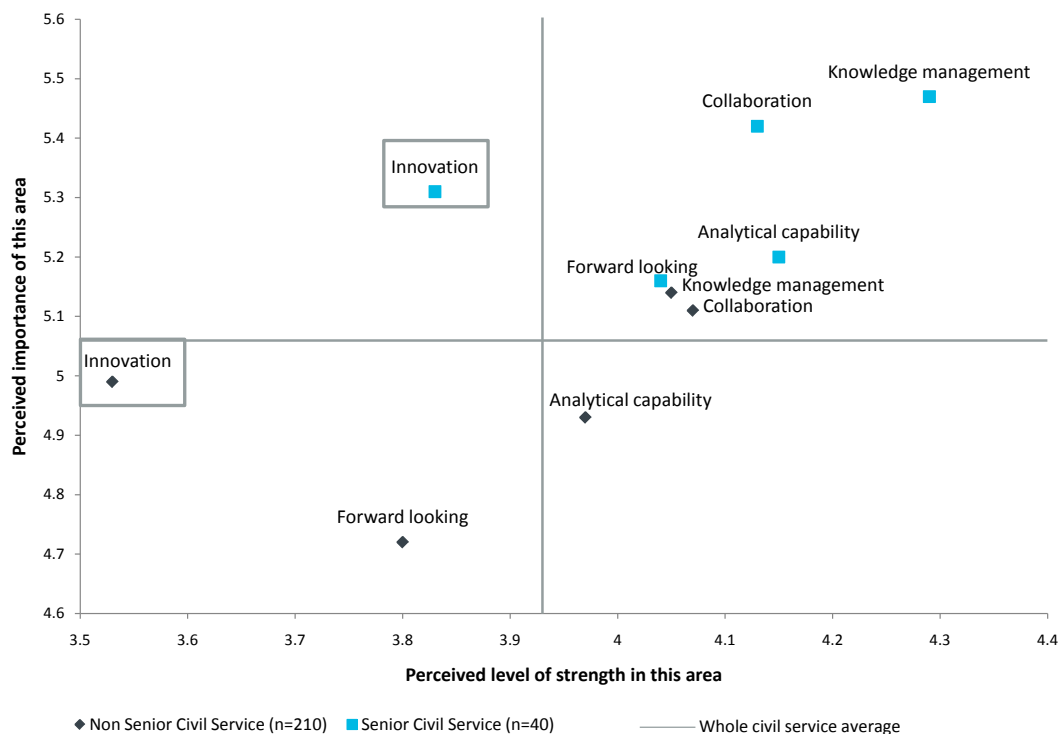
<sup>155</sup> Bessant, Hughes and Richards, *Beyond Light Bulbs and Pipelines*, 2010, p.4.

<sup>156</sup> NAO, *Innovation Across Central Government*, 2009, p.7; 2009 People Survey available at: [http://www.civilservice.gov.uk/Assets/PeopleSurvey2009\\_tcm6-35780.pdf](http://www.civilservice.gov.uk/Assets/PeopleSurvey2009_tcm6-35780.pdf)



As a result, civil servants themselves have doubts about their capacity to innovate. In 2009, Government Skills conducted a survey that examined how good civil servants think their policy skills are.<sup>157</sup> Overall, the respondents judged that they were reasonably strong in five areas that had been identified as crucial to policy making by a selection of senior civil servants (see Figure 7).<sup>158</sup> Innovation was seen to be the third most important skills area, but was also seen as the only major skills deficiency (non-senior civil service respondents also thought that the capacity to be forward looking was also a weakness).

**Figure 7 – Civil servant skills self-assessment**



Ratings for perceived importance are from 1 (not important) to 6 (extremely important)

Ratings for perceived level of strength are from 1 (significant development need) to 6 (significant strength)

<sup>157</sup> Capita Resourcing, *Policy Profession in Central Government Skills Needs Analysis*, Government Skills, 2009; available at: [http://www.civilservice.gov.uk/Assets/TNA-policy-Jul09\\_tcm6-37343.pdf](http://www.civilservice.gov.uk/Assets/TNA-policy-Jul09_tcm6-37343.pdf)

<sup>158</sup> The five areas were generated through 13 semi-structured interviews with Heads of Policy Profession. Capita Resourcing, *Policy Profession in Central Government*, 2009, p.5. The figure represents IfG analysis of data found in this report; see Capita Resourcing, *Policy Profession in Central Government*, 2009, Appendix 3.

The current government definition of innovation is “*the successful exploitation of new ideas*”, where ‘new’ can mean new to the sector, and thus adopting and adapting ideas from elsewhere.<sup>159</sup> It is, therefore, a huge topic – which has attracted a correspondingly huge amount of analysis and comment.<sup>160</sup> Accordingly, this section focuses on one aspect of innovation - the way in which ideas get into the policy process – which was foregrounded by the Cabinet Office.<sup>161</sup> In basic terms, this involves two processes:

1. **Search:** how can policy makers ensure that they have considered a variety of ways of formulating or addressing the problem, that go beyond the tested and established?; and
2. **Selection:** how can policy makers ensure that they have selected the best option from those that have been identified?<sup>162</sup>

Our focus is therefore on how ministers and civil servants can be innovative in formulating central government policies. Of course, there is much more to innovation in policy making than this: policies are not simply created innovatively and then implemented; there is the opportunity for creativity and innovation in all the decisions that realise a policy in practice. We deal with this topic in our forthcoming *System Stewardship* report.

‘Innovation is good, but there are systemic problems’: this is where most analyses end. But there is also a pressing need to think about the exact role that innovation should play in policy making, rather than recommending it as an unqualified good. Innovation for its own sake is likely to damage policy making; the key is to ensure that policy makers develop the judgment, and government develops the processes, so that best idea from a wide range is selected - rather than the most seductive. There are three main issues to be addressed.

### Civil servants often need to act as a counterbalance to ministers

Researchers often assume that innovation in policy making is a good thing in itself, but civil servants tend to question this view. They point out that much of their work concerns managing risk for ministers and developing policy that is robust in the face of uncertainty. In other words, reliability is often a more desirable quality than innovation, and in some cases searching for new ideas and approaches was even seen as an unprofitable distraction. As one civil servant put it:

*Ministers always complain that we're not innovative and risk-taking enough. But I think the civil service will be less like that because I think it's part of the civil service to look at what the risks are and make sure things can be delivered.*

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<sup>159</sup> Department for Business, Innovation & Skills, *Innovation Nation White Paper*, 2008; available at: <http://www.bis.gov.uk/policies/innovation/white-paper>

<sup>160</sup> For a good recent overview, see Christian Bason, *Leading Public Sector Innovation: Co-creating a Better Society*, Policy Press, 2010.

<sup>161</sup> The Cabinet Office's description of innovation talks about “questioning established ways of dealing with things” and “encouraging new and creative ideas”. See Cabinet Office, *Professional Policy Making for the Twenty First Century*, 1999, Annex A.

<sup>162</sup> As Chapter Five noted, these two process may not take place in a simple sequential way – and they may not both be present.

Risk aversion in the civil service has been discussed at length, and is often contrasted to the private sector. One obvious point is that in the private sector success and failure are judged in net terms: at the end of the year, the losses from a series of small failures will be tolerated if they allow a much bigger profit to be achieved elsewhere. In the public sector, success and failure are judged in gross terms: the fear is that any single mistake will be criticised in isolation by the media or the Committee of Public Accounts.<sup>163</sup>

The solution may seem to urge the civil service to take more risks, while trying to “*win the argument with the press and the public that more risk-taking is worthwhile*”<sup>164</sup> But it is important to remember that major policy decisions are the product of both ministers and civil servants. It makes no sense to talk solely about the civil service’s approach to policy innovation. And, indeed, civil servants often judge their degree of innovation in relation to ministers:

*the pull for ministers will always be to the more innovative, risk-taking stuff and the civil service will always, to some extent, be the counter-balance.*

Many other interviewees saw ministers as an important source of innovative ideas. This is perhaps unsurprising: politicians have the power and authority to take risks that civil servants do not, and may be less committed to existing practices.<sup>165</sup> Civil servants therefore saw ministers as having an important role to play in challenging practices and legitimating innovation:

*Culturally we try and do the same thing again and again and again, whether it worked or not last time because it is the way we have always done it. And we need ministers to come in and say, ‘Why are you doing that in that crazy way?’*

Several former ministers told us that the civil service responded readily to specific requests for innovation, but that if politicians did not demand innovative thinking they did not get it spontaneously. Ministers therefore have a responsibility to give signals that innovation is approved when they want it. The civil service then have an important responsibility to respond because, in the words of one civil servant, “*if [ministers] don't get new ideas from their own civil servants and if they don't think they're getting cutting edge best practice, latest thinking, then I think it undermines confidence.*”

Not all ministers are the same, however. The civil service therefore also need to be able to take a more active role in “*the partnership of the production of ideas*”, as one ex-cabinet minister put it. He went on to explain:

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<sup>163</sup> Media coverage of innovative projects and a hearing of the Committee of Public Accounts were rated as two of the “most significant” hindrances to innovation by the NAO. NAO, *Innovation Across Central Government*, 2009, p.47. The current chair of the Committee of Public Accounts has said that “people feel frightened of appearing in front of the PAC”; available at: <http://network.civilservicelive.com/pg/pages/view/503772/>

<sup>164</sup> David Cameron’s speech to Civil Service Live, 8 July 2010; available at: <http://www.number10.gov.uk/news/speeches-and-transcripts/2010/07/pms-speech-at-civil-service-live-53064>

<sup>165</sup> This point is well-established. Herbert Morrison wrote of the civil service in 1954: “The worst that can be said of them is that sometimes they are not quick enough in accustoming themselves to new ideas, but then it is up to the Minister to educate them.” Herbert Morrison, *Government and Parliament: A Survey from the Inside*, Oxford University Press, 3<sup>rd</sup> edition, 1964, pp.345-6.

*If the ministers come in, as we did to begin with, in certain areas with big ideas for change then the civil servants have got no obligation other than in effect to produce the evidence for what is the best way to make the change and then to deliver it. If however, they have got no ideas, then you need to have some innovation coming or proposals coming from the civil service.*

Recognising when the civil service needs to help a minister in creating innovative ideas is therefore a key task for senior management. But the civil service's role in the partnership means it always needs to be considering other factors, apart from novelty. There are many examples of central government policies that have prized innovation so highly that disaster ensued, including:

- The introduction of single farm payments, where a more elaborate mechanism was adopted than in other countries, leading to major implementation difficulties;<sup>166</sup>
- The Social Fund, which was "set up to do something simple and sensible", but "its structure is over-complex and gives rise to error".<sup>167</sup>
- The Broadband Aggregation Project, which created nine Regional Aggregation Boards to procure broadband cheaply on behalf of the public sector. Although innovative, it emerged that most potential clients already had broadband, and so the project was cancelled.<sup>168</sup>

Innovation on its own does not lead to good policy making; a focus on risks and the realities of delivering policies must be maintained – and this is more the civil service's responsibility. The current drive for innovation risks obscuring the fact that it needs a counterbalance to be effective. Moreover, the kind of innovation encouraged by the current policy making setup may not be desirable, as the next section shows.

### More internal challenge is needed

These failures also highlight the risks of a lack of internal challenge. In all these cases, more robust internal challenge could have exposed the flawed assumptions on which these policies were based. Yet we heard that, in many departments, this sort of challenge was often not encouraged.

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<sup>166</sup> National Audit Office, *A Second Progress Update on the Administration of the Single Payment Scheme by the Rural Payments Agency*, 2009.

<sup>167</sup> Leigh, 'An Open Letter to My Successor as Chair of the Committee of Public Accounts', 2010; available at: <http://www.timesonline.co.uk/tol/news/politics/article7079044.ece>

<sup>168</sup> <http://www.computerweekly.com/Articles/2004/12/07/207247/Future-of-government-broadband-scheme-in-doubt-as-demand.htm>;  
[http://www.theregister.co.uk/2004/03/16/gov\\_uk\\_names\\_broadband\\_aggregation/](http://www.theregister.co.uk/2004/03/16/gov_uk_names_broadband_aggregation/); senior civil servant interview.

Some departments are making explicit steps to introduce challenge, but on a limited scale. For example, the Department of Health has set up a Submissions Review Group, which provides peer review of the submissions sent to the Secretary of State in the preceding month. The Group rates submissions on a five point scale of quality, and also considers wider impressions of the quality of the underlying policy work, engagement with private offices and the outcomes of the overall process. Feedback is then provided to the authors of the submission and the line management chain; those who have been rated as 'excellent' are invited to a lunch every three or six months hosted by the permanent secretary.

### The current setup may not encourage innovation that contributes to better policy making

Civil servants know they have to be innovative, but there is a lack of clarity over what this means in practice.<sup>169</sup> The type of innovation that ensues is therefore likely to be heavily shaped by the culture and incentives they experience. It has often been noted that Whitehall prizes ideas, intellectual prowess, and problem solving. These tendencies are likely to place a heavy emphasis on the 'invention' aspect of innovation – coming up with ingenious solutions to pre-existing problems.<sup>170</sup> As one civil servant put it:

*I think on the whole officials are sort of quite good at coming up with different variants of doing things and being quite imaginative that way. But probably most of us, and I include myself in this, I would say we're probably innovative and creative within a relatively confined box, is possibly the fairest way of putting it.*

At the same time, the current situation discourages other aspects of innovation, such as prototyping and experimentation. As the Innovators Council admits, there is "a tension between the desire to rapidly explore, test and share innovations, and the need to involve large numbers of stakeholders and follow standard procurement processes"<sup>171</sup>

When combined with the lack of policy design already noted, there is a risk that encouraging innovation will result in more policy ideas that are intellectually daring and apparently attractive, yet flawed or difficult to implement. As one former cabinet minister suggested:

*it was not difficult in individual areas to find innovative ideas... What you rarely had was then a very profound analysis of how this would work in practice.*

The civil service's current incentives are to be extremely good at solving problems that are presented to them – and it is getting better at solving them innovatively. But there is a need to do more than innovate 'within a box'. Ideas from outside are needed, both to provide solutions and to challenge the way the problem ('box') has been constructed. As an ex-minister of state put it:

*policy is not the preserve of the politicians or of the civil servants - you should be looking beyond them for policy ideas.*

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<sup>169</sup> Bessant, Hughes and Richards, *Beyond Light Bulbs and Pipelines*, 2010, p.1.

<sup>170</sup> For more on invention and innovation, see Jonathan Grant et al. *Issues and Ideas on Innovation: Informing the NHS Next Stage Review*, RAND Europe, 2009; available at: [http://www.rand.org/pubs/documented\\_briefings/2009/RAND\\_DB554.pdf](http://www.rand.org/pubs/documented_briefings/2009/RAND_DB554.pdf)

<sup>171</sup> Her Majesty's Government, *Enabling Innovation*, 2010, p.17.

The evidence suggests that a relatively small proportion of successful innovations are generated from external sources. An NAO survey asked 27 central government organisations to submit examples of innovative practices. They were asked to identify up to three sources for the innovation. The three most frequently cited sources were all internal: senior management, policy team, or internal innovation team (ministers are not represented).<sup>172</sup> As one civil servant explained:

*We are quite good at having, like, ideas from people working on things and saying 'How about it?', actually. What we are not very good at is taking ideas from people externally. So what we are not good at is [thinking about] the very interesting thing that BT are doing, no doubt we could learn from that, or gosh that was a really interesting thing they have done in Italy.*

Part of the reason, according to our interviewees, is that civil servants' professional pride in their policy analysis can make the generation of ideas seem like a zero sum game. As one said, there is an attitude that:

*we've told ministers what the answers are and then we consult... if we don't have the good ideas then we don't think there's a value to us.*

Competing ideas are often seen as "attacks on personal careers" and "there is an element of 'it wasn't invented here and therefore it's not as good as our own clever analysis.'<sup>173</sup>

As a consequence, some ministers felt that policy makers may not be 'plugged into' an external network that provides them with the latest, high-quality thinking. They wanted their civil servants to be more aware of what other countries are doing, and what the various think tanks and research institutes are thinking. Civil servants need to understand that ministers will be listening to outside influences, and thus need to understand what they are likely to be hearing.

The example of tax policy shows that a lack of external ideas and challenge is damaging for policy making. Tax is notable because it is a policy area that almost entirely lacks an ecosystem of new ideas and debate: the external sources of innovation are extremely limited.<sup>174</sup> After recent organisational changes left the Treasury in sole control of policy, "it is difficult to find a democratic country where tax policy-making power is so concentrated".<sup>175</sup> The outcome of these changes is that the way tax policy is made has been heavily criticised for its opacity, technical deficiencies and democratic deficit.<sup>176</sup>

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<sup>172</sup> NAO, *Innovation Across Central Government*, 2009, p.20.

<sup>173</sup> Senior civil servant interviewees. The 'not invented here syndrome' has been well documented; for example, see ISOS Partnership, *The Effectiveness of Support for Innovation in the Children's Services, Health and Justice Sectors*, 2010.

<sup>174</sup> Chris Wales, 'Commentary on "The Political Economy of Tax Policy"', in *The Mirrlees Review: Dimensions of Tax Design*, Institute for Fiscal Studies, 2010, p. 1307.

<sup>175</sup> *Ibid*, p, 1305.

<sup>176</sup> Tracey Bowler, *Tax Policymaking in the UK*, Institute for Fiscal Studies, 2010; available at: <http://www.ifs.org.uk/comms/dp8.pdf>; Chartered Institute of Taxation, *The Making of Tax Law*, 2010; available at: <http://www.tax.org.uk/Resources/CIOT/Documents/2010/09/themakingoftaxlaw.pdf>

## Being outward looking is not the same as being innovative

Opening up the policy process to outside influences is likely to improve innovation. But this is not a complete solution: current pressures can mean that being open to influences can *limit* innovation. In other words, policy makers can get 'locked into' a wider community of stakeholders who have set positions or views. As one special adviser cautioned:

*I think you underestimate – certainly when I was in government – the influence of stakeholders on officials, particularly in some certain areas. You know, both remain while ministers come and go, and you know it did feel as though there was an element of stakeholder capture in terms of some of the policies that kept being put forward.*

While 'stakeholder capture' may not be widespread, the time pressures on policy makers can mean that the same external people are often consulted. As one senior civil servant admitted:

*I think probably the default is to go to the places you know, take the path of least resistance. Not in a lazy sense, just in a practical sense if we need to deliver, we need to have spoken to six people who know about libraries. Who are six people who I can get hold of today, and who will give a sensible view?*

At its worst, these pressures can lead to superficial policy making. One non-governmental organisation we spoke to claimed that policy makers sometimes approached them for policy ideas almost in desperation – they needed something quickly. And so they seized on any idea that was thrown up, if it sounded novel, and there was little considered reaction: an idea that appears as your saviour is not easily challenged.

Therefore, the desired outcome is not so much openness to ideas outside the policy making process *per se*; rather, it must be discerning openness. The key is to ensure that the civil service retains discerning judgment even under real world pressures. As one civil servant put it:

*All of this is about how good is the quality of our thinking and discernment, you know. Loads of people come in with loads and loads of comments. Well, we haven't got to take all of them on board, because if we did that we'd end up in completely and utterly joined up incoherent confused strategy.*

## The need to understand the constraints on open source policy

The problem with judgment is that it may be vulnerable to all the pressures above, unless there are some ways of protecting and shaping it. For example, the process of consultation was heavily criticised for being a superficial exercise that took place after the real decisions had been made. Because there is frequently time pressure to form a policy quickly, the shape of the policy may be agreed early on. Even if these decisions are tacit, they are psychologically difficult to reverse once made:

*I feel we're quite bad at responding to ideas when they come in once the policy's been developed, it feels a bit like things are dismissed as, 'oh that's not what we're doing, we're now doing this'. So what I don't think we're good at is having sort of ongoing reviews and opportunities to throw in new ideas and to start...maybe take a step back and look at things more conceptually. (Senior civil servant)*



*The temptation in government is to say, 'Thanks very much but this is what we're doing, so thank you very much, but we need to do this...' And you know, you can get into the situation where you end up defending a policy, not because it's a particularly good policy but because it's what you've got... the momentum of events, you know, it carries you along and suddenly you're locked in and you haven't got any options, you've just got to do whatever it is. (Former minister of state)*

To those caught up in the momentum, the difference between exercising discerning judgment and simply defending a prior decision may not be obvious.

The current government's desire to drive forward 'open source policy making' in 2011 makes this a pressing issue.<sup>177</sup> Open source policy making would use information technology to widen the inputs to the policy making process, along the lines of 'open innovation'.<sup>178</sup> But if open source policy is just a matter of widening inputs to the policy process, there is a danger it will simply become a form of 'enhanced consultation' that does not challenge the status quo. The Treasury Select Committee has recently raised concerns about the limited impact of the Spending Challenge website, which operated along this model.<sup>179</sup> As already noted, open source policy making will come up against some powerful pressures: the pressure to make decisions early and defend them, the cultural perception that the generation of policy ideas is a zero sum game. But some of these pressures may be legitimate: if central government is going to be the one taking action, then surely officials in central government have a duty to exercise discerning judgment, rather than picking ideas at random?

This leads to the final question: do we want innovative policy making or policy making that allows innovation? The move to decentralisation, payment by results, and enabling frameworks suggests the latter. In other words, we may move away from the 'R&D' model of innovation, where central government formulates a policy idea and directs others to implement it.<sup>180</sup> If so, then this does not mean central government has no role in innovation, it just needs to find innovative ways of enabling innovation. The challenge is to make a reality of this ambition: the worse outcome would be to continue as before in practice, but with localism acting as a cover story. We will explore this issue more in our report *System Stewardship*.

### Conclusion: innovation in policy making

Innovation has been seen as a major prize for policy making. But a generalised drive to more innovative policy making may cause difficulties when it meets the real world. There is a need to recognise that:

- civil servants often act as a counterbalance to ministers' taste for innovation;
- innovation on its own may not lead to good policy making, especially given the lack of a culture of challenge;
- the current setup may encourage innovation 'within a box' rather than open to new ideas;
- being more open to outside influence is not the same as being more innovative;

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<sup>177</sup> Lord Wei, *Building the Big Society*, 2010 – presentation to the Institute for Government, 6 July 2010; available at: [http://www.instituteforgovernment.org.uk/pdfs/Building\\_the\\_big\\_society\\_lord\\_wei.pdf](http://www.instituteforgovernment.org.uk/pdfs/Building_the_big_society_lord_wei.pdf)

<sup>178</sup> Henry W. Chesbrough, et al. *Open Innovation: Researching a New Paradigm*, Oxford University Press, 2006.

<sup>179</sup> Treasury Select Committee, *Spending Review 2010*, 2010, pp.17-18; available at: <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmtreasy/544/544i.pdf>

<sup>180</sup> Bessant, Hughes and Richards, *Beyond Light Bulbs and Pipelines*, 2010, p.15.

- simply seeing open source policy as a bolt-on to existing processes may not lead to innovation ; and
- Most analyses of innovation conclude that “government needs a more systematic approach to ensuring that – across the wide range of different situations within public service – innovation becomes a way of life.”<sup>181</sup> While this is true, it is not the whole story. Undoubtedly, there are processes that can help innovation: for example, the Ministry of Defence’s Centre for Defence Enterprise acts as a portal to attract suppliers from outside the defence industry who might otherwise be put off by the costs and bureaucracy. In two years, it has received 1,400 proposals and awarded over 150 research contracts, with a total value of nearly £10m.<sup>182</sup>

Processes have a role in creating the conditions for innovation, without mandating it – since that would be fatal. Innovation cannot be imposed. Therefore, there is a significant role for strategic leadership, from both ministers and civil servants, to judge when innovation is appropriate and create ‘safe spaces’ for it to happen. That means being realistic about the pressures policy makers are under, and ensuring that the drive for innovation is not at the expense of other aspects of policy making. But here too there are pressures: many of our interviewees pointed out that senior civil servants are consumed with managerial tasks, and thus have little time to think about policy issues. Indeed a recent study estimated that permanent secretaries spent only 5% of their time on policy issues, as opposed to 40% on management.<sup>183</sup> Innovation can never be seen in isolation from the real world of policy making.

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<sup>181</sup> *Ibid*, p.6; HMG, *Enabling Innovation*, 2009, p.17; NAO, *Innovation Across Central Government*, 2009, p.7.

<sup>182</sup> Suzannah Brecknell, ‘Driving Innovation’, *Civil Service World*, 5 October 2010; available at: <http://network.civilservicelive.com/pg/pages/view/504893/>

<sup>183</sup> R. A. W. Rhodes, ‘Everyday Life in a Ministry: Public Administration as Anthropology’, *American Review of Public Administration*, vol. 35:1, 2005, pp. 3-25.

## 7. Structures

*“Who does the policy making?”  
(Former minister of state, 2010)*

### Structural changes have been incoherent and incomplete

Organisational structures matter for policy making. They can entrench or overcome inertia. They can facilitate or hinder cross departmental working. They can make it easy to transfer or lose knowledge and expertise. Our study of the Climate Change Act showed how the creation of the Office for Climate Change helped change the policy dynamic on climate change issues, both within Defra and across government.<sup>184</sup>

Structures are also a tempting target for those seeking to improve policy making, as shown by the many changes listed in Chapter Three. Undoubtedly, these changes have brought improvements: the Strategy Unit, for example, is widely seen to have supplied fresh ideas and a more joined-up approach to making policy.<sup>185</sup> At the same time, the expanded policy making role of ‘the centre’, including the emergence of the Treasury as a serious domestic policy player, caused confusion about where policy was being made.

Within departments, there have also been reforms to reflect new demands on policy making. Increasingly departments established their own strategy or policy units, both to enable them to interact more effectively with the centre and to respond to their demands, but also to enable departments to tackle longer term, new or cross-cutting issues more effectively. In some departments there has been a move to establish ‘pools’ of policy makers who can be deployed flexibly to address emerging issues or changed priorities, offering the potential to respond more rapidly to ministerial priorities and also increase efficiency. Yet these reforms remain partial and have not been properly evaluated. While they offer considerable potential, particularly with the civil service facing big headcount reductions, they will need to be underpinned by other changes to career structures, the makeup of policy teams, knowledge management, and staff recruitment and retention practices.

### Structural changes have lacked coherence

The incoherence of arrangements can be explained by two basic reasons: on the one hand, a failure of rational plans to be realised in practice; on the other, a failure to make such plans in the first place.

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<sup>184</sup> [http://www.instituteforgovernment.org.uk/pdfs/IfG\\_policymaking\\_casestudy\\_climate\\_change.pdf](http://www.instituteforgovernment.org.uk/pdfs/IfG_policymaking_casestudy_climate_change.pdf)

<sup>185</sup> See House of Lords Constitution Committee, *The Cabinet Office and the Centre of Government*, 2010, paras 44-52; available at: <http://www.publications.parliament.uk/pa/ld200910/ldselect/ldconst/30/3004.htm>

The failure of the Centre for Management and Policy Studies exemplifies the first reason. Although the CMPS attempted to articulate a clear and distinctive function, it was undermined by the fact powerful institutional players had differing ambitions for the organisation. Some wished to carefully delimit its powers to protect their own 'turf'; others saw the need for a major organisation along the lines of the Kennedy School of Government or the House of Commons research department. When combined with a failure to engage departments fully, the CMPS found it difficult to fulfil its purpose - regardless of how rational or appropriate that purpose was seen to be. As one observer recalled, senior civil servants were not opposed to the CMPS on principle; they were "*for the idea, but not the reality*".<sup>186</sup> In practice, the CMPS' policy functions were squeezed out by the PIU and FSU.

It is important, though, not to expect an unrealistic or naive level of coherence from government. History shows that the perfect implementation of rational structures is not a complete solution, and indeed may never be entirely possible. The Heath Government, for example, took power with a strategy to "*improve the framework within which public policy is formulated*", by starting from the basis that "*the purpose of organisation is to serve policy*".<sup>187</sup> Its plans, set out in *The Reorganisation of Central Government*, were lucid, compelling - and ephemeral. As Peter Hennessy puts it, "*the entire White Paper was a monument to reason in Whitehall - an outline for a thinking, efficient system. Events were to undo much of it within a generation.*"<sup>188</sup>

The reality of government is that organisational structures will always be affected by personalities, perceptions and politics.<sup>189</sup> For example, Cabinet committees are seen to have assumed greater importance recently, but this is because the coalition has created a political demand for more formal agreement procedures - not because the committees themselves have been changed.<sup>190</sup> Structures are not simple solutions for improving policy making. But this does not mean that government should not pay attention to them. Rather, it should be more realistic about the resources (formal and informal) that give structures the best chance of success, and the systemic barriers that constraint them.

Even if a rational design for structures is not guaranteed to improve policy making, it is still important. The design of institutions does shape and direct the way policy is made.<sup>191</sup> And yet there have been concerns that a lack of rational structures led to a 'chaotic' situation in policy making.<sup>192</sup> As one former minister commented:

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<sup>186</sup> Catherine Haddon, *Centre for Management and Policy Studies*, Institute for Government, forthcoming in 2011, Chapter 4.

<sup>187</sup> *Reorganization of Central Government*, White Paper, Cmnd 4506, October 1970

<sup>188</sup> Hennessy, *Whitehall*, 2001, p.222.

<sup>189</sup> John, *Analysing Public Policy*, 1998, p.54: "institutional rules and their operation depend on political choices made by individuals, such as bureaucrats and politicians."

<sup>190</sup> Oliver Letwin and Danny Alexander, seminar at Policy Exchange, 21 July 2010.

<sup>191</sup> For example, Hall argues that "On the one hand, the organisation of policy making affects the degree of power that any one set of actors has over the policy outcomes... On the other hand, organisational position also influences an actor's definition of his own interests, by establishing his institutional responsibilities". - Peter A. Hall *Governing the Economy: The Politics of State Intervention in Britain and France*, Polity, 1986, p.19.

<sup>192</sup> See the "increasingly confusing rivalry in central policy direction within the centre [of government]" reported in Parker, et al. *Shaping Up*, 2010, p.21; and Andrew Rawnsley, *The End of the Party*, Viking, 2010, pp.291-292. "Chaotic" is the adjective used by a former Minister in our interviews.

*Who does the policy making?..You had the Treasury doing policy and they would look at transport, but the strategy unit would also look at transport, and then occasionally the Transport Department would look at it.*

The struggle for control over policy that took place at the centre of government between 1997 and 2007 has been well documented.<sup>193</sup> So, too, has the evidence related to the centralisation of policy functions within government, although some question their significance.<sup>194</sup> It is too easy to dismiss these issues as purely driven by personalities; history shows that "*there tends to be a restless wish on the part of Prime Ministers to improve policy decisions and the policy analysis available when decisions are taken.*"<sup>195</sup> One of the differences that characterised the last government was the considerable expansion of the policy making functions of the Treasury, expanding well beyond its traditional role.<sup>196</sup> While policy competition may be helpful, it can be argued that the multi-polar approach from the centre became debilitating and in many cases departments felt excluded from the process.<sup>197</sup>

With this in mind, it is important to understand the lasting consequences of past structural changes. The most significant is reduced continuity or coherence between policy 'stewardship' and the launch of major new policy initiatives. For example, a special adviser identified the importance of smart thinkers who can challenge ministers, provide a new perspective, point out think tank work and developments in other countries - but argued that Whitehall had a tendency to place them in the centre of government, rather than departments. The creation of PMSU and other bodies clearly facilitated this movement of smart thinkers to the centre. As a result, the centre of government sometimes would "*come up with sort of radical proposals that were out of context with the rest of the [departmental] agenda*".

In other words, the centripetal structures of policy making can mean that radical thinking is sucked into the centre, and thus becomes divorced from the checks provided by departmental expertise, responsibility for overseeing implementation, and long-term relations with stakeholders. These changes undoubtedly bring benefits, such as innovation and dynamism. But they can also cause incoherence and reduce the capacity for policy evolution rather than revolution. As one civil servant remarked of a recent major policy initiative:

*The way we look at those large reform programmes is very different from the way that we look at day-to-day policy and that kind of stewardship of policy – and I think that one of the things that we don't do very well is to try and make those two things [come] together. It's almost as though, I don't know, a certain proportion of the civil service is there just to kind of make the machine run, and then other people come in and then they reform it... So there's never any reform from within the system.*

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<sup>193</sup> See, for example, Rawnsley, *The End of the Party*, 2010; Peter Mandelson, *The Third Man*, Harper Press, 2010.

<sup>194</sup> For an overview, see Parker, et al. *Shaping Up*, 2010, pp.37-8. Page and Jenkins' major study of policy making argues that central bodies such as the Strategy Unit "have far less impact on the development of policy than one would expect... and they rarely made an appearance in the accounts of the daily lives of policy officials we spoke to" – Page and Jenkins, *Policy Bureaucracy*, 2005, p.178.

<sup>195</sup> Richard Wilson, 'Policy Analysis as Policy Advice', in Moran, Rein and Goodin (eds.), *The Oxford Handbook of Public Policy*, 2006, p.162. Sir Richard Wilson was Cabinet Secretary between 1998 and 2002.

<sup>196</sup> Public Service Agreements, Comprehensive Spending Reviews and Independent Reviews were all ways the Treasury exerted power over policy making. See Rawnsley, *The End of the Party*, 2010, p.68.

<sup>197</sup> A stakeholder survey found that some civil servants "feel that Treasury staff can try to become experts on issues that are the prerogative of the department... [they] can immerse themselves in an issue and then, from the department's perspective, take control of the issue" – IPSOS MORI, *HM Treasury and Cabinet Office Stakeholder Survey*, 2008.

In other words, there was a feeling that structures may over-privilege dynamism and novelty in policy making. Indeed, career structures are likely to accentuate the problem. Many studies have noted that ministers consider advancement to depend on 'getting noticed', but interviewees noted that this was also true for civil servants:<sup>198</sup>

*I just think that there is an inherent bias actually for policy people – even if there weren't ministers around – to try and make their mark, 'I'm going to show that I can make things happen.' It's far harder to say, 'Well, I'm going to make things happen by looking at this and thinking that this is pretty much working... I'm going to give it one or two tweaks, and we'll continue to perform well or maybe even fractionally better.*

Of course, the years since 2002 have seen the growth of departmental strategy units, thus providing bases for talented policy makers away from the centre of government. This development has been broadly welcomed. Yet it raises new questions about the clarity with which policy functions are distributed within departments. As the next section shows, departments are currently making reforms to these structures. There is the risk, though, that these reforms are partial and will be undermined by a failure to address wider structural issues.

## Departmental policy structures are only partially reformed

We undertook a survey of how central government departments structure their policy functions.<sup>199</sup> Our first intention was to discover whether any of the following were present:

- **A central strategy unit** that would typically deal with long-term, cross-cutting issues;
- **A central policy unit** that would typically produce and coordinate departmental policy;
- **A flexible pool** of policy makers who can be deployed quickly to policy areas; or
- **A body that scrutinises policy centrally and links to ministers**, along the lines of a board or committee – more senior and reactive than a policy unit.<sup>200</sup>

Our findings are presented in Figure 8 (correct as of October 2010).<sup>201</sup>

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<sup>198</sup> See, for example, Bill Jones, 'Climbing the Greasy Pole: Promotion in British Politics', *The Political Quarterly*, vol. 81:4, 2010, pp. 616-626; Peter Riddell, *Honest Opportunism: The Rise of the Career Politician*, Phoenix, 1993.

<sup>199</sup> The respondents consisted of those who we had previously interviewed or, for departments we did not cover in interviews, personal civil service contacts.

<sup>200</sup> We included this final category because some departments lack a central policy unit, but have a small high-level Policy Committee to support Ministers.

<sup>201</sup> Note that this table gives a very high level overview of the situation – flexible pools may exist within directorates, but not at departmental level; similarly, there may be policy units for major functions within large departments, but not for the department as a whole (as in the DWP).

**Figure 8 - Structure of departmental policy functions**

	BIS	CLG	DCMS	Defra	DfE	DH	DWP	HMT	HO	MOJ
Central strategy unit	Directorate-specific pools	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	No
Central policy unit	No	Yes	No	No	Yes	Yes	No	No	No	No
Flexible pool	Directorate-specific pools	Yes	Yes	Yes	Yes	Likely	Directorate-specific pools	Likely	No	Likely
Central policy scrutiny with ministerial link	Yes	Directorate-specific pools	Yes	Yes	Directorate-specific pools	Yes	No	No	No	Likely

Yes
  No
  Likely
  Directorate-specific pools

The most obvious finding is the variety of structures that departments have been adopted. This diversity is not a bad thing in itself, since departments deal with significantly different policy areas and vary greatly in size and structure.<sup>202</sup> But what seems to be lacking is any evaluation or evidence base on which structures work well in which circumstances.

The other main finding is that the situation is in flux (which partly explains the current variety). The most obvious trend is the increasing adoption of flexible pools over the past few years.<sup>203</sup> Practically all the departments have some kind of pool or are likely to adopt one soon. Most interviewees were positive about the purpose of these pools and their impact so far, while noting that they remain under development. In the words of one interviewee:

*We have designed a whole set of processes whereby you scope and resource priority projects, which is an attempt to create some rigour around what genuinely are the departmental priorities... I think it has been reasonably effective, although there is still a big tail around the department that hasn't gone into this kind of way of working.*

<sup>202</sup> A flexible pool of policy makers is quite a different proposition for DCMS and for MoJ, for example. DCMS is a small, relatively centralised department; MoJ is a large, dispersed, recently merged department, with a complex organisational structure.

<sup>203</sup> See, for example, the discussion of Defra's Flexible Staff Resourcing System in Cabinet Office, *Department for Environment, Food and Rural Affairs: Progress and Next Steps*, 2009; available at: [http://www.civilservice.gov.uk/Assets/DEFRA-WEB\\_tcm6-6651.PDF](http://www.civilservice.gov.uk/Assets/DEFRA-WEB_tcm6-6651.PDF)



Other data we gathered confirmed this state of flux. For example, we asked respondents which part of the department would initiate a particular type of policy (e.g. urgent ministerial priority, novel issue, and so on).<sup>204</sup> Most agreed that standing policy teams generally handled initiatives that fell under existing areas of responsibility. However, there was considerable variety in the policies assigned to strategy units, policy units and flexible pools:<sup>205</sup>

**Figure 9 – Work of strategy units, policy units and flexible pools**

Policy characteristic	Structure		
	Strategy Unit	Policy Unit	Flexible pool
Cross-cutting area	Defra, DWP, HO	DH	DWP
Novel area (i.e. not previously assigned in department)	CLG, Defra, HO	CLG	CLG, MoJ, Defra
Long-term issue	DH		HO
Current ministerial priority		DH	DWP
Challenges to existing policies	CLG, DWP		

The movement to flexible policy pools is the most widespread, significant and recent of the changes to the departmental policy structures. Flexible pools offer major potential benefits. They can deploy resources more flexibly in order to overcome institutional inertia, which can lock people into big standing teams pursuing priorities that have been superseded. According to one estimate, in some government policy departments “as little as 30 per cent of staff time is invested in delivering priority projects”.<sup>206</sup> Of course, effective policy making may also be about anticipating priority areas to prevent extra costs in the future. But the potential efficiency they offer is particularly attractive given the ongoing cuts to Whitehall running costs, as many of our interviewees pointed out.

<sup>204</sup> The question we asked was: “If a Minister wanted to develop a new policy option, which part of the department would take the lead? Would the answer depend on the type of policy? If so, please feel free to fill in more than one column, with an explanation for the differences.” A table then gave the following options: Strategy Unit, Central policy unit, Newly created team from flexible pool, Standing policy team, Other.

<sup>205</sup> This table is purely indicative of current civil service perceptions. Our intention was not to create a representative sample, but to illustrate the diversity of functions that informed senior civil servants believe these units to possess.

<sup>206</sup> Harriett Oppenheimer, ‘Flexibility will be Needed if Radical Targets are to be Met’, *The Times*, 10 September, 2010.

Nevertheless, if flexible policy pools are to fulfil their potential and prevent new problems, two important points need to be addressed:

1. **Extent of reform efforts.** The current reforms appear to be partial: their success may be dependent on reforming other structures as well; and
2. **Consequences for policy making.** Changing the structures that support policy making in this way will naturally affect the way policy is made. For example, it may encourage a more project-based approach to policy making, at the expense of sustained engagement with a particular issue. What benefits and disadvantages will this bring?

The rest of the chapter deals with the first question; we address the second question in our *System Stewardship* report. As noted above, flexible pools are still under development. There are four main structural issues that also need to be addressed for them to succeed: governance, career structures, team composition, and knowledge management.

## Governance and management

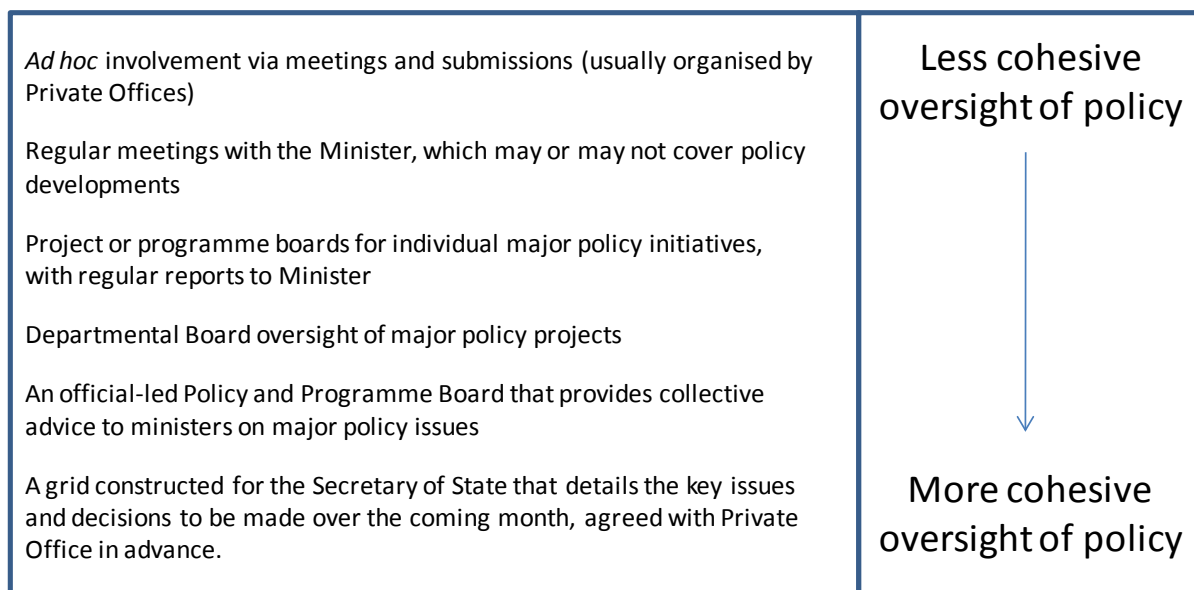
The first issue is around the way that flexible pools are governed. Interviewees were clear that the mere existence of pools would not ensure their success. There also needs to be an effective means of coordination and oversight, so resources are matched to priorities. We heard evidence that this does not always happen (although interviewees were positive about the purpose of pools and their overall impact). As one interviewee reported:

*I think it's a really good idea... my perception is that it's worked well within directorates but people aren't sharing across, and you've got a situation where bits of the department are really busy and other bits aren't. But I don't get the impression that anyone is taking the time to identify the bits that aren't, get them trained up on the policies that are now more high profile and getting them working on it.*

One reason given for this lack of oversight is that the pools exist alongside traditional directorate structures with staffing and budget power held by directors general. We heard that this can lead to confusion or variance in whether a project should be assigned to the flexible pool or not. One interviewee noted that there was great variety in the type and number of bids made by different directors general for the flexible resource. Indeed, it seemed that decisions were not being made according to the type or requirements of the policy, but according to the mindset of the director general responsible.

The other dimension to governance is the link to ministers. Figure 10 gives only a partial account of the variety of approaches that departments take to ensuring ministerial involvement and oversight.

**Figure 10 – Ministerial oversight**



When speaking to ministers, two strong messages emerged about how to run a department. One was the need for what one former minister of state called “*grip*”: an understanding of what the department is doing and how it goes about its business. Ministers must find an effective way of structuring and managing the ‘avalanche of paper’ they receive, rather than just reacting to it. As she explained:

*If you don’t have a grip, you are just fronting up somebody else’s operation... You won’t know what on earth the department is doing, you won’t have any input into what it ought to be doing or have any impact on it.*

The other message was the need for a minister to identify a few clear priorities and pursue them consistently. As one former secretary of state said:

*You’ve normally got a year to 18 months to change one, two or three big things, and you should really concentrate on doing that - whilst managing the crises which inevitably are going to pop up.*

These two messages suggest the need to adopt structures that allow the consistent and coherent pursuit of policy priorities. The increasing use of flexible pools makes this need more acute, for two main reasons:

- If there is confusion or inefficiency in allocating projects to the flexible pool, they could be addressed by a clear central steer or ‘grip’.
- Although sustained adherence to a few strategic goals is important, flexible pools allow resources to be easily re-distributed to immediate ministerial concerns. This setup may encourage ministers to take a more short-term, reactive approach to policy. There may be a need for structures to help resist this temptation.

The governance of flexible policy pools seems to be a clear area where new institutional structures could help policy making. The challenge is to ensure they are organised in a way that encourages a coherent approach to a prioritised set of policies, rather than one which is based around *ad hoc* and reactive consideration of individual initiatives.

As commissioning projects from a policy pool becomes a new and important function, a strategy needs to be built in up-front to ensure continuity between policy development and oversight of implementation. 'Policies' do not have finite ends in the way in which projects do – there are big benefits to ensuring that continuity is preserved after people are deployed onto the next project, perhaps by transferring the work back into a standing team which has been involved in the project. Interviewees were concerned that this does not happen enough. One ex-minister of state who had led a policy review reflected that

*the day we published the report I rang to check something about the publication, to be told there is nobody here, the group has been disbanded. So over a three month period they had developed a degree of expertise and then that was just thrown to the four winds, and I gather that is a fairly frequent pattern.*

The policy making functions in government differ from a 'consultancy' model: if policy is developed on a project basis, at the end of the project there needs to be someone in government to take ownership of the policy, since there is not a separate 'client'. The split between policy development and implementation expertise and responsibility is a well known risk – which is why policy makers are usually advised to involve implementers in policy design.<sup>207</sup> There is an emerging critique of the reforms of tax policy in the mid-2000s which suggests that the move of tax policy into the Treasury, and the loss of policy making functions in HMRC, has reduced the quality of decision-making on taxation.<sup>208</sup> Unless well-managed, the flexible pool model could yet further distance policy development from implementation.

## Career structures

Flexible pools are another step towards the vision of policy making as the application of a set of professional skills to different subject areas.<sup>209</sup> As their use increases, so does the need to ensure that career structures also value policy makers who build up expertise in a particular area. Both ministers and civil servants stressed the importance of such expertise:

*That's often the hardest bit: it's not the technical thing... it's knowing why people are saying that this needs to be done this way, or that way, from where they're coming from as a farming organisation, or as an environmental organisation, or as an industry sector. You can't get that instantly; you need to get to know your stakeholders. (Senior civil servant)*

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<sup>207</sup> As we say in Chapter Nine, the distinction between policy formulation and implementation is itself an artificial one.

<sup>208</sup> Bowler, *Tax Policymaking in the UK*, 2010; available at: <http://www.ifs.org.uk/comms/dp8.pdf>

<sup>209</sup> The *Professional Skills for Government* model encourages the movement between posts in order to gain the required skills or experience to pass 'career gateways' – Cabinet Office, *Civil Service Reform: Delivery and Values*, 2004, p.22.

*There was one individual who had been doing steel for years, and he had an incredible repository of knowledge. If you knew what you wanted to do as a minister, somebody like that could help you to link the sense of direction that you've got with the practicalities of the industry. If you've got officials that have moved around and don't have that expertise, I think that becomes a real problem on many occasions. I don't think the civil service is terribly good at the top management level at distinguishing where it needs experts and where it needs generalists. (Former minister of state)*

Indeed, it was pointed out that some policy roles that require such a level of judgment that repeated prior experience was essential to carry them out properly (some aspects of Treasury forecasting were mentioned in this regard). The National Audit Office has identified a lack of “authoritative subject experts, who really understand their subject areas and are able to build up networks across departments and with other subject specialists outside central government”.<sup>210</sup>

Yet opinion was strongly divided: there was an equally prevalent view that remaining in one policy area for a long period can lead to policy makers becoming jaded, inflexible and more at risk of stakeholder capture. In contrast, movement can bring fresh thinking and dynamism.

*When you end up with these kind of huddles of people who are convinced that only they can understand an area, then that's not open to challenge... it's not open to new ideas, it's not open to new thinking. (Senior civil servant)*

*[Obstructions often come from] a small team who has been sat on their backsides for too long in the department doing something, in a comfort zone... they have just become fixed on whatever it is and they are the expert and they are not interested in changing their attitude or approach or prejudices. (Minister of state)*

There were arguments that remaining in a particular area would both increase the likelihood of innovation (through seeing connections that other miss) and reduce it (because thinking would become rigid). Longer-serving civil servants might become more outward looking because they develop deeper relationships with stakeholders, and yet also more closed to new thinking.<sup>211</sup>

Some argued that a balance could be struck. As one minister put it, “what you do need is people... who are intelligent and show up enough to be able to understand policy in a particular area for a period of time, but not leave them there so long they become rigid and unimaginative.” A period of approximately three years was mentioned as an optimum time.

Flexible pools will probably work best if this issue is addressed in a different way – by creating combined teams of people with policy making skills and those who have chosen to specialise. Doing so will require career structures that allow people to progress within a particular field of expertise.

But the real world of policy making makes this problematic: current civil service structures mean that promotion usually involves increased management responsibilities. Salary, status, and the number of direct reports are all seen to be linked. Yet management skills do not necessarily accompany subject expertise, and this can cause one of two problems.

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<sup>210</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.31.

<sup>211</sup> Of course, these judgments all take place within the context of existing developments relating to 'generalists' and 'specialists' in the Civil Service. See Performance and Innovation Unit, *Adding It Up: Improving Analysis and Modelling in Government*, 2000.

First, policy makers may be promoted in spite of their management capabilities, so they are rewarded with responsibilities which they cannot fulfil well, and which limit the amount of time they can devote to their real strength – considering policy issues. But many interviewees said that the second possibility was more likely: policy makers are not promoted because of their obvious management deficiencies, which can leave them frustrated and effectively sidelined. In the words of one civil servant:

*[We have] moved much more towards the view that your senior leaders need actually to be good at leadership. That lost along the way what I would call the master policy advisors, people who [if] you want a white paper done they will write a brilliant white paper; if you ask them to manage a team of six people across the road, three of them will die. Because what it used to be was that those people got promoted anyway because they were the best Grade 7s, now they don't, and they sit in their office and get grumpy.*

Clearly, it is undesirable to have managers who cannot manage. Therefore, there seems to be a case for divorcing policy expertise from line management responsibilities and creating an alternate career structure for 'policy experts'.<sup>212</sup> In the private sector, for example, structures recognise that "a high-level individual contributor such as a very specialised research scientist working at the leading edge could be more valuable to the organisation than his or her team leader".<sup>213</sup>

Flexible policy pools can help achieve these aims, since they can allow senior experts to get involved with policy making without having to manage the team. But it is crucial that the contribution that such experts can make is recognised and rewarded, as it often is in the private sector. Such policy experts could provide continuity, subject expertise, stakeholder contacts and oversight of a high quality, frequently updated body of evidence.

Similar recommendations were made in a review of Treasury career structures carried out in 2003.<sup>214</sup> It concluded that there were a limited number of subjects where respected senior experts were needed. Despite it being controversial, the recommendation was accepted. But it proved very difficult to achieve in practice. The 'senior specialists' never quite acquired the status required, partly because proximity to ministers was still seen as the main source of power. These factors would need to be acknowledged to ensure any new career structure is grounded in the real world.

The final point is that flexible pools are dependent on the quality of the people in the pool. In other words, the use of pools puts extra pressure on the policy profession to ensure professional policy making skills are up to scratch. There was criticism from some ministers of the level of analytical training given to civil servants engaged in policy making. One felt that junior civil servants on their way to the senior civil service were "dramatically undertrained" compared to management consultants, for example. Few civil servant interviewees had taken Masters in Public Administration (MPA) or undergone similar training; one who had felt that it offered structured thinking skills that were only "erratically" taught to policy makers.

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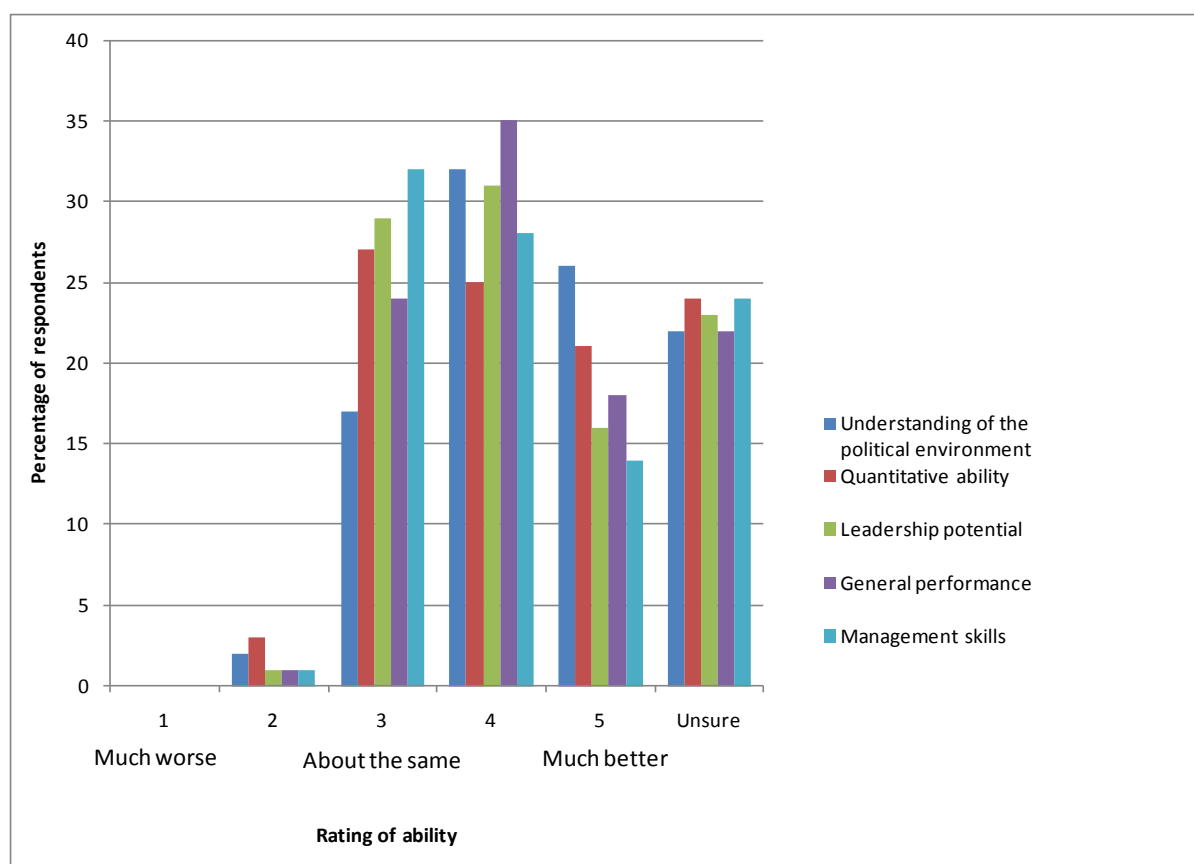
<sup>212</sup> A separate career structure for 'specialists' did exist before 1984, and had been one of the targets for criticism by the 1968 Fulton Report. However, the effect of this structure was to limit the careers of specialists, rather than enhance them. See Burnham and Pyper, *Britain's Modernised Civil Service*, 2008, Chapter 6.

<sup>213</sup> Michael Armstrong, *Employee Reward*, Chartered Institute of Personnel and Development, 2002, p.225.

<sup>214</sup> The review has not been published; this information is from an interview with a Treasury senior civil servant of the time.

In other countries there is a higher expectation that policy makers will possess a formal policy qualification that gives a base level of capability before they enter the civil service. In many places a background in law or economics will be expected. In the US, a survey of nearly 400 federal government managers indicated that they believe possession of an MPA significantly improves employees' performance, and in a variety of ways (Figure 11).<sup>215</sup>

**Figure 11 – The benefits of a formal policy qualification in the US government**



In the UK, the popularity of MPA courses appears to be growing: the first one at a British institution was established in 2001 (thirty years later than America).<sup>216</sup> And some UK department do have require evidence of policy expertise – there is a clear expectation in the Department for International Development that most new entrants will have an advanced degree in a relevant subject. Yet there is the potential for such courses to become more widespread.

<sup>215</sup> National Association of Schools of Public Affairs and Administration, *Federal Employer Survey, 2007*; available at: [http://naspaa.org/naspaa\\_surveys/FederalEmployerSurvey.pdf](http://naspaa.org/naspaa_surveys/FederalEmployerSurvey.pdf)

<sup>216</sup> Francis Beckett, 'Public Servants Get Down to Business', *The Guardian*, 17 February 2004; available at: <http://www.guardian.co.uk/education/2004/feb/17/highereducation.mbas>



At the same time, there should be rigorous internal training for new entrants and a strong emphasis on continuous professional development. Yet, compared to many private sector employers, it appears that the civil service has a relatively *ad hoc* approach to development activities.<sup>217</sup> Furthermore, civil servants in other countries often have greater opportunities to gain qualifications in policy and administration (as opposed to short-term training courses or those focused solely on the highest levels, like the National School of Government's Top Management Programme):

- The governments of Australia and New Zealand select 130 of their most promising public servants to gain an Executive Master of Public Administration degree at the Australia and New Zealand School of Government;
- In Germany, half the participants on the Hertie School's Executive Master of Public Management come from the German central or local government;
- In the Netherlands, the Nederlandse School voor Openbaar Bestuur provides, amongst other qualifications, a Master of Public Administration aimed at the upper middle management of the civil service;
- In the United States, the Harvard JFK School of Government offers 25 courses, many of which are aimed at senior policy makers. The American University's School of Public Affairs provides a Key Executive Leadership MPA programme for mid-career professionals and federal executives. Both select participants on a competitive basis;<sup>218</sup>
- In Austria and Denmark senior civil servants have the opportunity to gain degrees in public management.<sup>219</sup>

Interviewees were, however, clear that teaching alone is not enough; good policy making emerges through practice and judgment, and thus the real challenge is to cultivate and develop transferable policy skills throughout civil servants' careers. With questions over the future of the National School of Government, the government will have to find new ways of ensuring policy makers (ministers and civil servants) keep developing their skills.<sup>220</sup>

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<sup>217</sup> There is very little research in this area, but this conclusion is supported by a small-scale exercise the Institute recently conducted to compare the respective training of a fast streamer and a management consultant; available at: <http://www.instituteforgovernment.org.uk/blog/796/a-smaller-whitehall-must-better-manage-its-best-talent/>

<sup>218</sup> Information taken from Christopher Pollitt and Liesbeth Op de Beeck, *Training Top Civil Servants: A Comparative Analysis*, University of Leiden, 2010; available at: <http://soc.kuleuven.be/io/eng/publications/detail/IO06050104.htm>

<sup>219</sup> Herma Kuperus and Anita Rode, *Top Public Managers in Europe: Management and Working Conditions of the Senior Civil Servants in the European Union Member States*, European Institute of Public Administration, 2008; available at [http://www.eupan.eu/files/repository/document/Study\\_on\\_Senior\\_Civil\\_Service2.pdf](http://www.eupan.eu/files/repository/document/Study_on_Senior_Civil_Service2.pdf)

<sup>220</sup> <http://www.nationalschool.gov.uk/programmes/programme.asp?id=17842>

There is a wider point here. Good policy making requires talent and judgment, and it is clear that some civil servants possess this more than others. Our interviews suggest that there is an internal 'war for talent', whereby those who are skilled helping ministers deal with immediate problems tend to be redeployed rapidly. As one senior civil servant explained, "*the most productive, most capable people are doing a disproportional amount of heavy lifting*". There is also, however, an external war for talent, and in the current environment there is a risk that it is exactly these people who are most likely to get offers to move on from the civil service. Some of our interviewees were concerned that given the continuing recruitment freeze,<sup>221</sup> the people who would stay were the least likely to be able to adapt to the new challenges of the future – and the quality of policy making will degrade.

## Team composition

As the previous section shows, flexible pools make it even more important that career structures can enable and incentivise deep expertise in a subject. But, if flexible pools mean that new project teams are regularly being set up, it will also be important to ensure that these teams have the right mix of abilities. As one interviewee said:

*You're better off with a mix of people... So at either extreme, if you have a team of ten people and they've all been there for ten years, that's almost definitely a disaster; and if you've got ten people there who are all new, that's also going to be a bit of a disaster... you do need people who know what they're talking about, but you also need people whose first thought isn't, 'This is how it is, and this is how it must be.'* (Senior civil Servant)

Now, flexible pools could actually provide a more structured means of assembling policy teams. It was argued that traditional means of allocating resources to policy teams was more along the lines of 'who is free?', rather than specifying "*well actually what we need is a really, really dynamic whatever grade, with a team of this many people, that have these characteristics*".<sup>222</sup> But this will only happen if flexible pools are managed to produce the best possible combination of skills and experience in policy teams.

In particular, it is important that the move to flexible pools brings analysts and policy makers together, rather than encouraging them to be seen as separate professions. There is an existing tendency to set up analytical teams in isolation, who effectively provide an analytic service to be 'consumed' by policy makers. However, we heard that in some departments analysts had become much more integrated into policy making. As one analyst said:

*We're now fully involved most of the time from the start of the policy making process. We are going to more meetings with ministers. So culturally we're accepted that we are part of the policy making process... that doing analysis will shape policy, rather than something that's slightly academic and slightly remote.* (Senior civil servant)

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<sup>221</sup> [http://www.hm-treasury.gov.uk/press\\_06\\_10.htm](http://www.hm-treasury.gov.uk/press_06_10.htm);  
<http://network.civilservicelive.com/pg/pages/view/549939/>

<sup>222</sup> Senior civil servant interviewee.

Both policy makers and analysts felt that better integration led to better policy making. Yet the move to flexible pools and policy teams may lead to tensions around professional identities and line management. The emphasis on professions can mean that, for example, those hired through the Government Economist Service see themselves primarily as economists. This can mean that there is “a real reluctance sometimes for [analysts] to engage on things if they can’t do it absolutely perfectly” and accept that “actually their job is not to just provide first class analysis, it’s to provide the best analysis you can in the time available, and that’s been set by the political agenda”.<sup>223</sup> For example, in one department there was a movement to re-separate analysis and policy making; our interviewee suggested this was because “some of the economists in particular are feeling like they are second class citizens in the policy world.”<sup>224</sup>

## Knowledge management

The National Audit Office argues that “the knowledge and experience which departments accumulate” is a valuable resource for policy making because it can “prevent failures and avoid reinventing the wheel”. Effective policy making thus requires “mechanisms for capturing institutional memory and making it easily accessible to staff”.<sup>225</sup> For example, Defra’s failure to incorporate lessons from the 2000 swine fever outbreak into a national emergency response plan partly contributed to the £3 billion cost of dealing with foot and mouth a year later.<sup>226</sup> Many of our interviewees said that failures to pass on knowledge emerged from a combination of cultural and structural factors:

*You are put in a post, you may know nothing about that particular area, but you are the expert. And it would be quite bad form actually to ring up your predecessor and say, ‘How do I deal with this United Nations election?’, you know, because we’re all brilliant analysts who can pick this up very quickly. I exaggerate, but the point is that the way that the structures are set up, and this is an absolutely crucial thing for policy, we don’t believe in our institutional memory and knowledge nearly as well as more nimble organisations.”<sup>227</sup>*

One of the problems civil servants identified is that, as one put it, “we’ve never got to grips with managing [knowledge] through what we carry around in our heads”. Ministers often agree: as one noted, “there is surprisingly little handover from one minister to another... the sort of folk memory is very short”. Another confessed that “the funny thing is you never really know how other ministers... operate in their department”.

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<sup>223</sup> Senior civil servant interviewee.

<sup>224</sup> Integrating analysts to policy teams may mean that the team manager also has to manage their professional progression. This may not be easy: one interviewee noted that some economists preferred to be line managed by economists, since they better understand their language and development needs.

<sup>225</sup> National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, p.59. The Sunningdale Institute’s analysis of Capability Reviews also concluded that a “more professional approach to knowledge capture and knowledge transfer” was needed – Sunningdale Institute, *Take-off or Tail-off? An Evaluation of the Capability Reviews Programme*, 2007, p.30.

<sup>226</sup> National Audit Office, *Good Government*, 2008, p.28; available at: <http://www.nao.org.uk/idoc.ashx?docId=ea8e6a6e-9a50-4858-a867-17114318edce&version=-1>

<sup>227</sup> Senior civil servant interviewee.

The government admits that it has focused more on *information* management (the processes for creating, capturing and using information) than *knowledge* management.<sup>228</sup> Nevertheless, it has recently said it is a “core priority” to “move more towards being an organisation that builds on its collective experiences through securely sharing knowledge”.<sup>229</sup> A knowledge management strategy has been published, and a professional Knowledge and Information Management Function has been established, with a Network and a Skills Framework.<sup>230</sup>

Yet the government’s plan for action appears to rest on ensuring that “*knowledge management and knowledge-sharing behaviours [are] integrated into core competencies at all levels*”.<sup>231</sup> Similarly, Defra’s knowledge and learning strategy expects staff to “*help Defra retain knowledge when they move or leave*”.<sup>232</sup> In other words, the emphasis seems to lie on specifying required behaviours, rather than the organisational structures that shape these behaviours.

The increased use of flexible pools makes the structural point even more pressing. As one civil servant argued:

*Inevitably we're moving more towards flexible resourcing and away from standing teams... And that's a challenge; it means you have to be much cuter about marshalling your expertise and your corporate memory. Your corporate memory is another thing the civil service has never needed to do in the past, but within about three years I'm going to need a proper corporate memory structure in [my policy area] because I can think of two or three people who will have retired, and I will no longer just be able to go to them and say, 'Look, I've had this letter saying that we messed this company around in 1988, can you remember what happened?'*

Flexible pools put greater pressure on structures to manage knowledge, since individuals’ incentives will move more towards developing transferable skills. The good news is that departments have already started work: by 2009, ten departments reported they had a strategy in place to improve learning.<sup>233</sup> The key is to make sure these strategies address the real constraints on knowledge management; there is evidence that previous solutions have worked better in theory than in practice.<sup>234</sup> We argue that flexible pools are the major new factor for knowledge management that departments will have to deal with in the future.

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<sup>228</sup> HM Government, *Information Matters: Building Government’s Capability in Managing Knowledge and Information*, 2008, p.10; available at: <http://www.nationalarchives.gov.uk/documents/information-matters-strategy.pdf>

<sup>229</sup> *Ibid.*

<sup>230</sup> <http://gkimn.nationalarchives.gov.uk/>

<sup>231</sup> HM Government, *Information Matters*, 2008, p.11.

<sup>232</sup> Cited in National Audit Office, *Helping Government Learn*, 2009, p.30.

<sup>233</sup> *Ibid.*, p.39.

<sup>234</sup> National Audit Office, *Modern Policy-Making*, 2001, pp.59-60.

## 8. Politics

*“Here’s the thing about modern politics, which politicians often don’t realise until it’s too late: politics is actually in the end about policy. And the best long term politics is the best long term policy. But you don’t always see that when you are in Government, to begin with particularly.” (Tony Blair, 2010)<sup>235</sup>*

### In defence of politics

As Chapter Three showed, recent reforms to policy making have focused mainly on making technocratic advances, while the role of politics has been neglected. This is at least partly because *“faced with the complexity of modern governance, there is always the temptation to look for technical fixes rather than embrace politics in the round.”<sup>236</sup>* But it is also because there is a long history of treating policy technocratically for the government to build on.

The roots can be traced back to the Positivism of the nineteenth century. In 1820, the French thinker Henri de Saint-Simon envisaged a new political order based on the scientific method:

*All the questions which have to be debated in such a political system... are eminently positive and answerable; the correct decisions can only be the result of scientific demonstrations, absolutely independent of all human will, which may be discussed by those educated enough to understand them... the three principal disadvantages of the present political system -arbitrariness, incapacity, and intrigue - will be seen to disappear at once.<sup>237</sup>*

Science and technology becomes the solution to the rather distasteful problem of politics. In the modern era, this has evolved into a doctrine of ‘scientism’ or ‘technology’: the idea that *“all the important problems facing human civilisation are technical, and that therefore they are all soluble on the basis of existing knowledge or readily attainable knowledge.”<sup>238</sup>*

In the field of policy making, the technology doctrine informed the launch of *“a science of policy forming and execution”* some sixty years ago.<sup>239</sup> Again, applying ‘higher’ scientific criteria would answer the questions currently mired in politics. This promise was particularly appealing to governments who were just starting to tackle complex social problems, and so the ‘policy sciences’ became increasingly influential.

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<sup>235</sup> Tony Blair’s speech to the Institute for Government, 28 June 2010.

<sup>236</sup> Francesca Gains and Gerry Stoker, *How Politics Works: Understanding the New Realities of the Political Process in Public Management*, Work Foundation, 2008, p.15; available at: [http://www.theworkfoundation.com/Assets/Docs/how\\_politics\\_works.pdf](http://www.theworkfoundation.com/Assets/Docs/how_politics_works.pdf)

<sup>237</sup> Henri Saint-Simon, ‘On the Replacement of Government by Administration’, in Keith Taylor (trans.) *Selected Writings on Science, Industry, and Social Organisation*, Croom Helm, 1975, p.209.

<sup>238</sup> Bernard Crick, *In Defence of Politics*, Continuum, 2000, p.71.

<sup>239</sup> Harold D. Lasswell, ‘The Policy Orientation’, in Daniel Lerner and Harold D. Lasswell (eds.), *The Policy Sciences: Recent Developments in Scope and Method*, Stanford University Press, 1951, p.3.

*The new science dismissed politics as an unfortunate obstacle to clear-headed, rational analysis and good policy (which were the same thing). Even today, the aim of much political science writing on policy is to demonstrate how actual policymaking 'deviates' from pure rational analysis.*<sup>240</sup>

The doctrine of technology has underpinned most government attempts to improve policy making. Why? As we have seen, most of the reform attempts originated from the civil service. Not only is the civil service itself is founded on the rational application of technology, some observers argue that it retains an ingrained “*suspicion of the political process*”.<sup>241</sup>

What is more interesting is that the only major attempt that ministers have made to structure their own policy making approach was also technocratic. *Modernising Government* only stated the ambition to “*make better use of evidence and research in policy making*”. But subsequently, the government began to adopt the technology doctrine: it made a “*commitment to 'what works' over ideologically driven policy*”, to adopting an “*open-minded approach*” and relinquishing “*dogma*”.<sup>242</sup>

In fact, it appears that evidence-based policy making substituted one dogma for another.<sup>243</sup> A major speech by former Home Secretary, David Blunkett, made it clear that only one breed of evidence can supply answers, which would be suitable for any problem:

*We're not interested in worthless correlations based on small samples from which it is impossible to draw generalisable conclusions... [Policy makers need evidence that is] able to measure the size of the effect of A on B. That is genuine social science and reliable answers can only be reached if the best social scientists are willing to engage in this endeavour.*<sup>244</sup>

Again, the right type of science will produce ‘reliable answers’.<sup>245</sup> The problem is that this rigid stance on policy tended to break on contact with the real world. According to one former secretary of state, the government’s approach to policy “*became almost set in amber*” around 2000. This view of policy making was, she reflected, “*a rather laboratory kind of approach with human frailty crashing in on this perfect laboratory created paradigm*”. The Commons Select Committee on Science and Technology also noted this divide between theory and practice:

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<sup>240</sup> Deborah A. Stone, *Policy Paradox: The Art of Political Decision Making*, Norton, 2001, p. xi.

<sup>241</sup> Peter Riddell, quoted in Matt Ross, ‘A Life Watching Whitehall’, *Civil Service World*, 14 July 2010, p.9.

<sup>242</sup> HMG, *Memorandum to the Select Committee on Science and Technology*, 2006; available at: <http://www.publications.parliament.uk/pa/cm200506/cmselect/cmsctech/900/900we02.htm>; David Blunkett, ‘Influence or Irrelevance: Can Social Science Improve Government?’, speech to the Economic and Social Research Council, 2 February 2000.

<sup>243</sup> Ian Sanderson, ‘Making Sense of “What Works”’: Evidence Based Policy Making as Instrumental Rationality?’, *Public Policy and Administration*, vol. 17:3, 2002, pp. 61-75.

<sup>244</sup> Cited in Parsons, ‘From Muddling Through to Muddling Up’, 2002, p.46.

<sup>245</sup> In 2004, the Deputy Chief Social Researcher sounded a less confident note, arguing that a “problem for evidence-based policy is the *uncertainty* of social scientific knowledge, and the different status of different fields of knowledge.” – Philip Davies, ‘Is Evidence-Based Government Possible?’, Jerry Lee Lecture to the 4<sup>th</sup> Annual Campbell Collaboration Colloquium, 19 February 2004; available at: <http://www.nationalschool.gov.uk/policyhub/downloads/JerryLeeLecture1202041.pdf>



*In considering evidence based policy, we conclude that the Government should not overplay this mantra, but should acknowledge more openly the many drivers of policy making, as well as any gaps in the relevant research base.<sup>246</sup>*

Taking a scientific approach to answering policy questions is not a bad thing in itself - the problem is with the doctrine, not the practical activity.<sup>247</sup> Evidence can only ever be part of the solution to a policy issue. Excluding the political is:

- **unrealistic:** in reality, policy making can never be extricated from politics;
- **undesirable:** politics adds value to policy making; and
- **flawed:** evidence and analysis is never 'pure' or above politics.

Since the technology doctrine is still the foundation of attempts to improve policy making, we explain these three points in more detail below. We then show the problems that have ensued, before suggesting an alternative way forward.

### Policy making can never be extricated from politics

The new science of policy analysis grew quickly in the United States, fuelled by a demand from governments to use the power of analysis to tackle large social problems. By 2000, a survey of the field could state the policy analysis had 'come of age' and was now a fully-established profession.<sup>248</sup> Yet, even as the profession grew, so did questions over the realism of its goals. As one observer notes, "*political scientists found that no matter how objectively reformers tried to specify the rational criteria, political factors affected how policy-makers selected and used policy analysis.*"<sup>249</sup>

This is not surprising. Policy is not made in a sealed, controllable environment: it is intrinsically political. As a special adviser put it, "*there is not a box marked objective abstract policy and another one marked politics.*" Other thinkers go further, and say that the very premise of purely rational decision-making is unrealistic:

*The success of the physical sciences has encouraged us to believe there might be a science of decision-making. With its aid, all kinds of problems could be managed objectively... There is not, and never will be, such a science. Our objectives are typically imprecise, multifaceted and change as we progress towards them – and properly so.<sup>250</sup>*

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<sup>246</sup> House of Commons Science and Technology Committee, *Scientific Advice, Risk and Evidence Based Policy Making*, 2006, p.3.

<sup>247</sup> Crick, *In Defence of Politics*, 2000, p.71.

<sup>248</sup> Beryl A. Radin, *Beyond Machiavelli: Policy Analysis Comes of Age*, Georgetown University Press, 2000.

<sup>249</sup> John, *Analysing Public Policy*, 1998, pp.31-2.

<sup>250</sup> John Kay, 'Decision-Making, John Kay's Way', *Financial Times*, 20 March 2010; available at: <http://www.ft.com/cms/s/2/0daa1cf6-3164-11df-9741-00144feabdc0.html> – this is a summary of John Kay, *Obliquity: Why Our Goals Are Best Achieved Indirectly*, Profile Books, 2010.



Evidence is, therefore, only one component of policy making: decisions about policy are shaped by multiple forces, including public opinion, ministerial preferences, narrative power and political principle. As one civil servant said, *"I'm a big fan of evidence-based policy making, but you've got to accept that [ministers'] objectives will be partly shaped by what works in the evidence in practice, but also by a political nous."* For example, many ex-ministers said that even if there was compelling evidence that bringing back hanging would reduce crime, they would still refuse on political principle. Policy is never seen through a single lens, such as evidence, but through a set of competing values, motivations and perspectives.

The Climate Change Act clearly shows how policy and politics are intertwined. Participants agreed that the main catalyst for government action on climate change had been the decision by David Cameron (then Leader of the Opposition) to focus on the environment and this raise its political salience.<sup>251</sup>

Prior to Cameron's intervention, Defra had been struggling to get departments to agree emissions cuts as part of the Climate Change Programme review. Now, the environment was seen as a political 'race', which led Tony Blair to appoint David Miliband Secretary of State at Defra. Miliband was viewed as a dynamic and talented politician, and he wanted to make a rapid impact in what he expected to be a relatively short tenure. So, although the 'pure' policy rationale was the same as when Defra had lacked traction, the real policy situation was transformed: it was seen as a high-profile and contested issue, with the sponsorship of a powerful secretary of state.

There was widespread recognition amongst interviewees that the wider political situation and the political authority of individual players govern how policy making plays out in the real world:

*We are bound by the electoral cycle, and the influences in play here are things like the strength of the majority, the confidence of our political masters, whether they can drive things through, what they are balancing up, how much money they've got – so there are a lot of externalities and dependencies... (Senior civil servant)*

In particular, the position of the responsible minister was seen as crucial:<sup>252</sup>

*Policy making doesn't happen separate from who's in charge, who's arriving, how powerful they are... it's all dependent, so your policy making is going to be stronger when you've got strong leaders who know where they're going, what they want to achieve. (Secretary of state)*

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<sup>251</sup> [http://www.instituteforgovernment.org.uk/pdfs/IfG\\_policymaking\\_casestudy\\_climate\\_change.pdf](http://www.instituteforgovernment.org.uk/pdfs/IfG_policymaking_casestudy_climate_change.pdf)

<sup>252</sup> This is not a new observation. Baroness Sharp (the first female permanent secretary) stated in 1970 that "The thing you ask of your Minister is that he should be able to get his way in Cabinet. He must know what he wants. He must be decisive. And he must have weight in the councils of the government." – cited in Hecló and Wildavsky, *Private Government of Public Money*, 1974, p.133.

The strength of ministers matters because policies are produced through competition between ministers and departments. Rather than being a contested process, “*policy formulation and policy implementation are inevitably the result of interactions among a plurality of separate actors with separate interests, goals and strategies*”.<sup>253</sup> As one special adviser put it:

*It is not simply a matter of policy making; it is a matter of getting policies agreed within government, and then implemented. And the extent to which a minister is able to do that will depend to a large part on his standing within his own political party and within the Cabinet. (Special adviser)*

Policy making always involves personalities, negotiation, and complexity, with competing objectives and motivations: these things cannot simply be seen as inconvenient ‘noise’ that disrupts an ideal policy process. And this immediately undermines the first tenet of the policy making cycle, namely that there is a single clear rationale for any policy. Each of the actors will have different understandings of the problem to be tackled. For example, take the issue of preventing or containing swine flu, which seems like a single, focused policy problem. However, it actually represents different problems for different actors:

- for medical scientists: ‘what caused the disease and what medical solution can be found?’;
- for public health policy makers: ‘who should supply a vaccine, who should receive treatment, and how will this programme be managed?’; and
- for politicians and their advisors: ‘what measures will the public support?’<sup>254</sup>

Even a brief survey of the Climate Change Act shows the great number of actors involved: Friends of the Earth, business leaders, the Prime Minister, the Opposition, Defra, David Miliband, the Chancellor, and the Treasury. The interactions between these parties were crucial. The Treasury in particular needed to be convinced that the UK would benefit from showing international leadership, and that case was only made through evidence from the Stern Review (which it commissioned). At the same time, business leaders were lobbying for a long-term framework for action on climate change which would give them a more certain backdrop for investment.

None of this means that politicians disregard evidence, nor that they should. In fact, many civil service interviewees said that ministers usually wanted to hear the evidence:

*I've never met a minister who doesn't want to know the evidence. In fact I was at a meeting with one, where one of my colleagues said ‘I think you probably don't want to know this, because if you know it you'll have to do something with it,’ and the minister immediately said, ‘No, you need to tell me, I need to know the things that I'm responsible for, no matter how embarrassing or whatever it is’.*

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<sup>253</sup> Scharpf, ‘Interorganizational Policy Studies: Issues, Concepts and Perspectives’, in Kenneth Hanf and Fritz W. Scharpf, *Interorganizational Policy Making: Limits to Coordination and Control*, Sage, 1978, p.347. See also the extensive literature on ‘policy networks’; for example, David Marsh and R. A. W. Rhodes (eds.), *Policy Networks in British Government*, Clarendon, 1992.

<sup>254</sup> Based on the analysis by Arthur M. Silverstein, *Pure Politics and Impure Science: The Swine Flu Affair*, Johns Hopkins Press, 1982, cited in H. K. Colebatch, ‘Policy Analysis, Policy Practice and Political Science’, *Australian Journal of Public Administration*, vol. 64:3, 2005, pp. 14-23.

But it also does not mean that ministers will *always* act exactly as the evidence apparently indicates, nor that they *always* should. The separation of politics and policy is an unrealistic illusion. The truth is, “*those in political societies who apply the technologist’s style of thought to the business of government have, in fact, taken for granted the political devices by which some things emerge as problems, and some other things are submerged as irrelevancies.*”<sup>255</sup>

## Politics adds value to policy making

The value that politics adds to policy making is both widely accepted and often ignored.<sup>256</sup> It is perhaps most important in those cases where politicians must create the conditions for a policy to be realised. One former secretary of state gave the example of the third world debt commitments made at Gleneagles in 2005:

*The most important thing there was the leadership and persistence of Tony Blair and Gordon Brown in making that a priority for the G8... we wouldn’t have achieved what we did on that occasion if it hadn’t been sheer bloody persistence... The two of them raising it on every occasion, putting pressure on other countries to come up with commitments... creating a political climate in which it became more difficult for countries to come and say, ‘this aid and debt stuff, we don’t think it’s particularly interesting’.*

Another secretary of state went further, and argued that successful policy making was always about passion as well as process:

*The best policy in the world will never fly unless it has its poetry, and the poetry is created in the expression of the minister. And you feel poetic about the policies that really matter.*

The role of politics pervades even into apparently technical areas of policy making. As Gordon Brown’s former principal adviser on tax policy argues, “*the political overlay to tax policy-making is essential. Policy cannot be made on economic principles alone.*”<sup>257</sup>

One of the most useful roles politics plays is to provide a framework for decision making in those cases where evidence does not indicate a clear course of action. Policy makers have to take decisions on the basis of evidence happens to exist, which may be determined by chance or academic fashion, and thus not cover all the possible options for action. Even where evidence does exist, simply aggregating is not guaranteed to provide a clear answer. As one civil servant put it:

*Policies are choices... [you cannot think that] if you collect enough evidence, and you put it all into the machine, and you turn the handle, the right answer will come out. What evidence based policy making does is inform your choice, but you’ve still got to make a choice and eventually a leap that says ‘I realise there could be lots of unintended consequences or downsides to this, but on balance I’m going to go with that one’. And that’s going to inevitably come from the instincts of the politician.*

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<sup>255</sup> Crick, *In Defence of Politics*, 2000, p.86.

<sup>256</sup> Two recent academics noted that political factors are “woven into the fabric of policy making” and thus “if they are largely invisible, it is precisely because they are so much part of normal routine” – Rudolf Klein and Theodore R. Marmor, ‘Reflections on Policy Analysis: Putting it Together Again’, in Moran, Rein and Goodin (eds.), *Oxford Handbook of Public Policy*, 2006, p.895.

<sup>257</sup> Wales, ‘Commentary on “The Political Economy of Tax Policy”’, p.1304; available at: [http://www.ifs.org.uk/mirrleesreview/dimensions/mirrlees\\_dimensions.pdf](http://www.ifs.org.uk/mirrleesreview/dimensions/mirrlees_dimensions.pdf)

In other words, even where evidence is incomplete, ambiguous or contradictory, policy decisions still have to be made. Political values help ministers make decisions. In the words of Mendes-France, *“to govern is to choose”*.<sup>258</sup> Our interviews suggested that civil servants recognise the role of political values, but dislike the other side of politics – decisions made for short-term political advantage. One special adviser suggested that it was decisions made for mundane or expedient reasons that officials found hard to accept. This is particularly true if they have been working on a policy area for some time, in which case *“they always want there to be some sort of grand sort of philosophy or ideology behind a particular policy initiative.”*

The other significant benefit that ministers bring to policy making is that their role as constituency MPs exposes them to concerns and consequences beyond Westminster. Ministers are continually exposed to citizens’ desires and preoccupations, and receive feedback on how policies are being received. First, it helps to correct for the homogeneity which can creep into civil servants’ perspectives, and which *“can often translate into bad policy because we can’t put ourselves in other people’s shoes”*, as one put it. As already noted, this ‘failure to put ourselves in other people’s shoes’ often crops up as factor in studies of policy failure. Second, constituency experience can help identify the best way of presenting policies to the public. Indeed, one interviewee went as far as claiming that *“the greatest gift to the civil service is a constituency MP”*.

### Evidence and analysis is never ‘pure’ or above politics

Finally, the premise of the technology doctrine is flawed in itself. Analysis is always embroiled in politics, no matter how much it may appear to be ‘higher’ or objective. This is not to say that civil servants are political actors trying to get their own way, rather than entirely rational, untainted analysis from a vantage point ‘above politics’ can never be *achieved*. In fact, the very idea that technology can play this role is itself a political statement about how the world should work.<sup>259</sup> *“In short, rational decision-making techniques are just as political as policy-making itself.”*<sup>260</sup>

The key point is that analysis starts from a position where politics has constructed certain problems or framed others as ‘non-issues’.<sup>261</sup> Some would admit this context is unavoidable, but say that within such a context analysts apply objective, quantitative techniques to solve problems. But where does quantitative analysis start from? It must have some way of defining what it is counting – what is a crime? What is a ‘good’ GCSE? These are judgments, and they are informed by a political context, rather than taking place in a vacuum.

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<sup>258</sup> ‘Foreign News: France’s New Premier’, *Time*, 28 June 1954; available at: <http://www.time.com/time/magazine/article/0,9171,860876,00.html>

<sup>259</sup> Crick, *In Defence of Politics*, 2000, Chapter 7.

<sup>260</sup> John, *Analysing Public Policy*, 1998, pp.31-2.

<sup>261</sup> Famously, Bachrach and Baratz argued that “non decision-making”, “the practice of limiting the scope of decision-making to ‘safe’ issues”, is one of the major activities in policy making – yet usually goes unnoticed. See Peter Bachrach and Morton S. Baratz, ‘Decisions and Nondecisions: An Analytical Framework’, *American Political Science Review*, vol. 57:3, 1963, pp. 632-642.

For example, amidst fears of a pensions crisis, the Turner Commission published a report saying that 40% of the population had 'inadequate' provisions for retirement. 'Inadequate' was based on whether a particular individual had a pension or not. But this did not take into account factors such as the wealth of one's spouse, which will obviously affect comfort in retirement. A subsequent report recalculated 'inadequate' to include marriage, and the figure fell to 11%; the 40% figure did not appear in subsequent Commission reports.<sup>262</sup> Quantitative analysis does not stand above policy conflict; rather, "*the fundamental issues of any policy conflict are always contained in the question of how to count the problem.*"<sup>263</sup>

Of course, it could be argued that analysts do not make up criteria every time they approach a problem. Expert opinion has agreed certain definitions and methods. But these are shaped and supported by professional bodies which exist in an 'epistemic community' that may have its own interests and goals.<sup>264</sup> Most obviously, Research Councils formulate priorities and criteria to determine what research they fund. Thus, the presence or lack of certain types of evidence (on certain topics) for policy analysis is the result of judgments, values, and fashions.<sup>265</sup> There is not an objective evidence-producing 'machine'.<sup>266</sup>

We can go further. Policy analysis does not just *start* from a political context; politics runs through it like a stick of rock. Analysis emerges from interactions between people, rather than taking place in a vacuum. Therefore, it is always dependent on rhetoric, narratives, editing, and biases in our understanding. For example:

- **Narrative.** The way policy problems are presented affects how they are received, and most presentation of policy involves narrative devices.<sup>267</sup> For example, it has been argued that the symptoms of acid rain (dead fish, dying trees) were established physical phenomena, but it was "*the acid rain storyline*" that related them to human action, and thus made them into a policy problem.<sup>268</sup> Therefore, the way that ministers and civil servants discuss policy issues "*does more than reflect a social or political 'reality'; it actually constitutes much of the reality that has to be explained.*"<sup>269</sup>

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<sup>262</sup> Michael Blastland and Andrew Dilnot, *The Tiger That Isn't: Seeing Through A World of Numbers*, Profile, 2008, pp.14-15. As they say, "Numbers, pure and precise in the abstract, lose precision in the real world" (p. 11).

<sup>263</sup> Stone, *Policy Paradox*, 2001, p.164.

<sup>264</sup> Peter M. Haas, 'Epistemic Communities and International Policy Coordination', *International Organisation*, vol. 46, 1992, pp. 1-35.

<sup>265</sup> Sue Newell, Jacky Swan and Karlheinz Kautz, 'The Role of Funding Bodies in the Creation and Diffusion of Management Fads and Fashions', *Organization*, vol. 8:1, 2001, pp. 97-120.

<sup>266</sup> Some research areas may be moving closer to this ideal. See the increasing work around 'health research systems': *National Health Research Systems: Report of an International Workshop*, World Health Organisation, 2001, p.6; the National Institute for Health Research Systems: <http://www.nihr.ac.uk/systems/Pages/default.aspx>

<sup>267</sup> Thomas J. Kaplan, 'The Narrative Structure of Policy Analysis', *Journal of Policy Analysis and Management*, vol. 5:4, 1986, pp. 761-778.

<sup>268</sup> Maarten Hajer, 'Discourse Coalitions and the Institutionalization of Practice: The Case of Acid Rain in Great Britain', in Frank Fischer and John Forester (eds.), *The Argumentative Turn in Policy Analysis and Planning*, UCL, 1993, pp.43-76.

<sup>269</sup> Frank Fischer, *Reframing Public Policy: Discursive Politics and Deliberative Practices*, Oxford University Press, 2002, pp. vii-viii.

- **Editing.** Policy analysis always involves choices to include some things and exclude others, and to view the world in one way rather than another.<sup>270</sup> If a minister sets a policy goal and asks the civil service to develop options, they will be creating the policy in the choices they make, rather than just responding to direction. As one civil servant admitted, *"you are always biased in the way you chose to present one fact rather than another, you are always editing - it's just how overt you want to be about it"*. Interviewees also pointed out that *"you often find that you can gather evidence that will point you in opposite directions"*, and thus judgment is required to shape and edit the evidence into policy options.
- **Biases.** Recent evidence has shown that we have predictable biases in the way we notice and interpret information, many of which are triggered by the immediate environment.<sup>271</sup> This means that analysis does not take place in a protected sphere of pure rationality: we are always being influenced, whether we realise it or not. For example, it has been shown that we are vulnerable to 'anchoring' effects: the first piece of information we receive irrationally governs our subsequent decisions.<sup>272</sup> There was clear evidence this happens in policy making. As one interviewee said, *"in that first visit for a new minister, and a new policy area, they can very easily be swayed by, you know, early impressions - and then other evidence that supports that is obviously going to get more attention... even within the civil service there is a bit of a tendency towards that"*. Other biases, such as over-optimism bias, have previously been noted in policy failures, and have led to new guidance being produced.<sup>273</sup>

New Labour may have seen policy as being made in a 'laboratory', but a courtroom is a far more appropriate analogy. The British way of policy making is based on resolving interdepartmental disputes through committees and then having to defend the outcomes in an adversarial Parliament (and to a potentially very hostile media). Policy makers are much more like lawyers: their arguments still have to stand up to reason, but they must present a case (even if they have to present both sides at once). As a respected academic points out, *"evidence is a metaphor derived from a legal context where there is a defined case"*.<sup>274</sup> Policy makers are usually engaged in weighing up evidence, rather than proving specific causal mechanisms.<sup>275</sup> In other words, *"analysis is itself a creature of politics; it is strategically crafted argument, designed to create ambiguities and paradoxes and resolve them in a particular direction."*<sup>276</sup>

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<sup>270</sup> Stone, *Policy Paradox*, 2001, p.378.

<sup>271</sup> Hallsworth, et al. *MINDSPACE*, 2010.

<sup>272</sup> Dan Ariely, *Predictably Irrational: The Hidden Forces that Shape Our Decisions*, Harper Collins, 2008, Chapter 1.

<sup>273</sup> Kenneth R. Hammond, *Human Judgement in Social Policy: Irreducible Uncertainty, Inevitable Error, and Unavoidable Injustice*, Oxford University Press, 1996; National Audit Office, *The Delays in Administering the 2005 Single Payment Scheme in England*, 2006; HM Treasury's guidance on Optimism Bias, available at [http://www.hm-treasury.gov.uk/green\\_book\\_guidance\\_optimism\\_bias.htm](http://www.hm-treasury.gov.uk/green_book_guidance_optimism_bias.htm)

<sup>274</sup> Brian Hogwood, 'Beyond Muddling Through: Can Analysis Assist in Designing Policies that Deliver?', in National Audit Office, *Modern Policy-Making: Ensuring Policies Deliver Value for Money*, 2001, Appendix 1, p.64.

<sup>275</sup> Alex Stevens, 'Telling Policy Stories: An Ethnographic Study of the Use of Evidence in Policy-making in the UK', *Journal of Social Policy*, vol. 40:2, 2011, pp. 237-55,

<sup>276</sup> Stone, *Policy Paradox*, 2001, p.8.



Recognising that analysis is a creature of politics definitely does not require a rejection of evidence or reason. Rather, it indicates that policy making can only be improved through a realistic understanding of how evidence fits into the various pressures and values that shape the policy process. The next section details the problems that have ensued from the lack of such an understanding.

## We need to support the different contribution of ministers and civil servants

Current attempts to improve policy making do not acknowledge the importance of politics for policy. Ministers are either encouraged to act as technocrats or they are ignored entirely. Neglecting the tenets of good policy making in this way means that reforms are often incomplete or misguided. It also means that there is a lack of institutional support to address the real problems that arise. In other words, the current situation makes it difficult to embrace the value politics can bring and mitigate the damage it can do.

These problems are particularly acute in the relationship between ministers and civil servants. Interviewees felt that this relationship was crucial for the quality of policy making.<sup>277</sup> However, again institutional processes do not reflect the realities of this relationship: they fail to support civil servants and guide ministers sufficiently. In their absence, successful minister-civil servant relationships are left purely to chance, personalities and individual skill.

Of course, good relationships cannot be guaranteed; they will always be dependent on personalities and other contingencies. But institutions do have a role in creating the conditions that enable good relationships to flourish, and mitigate the consequences when they do not.<sup>278</sup> Good policies will emerge from achieving the right blend of the political (mobilising support and managing opposition, presenting a vision, ability to set within a wider set of strategic objectives) and the technocratic (evidence of what works, robust policy design, good implementation plans).

Individual policies require different blends – some fall at the more technocratic end of the spectrum (flood defences), while others are intensely political and values-based (the use of torture). The two poles are largely represented by ministers and civil servants. This is of course a simplification – some ministers are natural technocrats, and many civil servants develop strong political instincts. But for the right balance to be achieved, ministers and civil servants need both to recognise these roles and to have effective working relationships that recognise the contributions both can bring.

One implication of this is that ministers need to remember their crucial political role. As one minister of state explained, this may be harder than one imagines, once in government:

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<sup>277</sup> In the words of one former Cabinet Minister: "Every civil servant who aspires to promotion beyond a certain grade should not only have a spell out of the department and out of the civil service in a delivery agency or front line of some sort, but should have a spell in a Ministerial office... Unless you understand the interface and the interactions between policy and politics, between the elected politicians and their permanent executive, then I think you're the weaker for it."

<sup>278</sup> Stephen H. Linder and B. Guy Peters, 'An Institutional Approach to the Theory of Policy-Making: The Role of Guidance Mechanisms in Policy Formulation', *Journal of Theoretical Politics*, vol. 2:1, 1990, pp. 59-83.



*It is about bringing your political values and your political conviction to the situation. And, in my judgement, not forgetting you're a politician. I think some ministers probably do forget they are a politician... there is a slight danger of thinking, you know, 'I am just being another senior civil servant here'. You know, 'I'm being asked to sign off this stuff, and there's nothing particularly political about it, but it's rather important technically or administratively and, you know, they need a minister to sign it off, and I'm the one who'll sign it off'.*

Ministers can fall into this way of thinking because of the “avalanche of paper” that they receive, which means that “there is a sort of technocratic job to do”, as one put it, which does represent the minister “just becoming a bureaucrat or rubber stamper”. The important thing is that they perform this job without becoming lost in the role.

But ministers need to be open to evidence as well and not just rely on their political instincts. By downplaying the role of evidence, or being perceived to be acting (or not acting) for short-term political gain, they can damage their credibility with their civil servants:

*Analytical data is useful, but yes, it would certainly be true that anecdotal evidence about how things worked from people that you came to trust was strongly influential, and the more abstruse the academic evidence, the less you tended to rely on it. (Former Secretary of State)*

*I think there's some interesting pushes and pulls that ministers get from one constituent's letter or one lobby organisation that can damage someone's nerve potentially to do something reforming or brave or good. (Senior civil servant)*

*I saw throughout my eight years in government on a depressingly frequent number of occasions, short term pretty unimpressive policy initiatives being launched in order to achieve relatively short term political effects. (Former minister of state)*

*If you set the tone that you're always going to take the decision of something sensitive like planning policies [to] do something that's politically expedient then you will have a difficult relationship with the officials... it's the slippery slope towards a loss of trust, a loss of confidence with officials. You will be less effective. (Former minister of state)*

The danger is that civil servants, faced with the desire to please and help ministers, too readily tell them what they think they want to hear. For example, when asked about what made a policy successful, one civil servant said:

*Sometimes success is giving ministers what they want, even if that actually is not good policy and it is not good value for money particularly and it is not necessarily well thought through, long term or coherent.*

Failing to respect and value the role each party plays in the policy process leads to three main problems, set out below.

## Ministers may not allow a sufficient degree of challenge

Ministers need to enable a useful level of challenge from civil servants. As former cabinet minister Peter Lilley puts it, "*things go wrong when everybody - ministers and officials - are [sic] convinced that this is the right thing to do and then too few questions are asked about how it is going to work in practice.*"<sup>279</sup> But that means ministers also have to recognise and value such challenge. If they do not, civil servants have few resources to oppose this view, since they are conscious of the need to create and maintain a 'good relationship' with their minister. In the absence of any institutional support, it often appears that the easiest way to do this is to give the new minister what they want.

We heard many reports of the ministerial-civil servant relationship failing to be entirely honest, leading to poor policy making.

*[The single farm payments scheme] was a ministerial top priority. 'We will do this, this year, and we will do this kind of scheme, and I'm sorry if the Rural Payments Agency is going to find it difficult, we're going to go ahead anyway'. And of course they struggled, and they found it very hard to say with that kind of political pressure on them, 'We really can't cope with this; we're really not going to do it'. They just kept dissembling. (Senior civil servant)*

*Culturally it can be quite difficult to present even mixed evidence to ministers when they expect really positive evidence, because all their gut feelings and all their politics and all the stakeholders they listen to, are giving them all the positive end of the evidence. (Senior civil servant)*

*I'd like to see one of sort of frankness and openness where ministers feel able to discuss the political constraints on them and we are willing to be open about what our advice actually is, to be honest. I mean I can think of examples where ministers have been seen as so scary and so unwilling to consider actual evidence that stuff has been withheld from them. Policies have sailed on without the benefit of that evidence. (Civil servant)*

*I found people very reluctant to say what they felt and thought honestly... I think the minister has a responsibility to kind of set that expectation but the problem is that ministers can be powerful personalities and can intimidate people, often without knowing that they're intimidating people, and certainly not seeking to intimidate people. So people just need to be a bit bolder about that really. (Former cabinet minister)*

The consequences of such a lack of honesty can be significant. A former Treasury (and Cabinet) Secretary has attributed the problems in fiscal forecasting to the unwillingness of Treasury civil servants to challenge the political narrative:

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<sup>279</sup> Peter Lilley's evidence to the Public Administration Committee, 23 October 2008; available at: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmpublicadm/c983-iii/c98302.htm>

*The former cabinet secretary said that the Treasury was prone to 'wishful thinking' and that 'the politics' of the time had prevented civil servants from speaking more openly about the increasing level of debt. He suggested that spending was too high because of 'optimism bias' in the growth forecasts: 'It was a forecast error, but also by a process of optimism bias, not enough people were saying: 'Come on, do you really think we are able to expect 2.75 per cent growth indefinitely?' Questioned on whether he thinks civil servants should have come forward, Turnbull – who was permanent secretary at the Treasury from 1998 to 2002 – suggested that they were scared to. 'Yes, maybe Whitehall should have,' he said. 'But it's quite difficult when your minister is proclaiming that we have transformed the prospects of the UK economy.' When asked directly what prevented civil servants from telling politicians that borrowing was too high, he said: 'The politics was that we had put an end to boom and bust.'*<sup>280</sup>

The issue for ministers is how to distinguish valuable challenge from simple foot-dragging, and how to create an atmosphere when you know people are not just agreeing because of who you are:

*When you become a minister you become the most interesting person in the world, because everybody sits around nodding at you. And you also become amazingly funny. Every half-witted remark that you make, every pun you attempt, is met with gales of laughter from the people round the table. And after a while it can lull you into thinking, 'I must be right about everything because everybody is agreeing with me about everything'. And sometimes you need to be told that that's not the right thing. (Former minister of state)*

## Civil servants are more likely to over-manage ministers

As the preceding quote suggests, problems do not just arise from ministers making opposition difficult. Rather, a lack of honest conversations can also arise when the technocratic approach leads civil servants to 'over manage' ministers. Civil servants start to anticipate ministers' decisions, and may make their own political judgements about what is and is not acceptable. The danger then is that ministers have to take decisions on the basis of an unnecessarily constrained range of options. There can be a number of causes: wanting to please; assuming that ministerial reactions can be predicted; or eliminating what appears to be undoable, in order not to appear to lack political judgement:

*We do still too often try and anticipate what the minister wants and give it to them, rather than give them a genuine 'These are the options and these are why they are good or bad.'* (Senior civil servant)

*There is the risk there of pre-empting and actually occasionally even forgetting you need to ask them what they think, because you think you know them well enough that you don't need to ask.* (Senior civil servant)

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<sup>280</sup> Sir Andrew Turnbull, cited in Joshua Chambers, 'Turnbull: Political Overconfidence to Blame for Public Finances Deficit', *Civil Service World*, 13 September 2010; available at: <http://network.civilservicelive.com/pg/pages/view/497907>

*I often found more of a problem where actually officials who are actually quite privately quietly opinionated about what they felt were the political constraints but just didn't flush that out into the open. So when you really pushed and said, 'You know, I still don't get why you're trying to get us to do policy A in this particular way,' they'd be a bit evasive, and then you'd finally get out of them that it was because they felt that it was impossible to get it through Cabinet committee any other way, because you know the Lord Chancellor's department would always block it if it had been any other way. Well, that's our problem, you know? (Special adviser)*

Over-management should not necessarily be seen as an attempt to exert control over a minister. Rather, it can emerge from the wish by civil servants to help ministers as much as possible, and thus prove their competence:

*I think some of it is because civil servants want to prove to ministers that they're capable enough to make the answers. So they want to show that they're good, they want ministers to trust them and respect them, so they want to come up with, 'I understand so much what you're thinking and where you're coming from and your philosophy that I can give you the perfect answer...' (Senior civil servant)*

### Ministers may be involved in the policy process too late and in the wrong way

One of the biggest issues for ministers is the effective use of their time. The pressure on ministerial time means that choices have to be made about when and how to involve ministers, and often these choices are made by civil servants. This can lead to frustration among ministers that they are not able to get a grip of their agenda.

The first complaint from ministers is that they are involved too late - particularly when the department needs to respond to, rather than initiate, an issue (and thus is not in control of the timetable). Departments use available time to work ideas round the system, leaving the minister to enter the process when the answer has already been brokered. As one former secretary of state complained:

*A lot of policy comes to the minister pre-cooked - it's gone round the system by the time it reaches the minister, and everything's been decided. Often you don't get real options.*

The key role of ministers is to set strategic direction for the department - that cannot happen if they are engaged at or near the end of the process. It also means that they cannot define the problem, the issues and the parameters. This can end up with the minister feeling they are being manipulated into getting to what the department perceives to be the 'right' answer, rather than really engage with the issue as one former secretary of state said:

*Too often, [in] other policy departments, [one] in particular, the submissions are crafted in a way that they've got the recommendation they want the ministers to approve and the whole of the submission is then constructed to lead to that recommendation.*

A particular source of complaint is the nature of the policy submission, the conventional vehicle for civil servants to put advice to ministers in what remains a predominantly written culture. It is clearly hard to get submissions right (and ministers have their own very distinctive preferences for length and style). Looking more closely, it is clear that there are two opposing problems: when too much is put into the submission, or too little.

In the first, officials load material into the submission as it gets 'Christmas Treed' up the department, and "all it tells you is that this is a huge subject which you finally haven't got on top of", in the words of one special adviser. One civil servant said these submissions effectively gave the following message:

*Dear minister, here is an extremely complex and controversial issue. It's so complex and controversial that we're going to make this submission very, very difficult to read just so you can figure out just how tortuous our thought process is. Oh and by the way, because it took us so long to write this we need a decision from you overnight'.*

The opposing problem comes because sometimes "officials can basically try to avoid having a discussion because they don't want you to upset their apple cart... and so they put forward a very bland-looking, almost anaemic submission, in the hope that it just gets a tick and they can get on with it."<sup>281</sup> As we noted earlier, all analysis is effectively crafted to point towards a particular conclusion, but the ideal of objective pure analysis may make both sides less likely to admit that such persuasion goes on.

A common driver for both problems is the technocratic wish to minimise the need to make hard, clear decisions, and thus neglect the fact that 'to govern is to choose'. Both ministers and civil servants may collude in the pretence that there are no downsides. As one civil servant argued:

*There's a great dislike for spelling out options starkly. I had a monumental battle with a fair bit of the rest of Whitehall over an issue a couple of months ago because what it came down to was that people didn't want to put their heads above the parapet and say 'Look, there's option A but that's got these downsides, or there's option B, which has got those downsides'. People were trying to put up submissions to say 'Do you agree that we should try and do X while also trying to get the benefits of Y?' To which ministers were always going to say 'Yes, sounds great'.*

This frustration was echoed by a former secretary of state, who argued that this aversion to hard choices represented a fundamental problem with UK policy making. Often, he argued,

*there's a perfectly sensible strategy which is A, there's a perfectly sensible strategy which is B, but you actually take out the hard bits of A and B, put them together and you end up with nothing. Which is actually, I would say, the biggest problem with the British system in the end, overall: lowest common denominator policy making, which is basically where they're not actually taking a choice.*

Decision-making by submission exacerbates these problems. They introduce the elements of narrative, editing and bias inherent to analysis, without giving the means to mitigate them. If ministers are brought into the policy process too late, they just have to accept the narrative that has been created, rather than shaping it themselves. The policy may be weaker as a result. For significant policy decisions, policy submissions are necessary but not sufficient. As one special adviser explained, a submission cannot

*explore the nuances and the sort of advantages and disadvantages of a policy; you know, it just can't do that. You can do that in a meeting, you can kick something about, you can probe it, you can look into people's eyes and say, 'There's something you're not telling me here, what is it?' You know, and you can have a discussion and it's a bit of an iterative process.*

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<sup>281</sup> Former special adviser.



The civil service has also suffered from a paper based decision-making process. If ministers do not have meetings with officials, they may struggle to understand exactly what ministers' goals are. One interviewee described how her department pored over newspaper articles from a new minister to understand what he wanted. Another explained that:

*a lot of the ministerial interaction is us desperately trying to get information out of them as to where their interests are, where they are going to want you to go.*

These problems mean that more needs to be done to create a 'safe space' in which an iterative discussion about real priorities can take place. New tactics and processes are needed to help this happen. For example, one department is experimenting with 'Red and Blue Teams', where civil servants have to argue the extreme view for and against a particular course of action, rather than presenting a compromise to a minister. Initial reports suggest that this approach throws up interesting new ideas and allows civil servants to refine their thinking.

### The desired relationship between ministers and civil servants

The overall situation is that civil servants are faced with the difficult task of trying to show that they support a minister "without simply saying yes to anything that they say", as one interviewee put it. They try their best to answer this question, but have to rely entirely on their own skill, instincts, and personality. Most adopt a basic strategy of 'picking their battles' – that is, working out which policies can be challenged without seeming to be obstructive. But the way in which battles are picked is haphazard and *ad hoc*:

*I think it's probably all sorts of factors that consciously or unconsciously you take into account, like whose idea is it, how important are they, how powerful are they, how many allies have they got, what's the chances of them changing their mind, and if you think they are slim then it would be a question of picking your battles.*

Of course, these decisions will always rely on skill to some extent, but institutions have a role in supporting them.

The good news is that, when they reflect, ministers and civil servants both agree on the kind of relationship they desire. Both groups consistently use words like 'open', 'trusting' and 'challenging' to describe the way they want to work together. Their common aim is to create a situation in which politicians and officials have a clear and shared sense of purpose and drive, which then creates enough trust between the two sides that civil servants can challenge ministers through evidence and analysis.

Civil servants generally see the ideal minister as one who can set principles and articulate goals, but then is willing to listen to official advice on how to realize their aims through evidence, analysis and recommendations. Ministers want civil servants to be sensitive to the political considerations around policies. Politicians generally want their civil servants to be proactive and politically aware, coming up with solutions that go with the grain of policy from Number 10, bringing in new ideas and new ways of thinking. Civil servants think that such a role requires diplomacy, the ability to absorb and process information quickly, emotional intelligence and a political antenna sensitive to 'where the minister is coming from' (without taking these decisions oneself).

*Trusting, open, flexible, informal, the sort of relationship that allows you to kick ideas around, to tell them things they don't want to hear, that allows [ministers] to tell you exactly why they want something and not the ostensible reason why they want something. (Senior civil servant)*

*I think good civil servants are ones who have the courage to tell ministers on occasion what they don't want to hear and do it in a skilful way so that you retain the confidence of the minister. Most ministers don't object... In fact they quite admire it, but they do like it to be done tactfully and skillfully - and that's what they admire as much as anything. (Senior civil servant)*

*We were blessed with a great relationship with our junior minister during the White Paper that meant that we could go to him with half ideas, or half solutions, and kind of go, 'We think this, but we're not sure about X, Y, Z...' and we could actually have a genuinely proper policy discussion.' And you could go, 'Actually, [minister], I don't know', or, 'That's a great question but I'd not thought of it, I don't know the answer,' or, 'I now know the answer and that tells me that the thing I recommended to you five minutes ago is wrong because I hadn't thought of that'. And it felt like a very safe environment, where you could say, 'I don't know'. You could say, 'No, [minister], that's wrong.' And I think it just really helped the kind of policy process, because you weren't constantly feeling like, 'I have to defend the position I took, even if I'm now not sure about why I took the decision.' So we were really blessed. (Senior civil servant)*

*[Good civil servants] would actually say, 'What is the goal? What is this policy actually trying to achieve? Can we reach the end point going round a different way? Can we go up the south face of it rather than the north face and get there?' Rather than just say, 'Oh, that won't work'. (Minister of state)*

Creating a climate in which constructive challenge can flourish need not be complicated, but it does require a degree of confidence on both sides – and the time to have the discussion without pressure of an immediate deadline. Sometimes simple actions can do the job, as one secretary of state recounted:

*I arrived at the Home Office and took over responsibility for policy on the Sex Offences Bill and one of the bits of policy I inherited was that if you fell in love with your carer and had sex with them that would be a criminal offence... I remember a meeting in my room and I said, 'I'm really not sure this is a very good idea at all, what do you think?' And the lead official looked at me and said, 'What do you mean what do we think?' And I said, 'Well what do you think? Let's go round the table and see what you all think'. We did that, and discovered that every single one of them sitting round that table agreed that it was the wrong policy. So we changed it.*

Whenever civil servants and ministers try to formulate their ideal relationship, the question of politicisation is lurking in the background. Occasionally it lurches into clearer view. For example, one former secretary of state thought that civil servants needed to fully commit to a policy to ensure success:

*I'm talking about something which is extremely delicate but it's a sort of alchemy of the relationship between a minister and their officials which is driven by a clarity of common understanding and a shared and more than operational belief in the importance, the vision and the possibility of the policy.*



In their classic study *The Private Government of Public Money*, Hecló and Wildavsky coined the phrase “political administrator” to cover both permanent secretary and minister, since “they were so dependent on each other in carrying out their respective roles, each was one side of the same coin”.<sup>282</sup> But this degree of fusion made many of our interviewees uncomfortable; rather, they preferred to see the relationship in terms of creative tension or professional exchange:

*There's got to be an element of distance that reflects... a professional relationship. Other people have disagreed with me on this; I was taught that the customer/supplier model is the right one. Your minister's your customer; they're not your boss... ultimately for the vast majority of time your boss will tell you 'Keep the customer happy but not if it goes against what the company's rules allow it to offer'. So you've got to understand your customer, you've got to build a relationship with them, but you do have to be able to say 'Sorry, I can't do that.'* (Senior civil servant)

*I think there is sometimes a view when ministers come in they've got to tell the civil servants what for and there's just a lack of trust ... [but] if you get too friendly, you go native. You don't have to be unfriendly; but you have to recognise the roles... But I think that is quite a challenge.* (Minister of state)

We need to make it easier for ministers and civil servants to identify their roles, and for these roles to reflect policy making in the real world. The key to doing so is to get a sharper sense of the best use of politics in policy making.

### The need to embrace the value politics can bring, and mitigate the damage it can do

Current models of policy making do not have much to say about politics. We have seen that political values enhance policy making, even if mere political expediency can harm it. So how do we encourage one but not the other? Broadly speaking, we can distinguish between the ‘ideas’ and ‘interests’ elements of politics in policy making:

- **Ideas:** convictions about human nature, the role of the state, levels of redistribution; and
- **Interests:** the means by which ideas can be realised, such as personal prestige, electoral strength, media support.<sup>283</sup>

The role for policy makers is to achieve the best use of ‘ideas’ in government: to embrace the value politics can bring, while mitigating the damage it can do. The start of this chapter quotes Tony Blair’s realisation that “*the best long term politics is the best long term policy*”. Our research supports his admission that “*you don’t always see that when in government*”; greater acceptance of his point will bring better policy making. As one (Conservative) former special adviser reflected:

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<sup>282</sup> Cited in Rhodes, ‘Everyday Life in a Ministry’, 2005, p. 17.

<sup>283</sup> Stone, *Policy Paradox*, 2001, p. 3 introduces a similar distinction for different purposes.

*Provided you had that intellectual background [for a policy] it was possible to withstand a fair degree of short term political unpopularity and opposition because people would respect the goals you were trying to reach and the means you were trying to use to get there. [Using short term political tactics] works well on a one off basis, but if you have a government only run like that, an accumulation of short term political measures taken, you end up at the end of a Parliament without necessarily being able to point to what the substance was that you were trying to achieve. Therefore, perversely, it may be politically less effective than if you had a set of policies which were prepared to take some short term political heat.*

Of course, ideas and interests are intrinsically linked, rather than being opposed. As we have seen, a strong minister is necessary to pursue policy objectives in the future. But thinking solely in terms of interests does not make an effective minister; good government means that politicians must spend some of their political capital, rather than constantly seeking to increase it. And it is wrong to see interests as the driving force for politicians, with ideas as a pleasant add-on; rather, "*the way in which actors conceive of their interests is affected by ideas.*"<sup>284</sup>

In other words, the civil service needs to harness the power and vision that politicians derive from individual stories, without allowing them to simply make policy by anecdote.<sup>285</sup> Politicians need to create a situation where officials can show how their short-term demands may actually hurt their overall interests, rather than being forced to 'dissemble' like the Rural Payments Agency. Politicians add no value if they become just a different breed of official, and remember the value they can bring to the policy process. But they should not be blind to reality:

*I think you're entitled as a minister to take a different view from your officials if they're presenting you with some evidence from another country, etc, and you can look at that and say, 'Yeah I understand that but actually it's different, and I'm going to do this'. If you're presented with incontrovertible evidence that what you're doing is wasting money and is wrong, then I think you have a overriding duty to the public good to go, 'Oh, okay'. (Secretary of state)*

The obvious starting point is for ministers to be clear about their political goals, and start an honest, iterative process with civil servants about how to best achieve these goals (see Chapter Five). Both ministers and civil servants praised this type of relationship when it occurred. One civil servant explained how his current minister was approaching a new policy:

*[His goal] is based on some evidence of what's seen to work elsewhere in other countries and what he's picked up about what people value and what they want. It's also driven by the conviction about the need for a greater sort of localism, local accountability and all of that. When it comes to exactly how you deliver it and what shape does it take, he's got some principles, but he wants evidence and advice on exactly how to design that policy to make it work.*

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<sup>284</sup> John, *Analysing Public Policy*, 1998, p.154.

<sup>285</sup> As one former Secretary of State said, "going round the country, listening to people's stories... was the most powerful thing."

Political drive and conviction are allied with an identification of a clear goal to be pursued. But the constraints on ministerial time and attention argue for much more ruthless prioritisation – and that civil servants should do more to help politicians identify the most important goals that would need to be pursued. As one long-serving former minister of state argued, departments are seldom set up to help politicians develop their principles and goals: “*you would have thought the head of the policy unit there should say, ‘Look, these are the three or four big decisions you are going to have to take, and we are going to deal with it.’*” At the same time, ministers must realise the need to identify the two or three big things they really care about.<sup>286</sup> When they do that, they will have a better ability to drive their priorities. But the corollary is that they may have to accept a more technocratic approach to other, second order, issues.

## Conclusion

Effective and functional partnerships between civil servants and ministers are critical to making policy successfully. The evidence from our research is that we cannot take for granted that this will just happen. There are signs that a more realistic acknowledgement of the policy making relationship is beginning to develop in Whitehall, led by the policy making profession.

Another sign is the recent revision to the *Principles of Scientific Advice to Government*, which notably are intended to apply to both government departments and ministers.<sup>287</sup> The principles look both ways. Ministers should “*respect and value the academic freedom, professional status and expertise*” of independent scientific advisors; but advisors should “*respect the democratic mandate of the Government to take decisions based on a wide range of factors and recognise that science is only part of the evidence that Government must consider in developing policy.*”

This more realistic understanding of policy making bodes well for the future, although there is still a question of how it will play out in the real world: the new *Ministerial Code* only states that ministers “*should have regard to*” the Principles.<sup>288</sup> The challenge is to work out how to embed the principles we have outlined above into institutions and processes, so they help policy making in the real world.

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<sup>286</sup> ‘The most important thing in a Minister is judgement and detachment: the ability to realise what you should worry about and to get everything else in perspective.’ Peter Riddell, quoted in Ross (2010) ‘A life watching Whitehall’, *Civil Service World*, 14 July, p.9.

<sup>287</sup> <http://www.bis.gov.uk/go-science/principles-of-scientific-advice-to-government>

<sup>288</sup> Ministerial code, section 5.2. At: <http://www.cabinetoffice.gov.uk/media/409215/Ministerialcodemay2010.pdf>

## 9. Improving policy making

*“The coalition government has challenged all of us to become better at policy making.” (Jeremy Heywood, permanent secretary, Prime Minister’s Office, 2010)<sup>289</sup>*

### Most attempts to improve policy making have failed to reflect the real world

As this report makes clear, the past fifteen years have seen major efforts to improve policy making, from a variety of angles: process, qualities, structures, and politics. These attempts have, however, suffered from a pervasive gap between theory and practice. Either they have presented unrealistic models of policy making, or have failed to provide the support to turn desired practices into reality. Finally, they have excluded ministers, thus neglecting the fact policy is the responsibility of both parties, and a product of their joint efforts.

As a result, civil servants often have a sense of what they *should* be doing, but experience difficulties putting it into practice. Ministers, meanwhile, lack a realistic way for their decisions to be shaped in the service of better policy making. In other words, policy makers are being deprived of resources to deal with the real problems they face. They often have to fall back on their native wits and assemble *ad hoc* solutions to the problems that arise. The lack of realistic processes leaves too much in policy making to chance, personality, and individual skill.

There are signs that the policy profession is starting to address some of these problems. But there is considerable work to be done in order to create a realistic, coherent approach to improving policy making.

### A better policy process is desirable

Policy making can and should be done better. That is the simple conclusion from our research. A well-known study of policy making argues that *“participants must accept the rapidly changing, flexible and chaotic nature of decision-making if they are to be effective.”<sup>290</sup>* This is true in one sense: policy makers should not base their judgments on a false picture of the process in which they are engaged. But they should not just *resign* themselves to this reality. A better, more effective process is needed, for two important reasons.

First, although policy making is inherently complex and messy, we believe that the institutions of government have a responsibility to introduce order where appropriate. There are good reasons to believe that a government that is chaotic and driven entirely by capricious, unfocused desires will be an ineffective and inefficient one.<sup>291</sup> Many of the complaints about the current state of policy making focused on its *ad hoc* and rushed nature, and the realistic application of process and reason seems an appropriate solution.

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<sup>289</sup> Cited in *Civil Service World*, 15 December 2010, p.25.

<sup>290</sup> John, *Analysing Public Policy*, 1998, p.26.

<sup>291</sup> See the World Bank’s Worldwide Governance Indicators, available at: <http://info.worldbank.org/governance/wgi/index.asp>

Second, the process of democratic government is based on the electorate voting for policies, noting how and whether these policies have been realised, and holding the government to account accordingly.<sup>292</sup> The more that this process is illusory, the more democracy is undermined. We need the notion of “*intentional choice through politics*”.<sup>293</sup> In this sense, a more effective policy process is needed to ensure that the reality of government comes as close to the principle of ‘intentional choice’ as possible.

### A more resilient process is possible

We have criticised how policy processes diverge from reality. But it is important to note how difficult it can be to bring process to policy making in the UK. Peter Hennessey argues that there has been a “*distinct trait*” in British ministers and civil servants to “*eschew the rational, the written, the planned or the strategic*”, in favour of “*understated, pragmatic, occasionally inspired ad hocery and last-minute improvisation*”.<sup>294</sup> But these tendencies do not mean we must abandon rational or planned approaches.

Rather, the key to improving policy making is to construct a *resilient* process that can handle such challenges and pressures. Such a process would be realistic enough to have a chance of being followed in practice. In contrast, the current processes are too brittle - they break rather than bend when put to the test.

The answer is not to abandon any attempt at process, but to develop a more realistic process that will be more resilient to the pressures on both ministers and civil servants, and which enables them to achieve the right blend of politics and technocracy in making policy. This means looking at policy making in a more systemic way than we have before.

### Systemic problems need to be addressed

Although resilient institutional processes are necessary for good policy making, they are not sufficient on their own. The goal is not to simply design processes that reflect the reality of policy making, but also to improve that reality. In other words, we need to bring the policy process closer to the real world, and bring the real world closer to the policy process.

Therefore, we need to start by addressing the systemic problems that make existing processes difficult to follow, before going on to designing new ones. There is evidence that institutions can develop ‘guidance mechanisms’ for policy makers, which respond to the environments in which policy is made - but this requires institutions to develop the capacity to learn.<sup>295</sup> As the preceding chapters have shown, one of the main findings from our research is that government currently has limited capacity or opportunity to learn from policy making.

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<sup>292</sup> Amihai Glazer and Lawrence S. Rothenberg, *Why Government Succeeds and Why it Fails*, Harvard University Press, 2001.

<sup>293</sup> James G. March and Johan P. Olsen, *Rediscovering Institutions: The Organizational Basis of Politics*, Free Press, 1989, p.52.

<sup>294</sup> Peter Hennessey, *Muddling Through: Power, Politics and the Quality of Government in Postwar Britain*, Gollancz, 1996, p.14. Hennessey goes on to criticise “the pretence that this [trait] is not only deliberate, but desirable and successful too.”

<sup>295</sup> Linder and Peters, ‘An Institutional Approach to the Theory of Policy-Making’, 1990, pp. 59-83.

## The future of policy making

Whitehall does not face a stable future; it faces a period of unprecedented change: radical downsizing of civil service numbers, deep cuts in programme spending, and a government with a mission to decentralise decision-taking and replace top down accountability with bottom-up mechanisms. Those changes will only succeed if the policy making process can adapt to enable ministers and civil servants to make policy better.

Our report, *Making Policy Better*, sets out the Institute's view of the changes that could lead to a better way forward. We attempt to address some of the problems encountered by previous reforms, while also presenting a vision of policy making that is resilient to future challenges. We are keen to work with all those with an interest in making policy better to develop and implement these ideas.

# Annex A: Methodology for survey of policy characteristics

We adapted the nine qualities on p. 23 to create survey questions, summarising their content and combining the three categories of evaluation, review and learning to avoid the survey becoming too long. The categories used were presented as follows:

- **Forward looking:** clearly defines outcomes and takes a long term view;
- **Outward looking:** takes account of external influencing factors, draws on experience in other countries, considers how the policy will be communicated to the public;
- **Innovative, flexible and creative:** questions established ways of doing things, encourages new and creative ideas, open to comments and ideas from others, manages risk;
- **Evidence based:** bases decisions on the best available evidence from a wide range of sources, involves key stakeholders throughout the process;
- **Inclusive:** takes account of the impact on and/or meets the needs of all people affected by the policy;
- **Joined up:** takes a holistic view and works across institutional boundaries; and
- **Evaluation, review and learning:** policies are evaluated to judge success, reviewed to ensure that they are tackling the problems they were intended to address and policy makers learn the lessons of past initiatives.<sup>296</sup>

A survey like this must come with caveats. Some respondents found it difficult to generalise, arguing that every policy was different. Some of the categories are broad and open to multiple interpretations. The Cabinet Office's 'outward looking' category in particular combines three different qualities of good policy making which respondents did not think belonged together: a typical response was that government spent a lot of time on communication, but much less on international learning.

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<sup>296</sup> Adapted from Cabinet Office, *Professional Policy Making for the Twenty First Century*, 1999, Annex A; available at: <http://www.nationalschool.gov.uk/policyhub/docs/profpolicymaking.pdf>



# Annex B: The Policy Skills Framework<sup>297</sup>

	Level 1	Level 2	Level 3	Level 4	
Understanding the Context	○ Identifies and uses relevant evidence sources	○ Uses evidence to support or challenge change	○ Identifies the required outcomes and supports them with detailed evidence	○ Identifies required outcomes and sources of evidence across the policy programme	Evidence
	○ Understands the political context of policy work	○ Demonstrates awareness of the political and constitutional implications of policy change	○ Articulates the political and constitutional drivers for and against change	○ Understands the political and constitutional context & anticipates future direction	Politics
	○ Includes experiences of the policy in practice in the evidence base	○ Demonstrates an understanding of front-line delivery	○ Analyses the delivery system	○ Understands the full range of delivery options and investigates innovative approaches	Delivery
Developing the Options	○ Gathers evidence to develop policy options	○ Develops innovative, evidence-based policy options	○ Leads the development of innovative, evidence-based policy options	○ Oversees the development of innovative, evidence-based policy options	Evidence
	○ Makes connections between options and the wider political context	○ Investigates the political implications of options	○ Develops options that acknowledge the political context	○ Manages the political implications of options	Politics
	○ Incorporates evidence of front-line delivery in options development	○ Investigates the practical implications of options	○ Provides full analysis of how options would work in practice	○ Ensures implications for the policy in practice have been fully assessed	Delivery
Getting to a Decision	○ Articulates the rationale for selection of the preferred option	○ Proposes a preferred option based on evidence	○ Recommends a preferred option, supported by evidence	○ Ensures that Ministers have reliable evidence to inform decisions	Evidence
	○ Supports the decision-making process	○ Builds support for the preferred option	○ Secures political buy-in	○ Builds support for the decision	Politics
	○ Understands how the selected option will work in practice	○ Adapts proposals to ensure the selected option will work in practice	○ Ensures the selected option will work in practice	○ Structures the delivery system	Delivery
Making it Happen	○ Gathers evidence of policy effectiveness	○ Monitors the performance of policy	○ Leads the monitoring of policy performance	○ Ensures effective monitoring and evaluation of policy performance	Evidence
	○ Deals with ministers and decision-makers confidently and diplomatically	○ Identifies and anticipates changes to political buy-in	○ Ensures ongoing political buy-in and effective communications	○ Maintains political legitimacy	Politics
	○ Understands how working with delivery partners improves policy in practice	○ Works with delivery partners to improve the policy in practice	○ Anticipates and resolves potential delivery problems	○ Seeks policy improvements across the programme	Delivery

<sup>297</sup> Available online at: [http://www.civilservice.gov.uk/Assets/Policy-summary\\_tcm6-37016.pdf](http://www.civilservice.gov.uk/Assets/Policy-summary_tcm6-37016.pdf)

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