

Better policy making



About this report

Successive governments have struggled to tackle many of the biggest policy problems the country faces. This report examines the causes of persistent failures and sets out recommendations as to how government – both ministers and officials – could change to make policy better.

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Summary

Policy makers in the UK government – ministers and civil servants – have faced an extraordinarily testing five years. The Brexit vote led to a period of upheaval as the UK renegotiated its relationship with its closest trading partner and took back responsibilities in a huge range of areas, many for the first time in nearly 50 years. The coronavirus pandemic was a once-in-a-century shock, leading governments across the world to restrict people’s freedoms in ways previously unimaginable, and to conceive and implement vast financial support programmes from scratch in a matter of days.

In different ways, these events absorbed the attention and capacity of the British state. But as over time the acute phases of Covid and Brexit pass, the UK’s long-term chronic policy problems will re-emerge. The failure over decades to tackle some of the biggest issues facing the nation – low productivity growth and industrial policy, poor further education, underfunded social care, a dysfunctional housing market, obesity, regional inequality – must be addressed. The Institute for Government’s 2017 report *All Change* showed how policy upheaval meant slow progress and huge waste. These are difficult tests, but we cannot simply write them off as impossible to solve or too politically difficult to address. They are problems that governments will be grappling with for decades.

This report draws on the Institute for Government’s existing body of research and sets out reforms that will improve policy making in the UK government.

There are some caveats to apply to a technocratic view of policy making. Of course, effective policies require – above all – ministers with good judgment and a clear idea of what they want to achieve. And policy making is not a process with a single ‘right’ answer – it is messy and often the skill is in the consensus-building and compromise needed to get things done.

Departments often *do* produce policies that improve people’s lives. Indeed, UK government has its strengths, including – for the most part – ministers and civil servants who are committed to the public good, and an administrative state that can often run public services efficiently.

But wider problems with the way government works have restricted the ability of successive elected administrations to grip many of the biggest and most long-standing policy difficulties the country faces.

This report highlights five main problems:

- **Short-termism:** the organisation of government is not set up to secure good long-term outcomes from policy, with ministers and officials constantly moving between departments and drawn to focus new and short-term initiatives, and immediate results.
- **A lack of policy knowledge:** an outdated model of 'generalist' policy civil servants discourages officials from staying in post long enough to develop sufficient knowledge and experience, or relationships with internal and external experts.
- **Poor implementation:** project management has often been considered the main weakness of UK government, but policy failures often stem from the people developing policies having a weak grasp of implementation and not consulting those involved in delivery. And similarly those teams working on implementation not having enough knowledge of the relevant policy area, while having too many changes of membership and leadership.
- **Poor cross-government working:** co-ordination of cross-government policy initiatives is often ineffective, and ministers and officials work in departmental silos.
- **Whitehall parochialism:** central government is too closed off from the experiences of the public, as well as from expertise held outside government and in other countries.

These problems span ministers' decision making, the way civil servants provide advice, and the relationship between the two – as well as more broadly how the UK's governing institutions are designed. They are not new: they will be familiar to anyone who has spent time in or around Whitehall, yet successive governments have struggled to overcome them. And the resulting weaknesses in policy are costly, leading to waste and poor outcomes for citizens.

We argue the following changes are needed to improve the effectiveness of government policy making in the UK.

Stronger accountability for policy advice, decisions and outcomes

Ministers need to be clearer about what they are trying to achieve with their policies, and more accountable for the decisions they make. They must create an environment that encourages honest and challenging advice. Officials need to be accountable for the advice they provide and for how it is developed through proper engagement with affected citizens to complement technocratic expertise. Both ministers and officials should be held to account over a longer period as the outcomes of policies become apparent, and the basis on which decisions are taken should be more visible to the public.

To that end we recommend:

- Ministers should be held accountable over a longer period as the outcomes of their decisions become apparent, including by being recalled by parliamentary committees. The prime minister should appoint ministers on merit, place value on relevant expertise and aim to keep them in post long enough to be effective; and hold his or her cabinet to account for the quality of their policy decisions.
- There should be a stronger dedicated head of policy in each government department who is accountable for the overall quality of the department's policy advice. They should also be responsible for any policy research commissioned – internally or externally – by departments, the training of policy officials and succession planning for when they move jobs, the evaluation of policies' success or otherwise, knowledge retention and archiving, and ensuring that departments are doing what is needed on cross-cutting policy problems.
- The cross-government head of policy making (the head of the policy profession) should prioritise the assessment and promotion of case study examples of good and bad policy making, and the techniques that can be used to develop effective policy.
- Permanent secretaries, as part of their responsibility to maintain the capability of the government, should be held accountable for the standards of policy making in their departments, including scrutiny from regular parliamentary committee hearings.
- The government should develop mechanisms for making policy assessments more public, identifying what advice could be published and how, while protecting the private space that ministers need to take decisions.

Deeper expertise and the right skills in civil service policy teams

The civil service needs to get better at assembling and maintaining effective policy teams, with a balance of skills including effective leaders, policy specialists and delivery experts. The model of 'generalist' policy officials is outdated and should be replaced. The civil service should also modernise the ways it makes policies including by involving the public much more actively in decision making.

To that end we recommend:

- The problem of rapid staff turnover should finally be gripped: permanent secretaries should set a target level for staff turnover in their departments and be held to account if it is not met. Salary and promotion incentives should change so that a breadth of experience is no longer a requirement for progression in the civil service. Departmental HR teams should play a more active role in helping to ensure the necessary skills and expertise are maintained.

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- Whitehall should move beyond the outdated generalist model and encourage officials to 'anchor' their careers in specific areas, such as education, defence and security, or newly established but long-term policy areas like net zero.
 - Departments should take greater responsibility for ensuring they can access the research they need, including by funding research and working more closely with academics.
 - Departments should make much more extensive use of deliberative methods to give the public a greater stake in policy making and ensure government better reflects their concerns.

Wider reforms to institutions and processes

The centre of government should be strengthened to help it more effectively co-ordinate progress on cross-government priorities and resolve issues with inter-departmental working.

To that end we recommend:

- Applying the lessons of co-ordination models that have worked – such as the use of EU Exit Strategy and Operations committees, combining ministers and officials – to other cross-cutting areas, like levelling up.
- Treasury processes for scrutinising policy proposals and spending should be adapted to focus more on long-term outcomes.
- More time and resources should be devoted to policy evaluation – still a neglected area – to ensure government learns from past policies, whether successes or failures.

This report draws on a body of IfG work developed over a decade, built on many case studies and interviews with those inside and outside government. We are also grateful for the insights of participants at a roundtable convened with experts on improving policy making in the civil service held in September 2021.

Problems with UK government policy making

UK governments have suffered from a series of problems that undermine effective policy making. If the government is serious about improving policy outcomes, it must understand these problems, why they persist and commit to their resolution.

Short-termism

The UK government struggles to tackle long-term problems

Many of the major problems the country faces – an ageing society pressuring health and social care, low productivity outside London and the South East, poor quality of life in some cities, towns and rural areas, mitigating and adapting to changes in climate – are chronic and long-term in nature. Yet for decades UK governments have struggled to devise policies to tackle precisely this sort of problem.

There are at best only a handful of examples of chronic issues that UK governments have begun to tackle well in recent decades.

Climate change mitigation might prove to be one success story: the UK government has almost halved its territorial greenhouse gas emissions since 1990 and has set out a plan (albeit with gaps) to reach net zero by 2050. Progress has been helped by innovative legislation that locked in a system of advice and monitoring, strengthening scrutiny and making the cost of government inaction higher. But the equally urgent task of adapting to climate change – for instance, preparing the UK's housing and infrastructure for more frequent flooding and other extreme weather events – has seen much less progress. Even on emissions reductions, action under several administrations slowed considerably, with sectors such as homes and transport suffering from repeated failures and policy reversals.

On pensions and pensioner poverty, policy makers in the mid-2000s found ways to make important changes to address both immediate poverty and a looming lack of fiscal sustainability. These included restoring the earnings link (tying increases in the basic state pension to average earnings), raising the state pension age, reducing contributions requirements and ending the opportunity to opt out of an additional state pension – all changes that had previously seemed politically unthinkable.

The most successful interventions – the ban on smoking in public places, the introduction of the national minimum wage – become embedded, meaning they have been able to survive a change of government.¹ But in some cases, even initial success does not achieve this. Rough sleeping is (rightly) often cited as another policy success: in the late 1990s and early 2000s the Labour government implemented a co-ordinated set of policies across housing, welfare and health and reduced numbers by more than two thirds. But cuts to local authority budgets and other public services meant that rough sleeping re-emerged in the 2010s, a problem only temporarily addressed during the worst months of the pandemic.

There are many other long-term policy areas – industrial strategy, house building, social care, obesity, drug misuse and many more – that have not been gripped let alone resolved. Our research on regional economic policy, another long-standing priority within government, found that ministers and institutions pursue ever-changing objectives and successive governments struggle for the want of strong advice from people with a deep understanding of regional economies. In further and technical education, constant policy reinvention has led to waste and little progress: despite passing 28 major pieces of legislation in the last three decades, the UK still lags behind many competitors, and successive ministers have expressed regret at not prioritising tackling the problem.²

Ministers and officials lack incentives to take a long-term view

Failure to tackle these chronic issues in part reflects the apparent difficulty of building cross-party consensus in the UK's political culture. Social care offers perhaps the starkest recent example of this. While maintaining a rhetorical commitment to working together on a policy solution, opposition parties have found it impossible to resist the lure of the powerful politics of housing wealth and old-age care at election time. George Osborne branded Labour's 2010 proposed reforms a "death tax"; Labour returned the favour in 2017, calling Theresa May's manifesto commitment a "dementia tax".

Consensus is often only forged when policies are so successful on their own terms and in disproving criticisms that the opposition is forced to come around to them. Here the introduction of the national minimum wage in 1998 is a good example: opposition from the Conservatives and business groups melted away as the rise in unemployment they had warned of failed to materialise.

It is true that countries with more consensual models of government (Germany is often cited as an example) tend to find producing cross-party consensus on such matters easier. But the failure to tackle chronic problems cannot just be put down to the UK's majoritarian system. More importantly, the wiring of the UK state – both its people and institutions – is set up to focus on short-term results.

Ministers in the UK change roles quickly compared to many other countries, and this has accelerated (under both Conservative and Labour governments) in recent decades.³ Many feel they are rewarded for announcing policies rather than delivering them, encouraged to 'make their mark', to get noticed, rather than continuing work initiated by a predecessor. And of course this contributes to the low incentive to carry out the patient work of reaching across the political aisle. It cripples efforts to deliver long-term reform.

Junior ministers, in particular, are often shuffled even more frequently, leaving them little time to get to grips with the job. In the last two decades there have been 19 housing ministers (with an average tenure of just 14 months), overseeing a key area where successive governments have struggled to make headway, including on areas such as regulation in the private rental sector that require a patient, details-focused approach.

There have been nine housing ministers since 2010: the longest in post – Grant Shapps – stayed just over two years; three lasted nine months or fewer. By contrast, the average tenure between the 1950s and the 1980s was over two years, and several ministers stayed in post for four or five.

As Nick Raynsford, who held the post between 1999 and 2001, put it when interviewed for our Ministers Reflect series:

“If ministers think they are only going to be in post for a few months, they will inevitably only focus on short-term initiatives, which may earn them a good headline but are unlikely to deliver substantial and lasting benefits.”

The permanent civil service is supposed to provide more continuity. Yet many officials – particularly policy specialists – change roles just as quickly, often moving between departments with markedly different briefs. Several departments lose around a fifth of their workforce each year, despite the efforts of ministers to get even the most senior officials to remain in post, and at more junior levels officials are encouraged to move around quickly gaining broad expertise. The Treasury in particular has long struggled with rapid turnover, which has an impact on its ability to dispense with core responsibilities, such as making tax policy. As former Treasury permanent secretary Lord Macpherson put it, a challenge in tax policy making is “maintaining sufficient numbers of genuine tax experts as opposed to here-today-gone-tomorrow Treasury amateur officials”.⁴

This means that both ministers and civil servants rarely stay in post long enough to develop the ambitions contained in manifesto commitments into credible long-term strategies or see through reforms once they have been initiated.

Short-termism is built into government institutions and working practices

It is not just the incentives that operate on ministers and officials that drive short-termism, institutions within government do too. The Treasury, which wields major influence over policy development through its control over departmental spending, often incentivises a focus on immediate outcomes, rather than looking at how resources should be allocated to deliver lasting change.⁵ For decades it has struggled to set clear long-term objectives for the tax system, preferring to retain the flexibility to make more responsive changes.⁶

Short-termism is also engendered by a limited capacity for looking back and understanding what has worked before – including from governments of different parties. Departmental knowledge management and the recording of experience is notably poor, with too much knowledge held personally by individuals, and not enough recorded and evaluated. Methods have not kept pace with the transition from paper to email and electronic documents. The result, in the words of a 2017 Cabinet Office review, is that information is “poorly organised, scattered across different systems and almost impossible to search effectively”.⁷

There have been numerous efforts to address this, but few have made any progress. As one official put it: “There’s always something going on about knowledge and information management but they don’t have the most effect. Because we’re just all very busy, and the amount of my time that I can spend thinking about the file structure on a shared drive is quite minimal.”⁸ Civil servants face pressure to focus on the ‘next thing’ rather than record what worked and what did not from the last. This has practical consequences, making government more prone to policy reinvention.

The weakness of evaluation within UK government is a further example of how resources are not devoted to understanding what has and has not worked in past policy. Despite being a critical tool for effective governance, evaluation is conducted patchily across UK government and not given sufficient priority by ministers.⁹ In key areas such as infrastructure investment many decisions are especially poorly evaluated, and many smaller projects are not even evaluated at all – although our research noted similar problems in several other countries.¹⁰

Lack of expertise

Government suffers from a lack of deep knowledge and experience in policy making. The *Declaration on Government Reform*, published in June 2021, explicitly acknowledged this, arguing the government must do better at retaining individuals with such expertise. Yet successive governments have tried to do so and failed to make progress.

There is a long-standing debate, going back to before the 1968 Fulton report on civil service reform, about the role of ‘generalist’ and ‘specialist’ civil servants. Fulton criticised the civil service for being too generalist and for its failure to prioritise management skills. The civil service as it exists now is greatly changed since the 1960s, and the importance of good management is now well recognised. There are also many more specialist accountants, digital and data experts and project managers in the civil service, to work alongside the professional lawyers and scientists that were already employed in Fulton’s time. But in policy making, generalist civil servants continue to dominate.

That is partly because some of the skills needed to make good policy are ‘general’ in nature, and applicable across different subject areas. Synthesising information and resolving conflicting evidence, navigating people with different interests and consulting experts and citizens about what works are skills that can be applied across different departments and policies. But policy making would be improved if the relevant officials had more and deeper knowledge of their subjects – and the relationships needed to make sense of them.

Civil servants are not encouraged to develop deep expertise

A lack of subject-specific knowledge, understanding and relationships is a problem because it undermines officials’ ability to get to the core of problems and provide the advice needed to tackle them. This issue gets to the heart of what the role of those officials working most closely with ministers should be. There can be a view within the civil service that it should be that of an ‘orchestrator’ or ‘convener’, bringing together

different types of officials with a range of expertise. And it is true that it is part of a policy maker's job – though not only theirs – to build effective teams. But the role has moved too far away from seeing officials as a steward of their policy areas, responsible for ensuring a team has sufficient domain expertise and knowing the subject area well enough to build relationships and test policy advice.

There are many examples of the absence of domain expertise, and many ministers who have complained of the harm its absence has caused. As noted above, New Labour was successful in tackling rough sleeping in the 1990s and 2000s, partly by building a Rough Sleepers Unit with a range of experts, yet under the coalition government the Ministry of Housing, Communities and Local Government allowed almost the entire policy team (of more than 20 staff) to leave in the space of two or three years¹¹ – putting it at a severe disadvantage as the number of rough sleepers rose again during austerity.

Lord Freud, minister for welfare between 2010 and 2016 and one of the architects of Universal Credit, explained that the turnover of officials was so constant that he, in effect, became the institutional memory. "I sat there for six and a half years, looking at the third, fourth, fifth generation of a person doing a particular area: there is no corporate knowledge retained. That's just a massive vulnerability."

Weakness in specialist expertise partly stems from departments lacking strong corporate memory, something not helped by the noted problem of staff turnover. The experience of Brexit in particular exposed a shallowness in understanding within Whitehall of the way the EU and UK's internal devolution settlements worked.

Fundamentally, the civil service does not encourage the development of specialist expertise, either through line management or wider career incentives. As John Kingman, former second permanent secretary at the Treasury, said at a recent IfG event:

"Perhaps most oddly of all, substantial or deep domain knowledge and experience is still not particularly valued – at any rate in the higher reaches of the policy making civil service."

Indeed, rules around promotion and workplace culture actively militate against civil servants sticking in one post or area, preventing them amassing such knowledge, for fear of being seen as a 'dud'; high-flyers are expected to move around, gaining broad expertise.

Kingman went on to describe how he "tried to break down the one-dimensional model a bit [by suggesting] there might be certain topics – corporate tax, say, or pensions, or the energy market – which were Treasury business, but which were also ferociously complex and technical, and perhaps not ideally suited to being left entirely to even brilliant 24-year old generalists." He suggested creating new roles outside the conventional hierarchy that "need not manage anyone; they might or might not spend lots of time with ministers; they could and should be reasonably well paid (at least by the Treasury's modest standards); they might... be rather attractive to people, inside

or outside the civil service, who are steeped in an area and interested in applying their knowledge at the heart of government". Kingman regretted that his proposal "hit bemusement... and proved just too weird and counter-cultural. It died a quiet death."

There is still an expectation that grade seniority in the civil service should be correlated with management and responsibility span. There are few very senior roles that fit deep subject experts rewarded for their knowledge rather than their generalist and management abilities.

This problem is exacerbated by, and contributes to, the government having weak links with external experts. Too many departments lack strong connections to academic experts, and junior officials often don't know which outside experts to go to. Departments struggle to access or commission the research they need in a timely way. In energy policy, outreach to external experts is weak and disorganised, with officials tied to a 'house view' and often dismissive of external ideas and perspectives.¹²

It is not just that the civil service has weak links; often policy officials are overly sensitive about opening up thinking, particularly as policies are being formed. For example, while the Treasury often consults on the implementation of tax policy, it does little to draw in expertise during policy design and development – despite the many academics and think tanks with relevant expertise.

Ultimately, a lack of domain expertise undermines the quality of the advice ministers receive, and in turn the policy that ministers announce. It can mean that vague manifesto commitments harden into specific proposals without testing and challenge. Policy advice to ministers ends up being informed more by rapid internet searches and last-minute meetings with an unrepresentative selection of lobby groups than by a deep understanding of the subject area, sustained relationships with the important players and the external expertise needed to make policy work. And it encourages a culture where ministers are not challenged in an informed way by civil servants on whether their ideas will work.

Poor implementation

There has often been an assumption that UK government is 'good at policy and poor at delivery'. UK civil servants are proficient at devising intelligent policy papers, the criticism goes, but initiatives often fall flat because central government lacks the ability to implement them well. While there is some truth to this characterisation, the reality is more complex.

Improving delivery has been a focus for more than a decade

The current prime minister's focus on strengthening 'delivery' over the second half of this parliament follows the efforts of a succession of recent administrations. In the 2000s Tony Blair brought Michael Barber, an adviser to the education secretary David Blunkett, into the Cabinet Office to establish a Delivery Unit, to conduct regular stocktakes of departmental progress on key objectives – an approach the current government has reprised. A decade on, Francis Maude, who oversaw civil service reform during the 2010–15 coalition government, noted that "delivery is too often

the poor relation of policy”, and initiated reforms to strengthen the expertise of those overseeing large projects in the major projects portfolio.¹³ Mark Sedwill, cabinet secretary between 2018 and 2020, said that the machinery of government’s ability to focus on delivery was too often still lamentably poor.

These efforts all build on a long list of projects that have been delivered chaotically – from large IT projects such as the Rural Payments Agency’s implementation of agriculture payments systems to infrastructure projects such as Crossrail. Departments often lacked data and information they needed to understand how well programmes were working. Very large projects were run by generalists with limited experience of project management – although that has notably started to change with improvements in training and changes to the way the ‘senior responsible owners’ who oversee projects are appointed.

However, the problem is more complex than good policy falling apart because government lacks effective management methods or delivery expertise.

Decision making and policy development are often at fault

Problems with delivery often stem from poor policy making. Universal Credit failed in its early stages partly due to unrealistic assumptions about technology; the people with a grasp of project delivery were not in the room when the policy was conceived. The failure of the Green Deal – a coalition policy to incentivise people to retrofit their homes that was abandoned due to low take-up – was another example of a policy team “chucking a project over the fence to delivery”, as one former official in the then Department of Energy and Climate Change put it, with little understanding of how to build a sufficient supply chain or persuade consumers to pay for upgrades.

During the pandemic, the UK had several notable successes on operational delivery. The rapid expansion of Universal Credit and the rollout of the Coronavirus Job Retention Scheme (CJRS, or ‘furlough’) were both examples of programmes scaled up successfully at enormous speed. But when it came to making effective, coherent policy decisions, the government had more difficulty. It repeatedly struggled to make good decisions over the timing of lockdowns, and policy decisions on test and trace – such as the decision to try to develop a bespoke app rather than rely on existing software – contributed to flawed delivery.

These experiences led the cabinet secretary, Simon Case, to argue in a recent speech that over the course of his career “the received wisdom that the civil service was good at policy and poor at delivery... has been inverted”. Improving the outcomes of government policy making will require not only a sharp focus on delivery, but an understanding of deeper issues with the way policy is made.

Poor cross-government working

The most difficult problems the UK faces do not neatly fit within departmental boundaries. Addressing the lack of economic opportunities in many cities and towns across the country will, for example, require a coherent strategy that brings together policies on education, welfare, business, housing and many other areas that are simply beyond the reach of any one department no matter how well resourced. Reaching net zero carbon emissions is a similarly transformative aim, and will also rely on co-ordinated action across the entire economy. But too often, ambitions such as these – as well as numerous less high-profile initiatives that span multiple departments – are undermined by departments in Whitehall not working effectively together.

Departments often lack incentives to work effectively together

UK departments working poorly together has long been recognised as a problem. Indeed, the idea of improving working across departments and other public bodies has been part of reform plans since at least the 1990s. Yet problems persist. A survey conducted by the civil service in 2020 identified it as the main challenge to overcome for government to deliver better public services.¹⁴

There are many recent examples where poor joint working has caused problems. On the management of Brexit, while the Johnson government eventually landed on a system of committees for organising work across departments, this was preceded by multiple frustrated attempts at information sharing and joint working all of which inhibited preparations for the UK's eventual exit from the EU. For example, it took a long time for all those departments with an interest in the UK border to come together into a coherent group to resolve policy conflicts and co-ordinate activity.

The government's response to the pandemic was also undermined by departments having quite different analyses of the threat posed by the virus. The Treasury planned and implemented unlocking policies after the first lockdown, such as the Eat Out to Help Out scheme, on the optimistic assumption that a second wave was unlikely, a view not shared by the Department of Health and Social Care or leading scientists advising the Cabinet Office.

There was also wider confusion about decision-making structures at the centre of government, with ministers struggling to settle on a system that could make rapid decisions when policies spanned departments.¹⁵ As attendees at our roundtable noted, confusion about who was responsible for what was a sign that policy co-ordination was not working effectively.

Many factors contribute to this problem. There is a lack of organisational structures that encourage co-operation, whether that is brokering mechanisms at the centre of government or joint units between departments. Even when structures are set up, they often struggle due to a lack of ministerial support – as happened with the coalition government's Work and Health Unit, a joint unit of the health and work and pensions departments set up to improve collaborative working following problems with Universal Credit, which had limited success.

A second (and related) factor is that ministers are typically most closely focused on demonstrating results in their own area but often lack much incentive to work effectively with counterparts around the cabinet table or in other departments. Some treat their departments as 'fiefdoms', cautioning civil servants against developing close relationships with official-level counterparts in other departments, for fear of undermining a minister's position with his or her colleagues, or tipping off the Treasury or No.10 to departmental plans.

Of course, it is right that policy officials work to priorities set by their ministers. But this must be balanced against the loss of value to the whole of government if policy officials cannot co-operate effectively. Experts at our roundtable contrasted this with other professions within government, such as digital and data, which have managed to develop more effective approaches to cross-government working.

Departments also have very different cultures and ways of working, which can make collaboration hard. The institutional mindset – and even the backgrounds and life experiences – of officials in the UK government's distinct and varied departments is another barrier to effective cross-government working.

Working across departmental boundaries is inhibited by a weak centre

The centre of government – No.10, the Cabinet Office and the Treasury – has a key role in policy making: setting direction and pushing departments to implement the government's priorities; controlling spending and tax; and holding departments to account for the outcomes of policy.

Yet by international standards, the Cabinet Office and No.10, in particular, offer relatively limited personal policy and implementation support to the prime minister; for example, compared to prime ministers' departments or their equivalents in Australia and Canada. As we have long argued, this means the UK suffers from the worst of both worlds: a highly centralised system of government without the capacity to organise it from the centre.

The picture is complicated by the fact that the UK does have one very powerful central department: the Treasury. The UK chancellor wields considerably more influence over policy making than counterparts in other finance ministries. But as we set out above, the Treasury too often uses this influence to drive a focus on short-term cost saving rather than any other overarching objective a government may have.

This combination can be particularly damaging to wide-ranging, long-term priorities like levelling up and net zero. Neither could be achieved by one department acting alone. The levers for effecting change are scattered between a large number of organisations; and both will require government to think in ways that are outside Treasury orthodoxy.

A good illustration of this is that the two recent decisions that most directly affect the levelling up agenda – to return the rate of Universal Credit to its pre-pandemic level, and to not count means-tested support towards the new social care cap – were both made not by the levelling up department but by the chancellor and the welfare and health secretaries respectively. These two decisions alone may well more than offset the investment from the Levelling Up Fund.

Whitehall parochialism

Central government often cannot make policy effectively on its own. It needs to reach beyond Whitehall and Westminster, to work with and draw on the experiences of the public and those in local government, public bodies, industry and other organisations – as well as in governments abroad, which attempt to tackle many of the same problems. Yet there is too often a narrowness of thinking in Whitehall departments, with policy makers largely closed off to these external sources of input.

Government is often too narrow-minded in its approach to policy making

The pandemic exposed the extent to which relationships between central government and local authorities, as well as some public bodies, have broken down. Local authorities were overlooked when it came to the development of critical policies and systems, such as contact tracing, despite the fact that they had extensive experience of doing so. Many complained of a dismissive attitude in Whitehall towards local capacity and expertise. Several departments also struggled to understand the public bodies and regulators that reported to them.

A lack of interest in local expertise is visible in other areas, too. Local authorities were “pulling their hair out” over the development in 2020 of the Green Homes Grant – a subsidy scheme for retrofitting homes, which followed on from the failed Green Deal. The Treasury insisted on imposing very short deadlines on the scheme, despite warnings from local authorities that local supply chains would not have enough time to develop to take advantage of the funding. The scheme was closed down a year early, in March 2021, after just five months due to low take-up.

There is a wider debate about where policy making powers should lie. A powerful criticism of the policy failures of UK government is that the UK is too centralised and officials in Whitehall try to advise on policies that they cannot properly understand. English metro mayors, among others, have been making a powerful case that they understand their voters better and can run affairs more effectively.

More widely, attendees at our roundtable noted there can be a ‘palace culture’ in some Whitehall departments, with policy makers – who are disproportionately middle class, white and London-based – struggling to understand concerns of the wider public. This is a long-held criticism: Anthony King and Ivor Crewe wrote of a “cultural disconnect” in their influential book on blunders in UK government.¹⁶ Ministers, who as MPs still regularly discuss issues with their constituents, may be more aware of some of the issues the public raise about the impacts of policy decisions.

The current government has recognised this, promising in the *Declaration on Government Reform* to “look beyond London” and “deepen government’s understanding of citizens in all parts of the country”. The Levelling Up white paper recognised that Whitehall does not have all the answers and set out radical proposals for extending devolution (though it remains to be seen how far powers and resources will be devolved in practice). Case noted in his recent Newcastle lecture that officials often fail to work consistently with different tiers of government and needed to be more open to “expertise on the ground”.

The government’s programme to relocate officials out of London – so far taken up by several departments – is partly intended to open up policy making to wider experiences. This is welcome – as long as the civil service is clear about the rationale for particular moves.¹⁷ But tackling a parochialism in Whitehall’s approach to policy making will also require a wider shift of mindset in central government. There are important opportunities for central government departments to open up policy making processes to the public through greater use of deliberative techniques, but so far these have not been incorporated into most government policy making.

The UK government struggles to learn from international best practice

This change in approach also needs to extend to international experience. While direct comparisons are difficult, as different countries operate in such distinct cultural, historical and political contexts, there is a huge amount of learning that can happen across borders about how individual policies can be designed and implemented. Case studies are particularly valuable because policy making is not a science in which the useful knowledge on a subject can be reduced to a single result or finding – context, personalities, institutions and so on all matter to why a policy succeeds or fails.

Yet while some examples from abroad may be familiar, the UK government makes only limited use of international case studies when making policy. There is often little understanding in departments of what has happened in other countries, and how it should inform approaches in the UK.

While governments sometimes talk up links with particular examples – for example, the current government has repeatedly referred to ‘Australian-style’ policies in areas such as immigration – learning from abroad is not seen as a routine part of the policy process, and officials are not given the time or resources to do it. Some senior officials do build contacts with civil servants in other governments. But relationships at an institutional level are typically weak, which means many civil servants – and ministers – lack the ability to speak with their counterparts or access useful information such as evaluation or audits of past policies.

Other countries make more of a habit of looking outwards. Speaking at the Institute for Government in 2019, Tharman Shanmugaratnam, senior minister and co-ordinating minister for social policies in the Singapore government, emphasised how important “the lessons we are getting from around the world” were, and that Singapore was “a country that’s continually searching for lessons everywhere”.

How to improve policy making

The problems outlined in this paper will not be solved with a single initiative or document, for all the merits of last year's *Declaration on Government Reform* published jointly by the prime minister and cabinet secretary. However, we identify three areas of specific reform that will provide a foundation for wider change: stronger accountability within government; a more diverse civil service better able to add to the policy making process; and stronger institutions to support this work.

Stronger accountability

Accountability for policy advice, decisions and outcomes is currently too weak. This reduces the incentive on those making policy – ministers and officials – to make good policy: ensuring that they first have grasped the problem, understood the range of evidence available, and designed solutions that can be implemented and will make a difference over the long term.

There are several factors that contribute to weak accountability. As our report *A New Statute for the Civil Service* makes clear, the lines between the responsibilities of ministers and officials have become too blurred. As the breadth of government work has expanded and grown more complex, it has been more difficult to draw a neat line between ministers being responsible for decisions and officials being responsible for implementation. There are unresolved questions about where accountability should lie when ministers make bad decisions on the basis of poor advice – as happened during the pandemic over face masks, for example. The existing framework means ministers and officials pass responsibility back and forth, and accountability becomes less about what a minister or official has said or done and more about presentation, relative power in the system, and relationships.

On top of this, the processes for holding ministers and officials accountable for policy outcomes are often given too little attention and resources. Select committees are left trying to piece together responsibility on the basis of a scattering of publications and the testimony of junior ministers. It is all too easy for government to move on without stopping to understand what worked and what did not.

Ministers need to be held accountable for policy decisions

Ministers need to be clear what their objectives are for a particular policy intervention. And it should then be routine for ministers to be recalled – whether by parliamentary committees or other bodies – to explain their decisions several years on, when the outcomes become apparent. This should happen even when, as will often be the case, they have moved on to another role. It is critical that as far as possible ministers feel that the decisions they make will not only be judged on their short-term impact and media reception at the next reshuffle, but on longer-term outcomes. This would be the most effective way of tackling the problem of short-termism and help to focus minds during the policy development stage on whether plans for delivery are realistic.

The advice that a minister has received should form part of this process. As we set out below, officials need to be more responsible for the quality of that advice – if it is judged to have been wrong without a reasonable explanation, the way it was developed needs to be examined. Some of the changes we outline in *A New Statutory Role for the Civil Service* would clarify responsibilities, including making the head of the civil service more accountable to the Civil Service Board, and permanent secretaries more accountable for cross-government responsibilities.

There is a balance to strike here, though. The best ministers do not receive advice passively; they see it as their role to test and challenge it. There ought to be at least two lines of protection for the cause of good policy making – quality control by the civil service itself and scrutiny by the minister receiving advice.

Of course, the accountability that ministers feel over their decisions depends on the role of the prime minister, who holds the power to hire and fire them. This is ultimately the 'performance management framework' that has the most influence on the quality of the UK's governance and policy. But Boris Johnson has not applied this power consistently in his time as prime minister. For instance, Gavin Williamson survived in post as education secretary despite making a series of costly blunders, before eventually being dismissed at the most recent reshuffle. At that reshuffle, the prime minister emphasised that his cabinet would be judged on its ability to make their departments work effectively and deliver on the government's policy ambition. It is critical that he now backs this up. As President Macron is reported to have told his own cabinet ministers: "Don't blame the machine. It is your machine."

It would be wrong to think that ministerial responsibility starts and ends with making decisions. Ministers, as well as their senior civil servants, are responsible for creating an environment within their departments that supports effective policy making. Most of all, this means encouraging honest and challenging advice. A minister's political view and the parameters of acceptable policy will inevitably influence the advice that is given – the key skill of a civil servant is to combine this with other inputs to form useful advice. But ministers do have huge influence over departmental working practices through what they ask for in submissions and in the wider cues they offer officials.

There have been many policy failures where such a relationship appears not to have been established. For example, during the huge programme to outsource the probation service, led by the justice secretary, Chris Grayling, between 2012 and 2015, officials were not encouraged to highlight what many outside government identified as serious flaws in policy design. The same was true of the early years of Universal Credit, where the department suffered from a 'fortress mentality'. This sort of failure creates negative feedback loops. Experts at our roundtable noted that the most talented and well-informed officials often do not last long in departments in which ministers are not keen to be challenged.

Clear communication is also required to ensure ministers and advisers understand one another. The problems with the use of scientific advice in implementing the first coronavirus lockdown in March 2020 – where ministers were waiting for scientific evidence to be certain, and scientists were cautious of advising actions they thought would be unacceptable to decision makers – starkly illustrated the risks of ministers and advisers second guessing one another, rather than having open and frank conversations.

Civil servants need to be more accountable for the quality of policy advice

Overall responsibility for the standard of advice in departments is currently muddled and individual policy officials are rarely held directly accountable for particular advice they give and how that stands up when a policy is delivered.

In theory, permanent secretaries have overall responsibility for work across the whole department, while in each department there is a head of the policy profession (HoPP) who is “accountable for raising the standard of policy making and driving improvement activity”.¹

In practice, the role of the permanent secretary has changed in the modern era. Few permanent secretaries now spend most of their time acting as the principal policy adviser or confidant of the minister; they must act more like chief executives managing large and complex organisations, getting personally involved in only the most contentious or high-profile policies, or in crises.

Departmental HoPPs do not have clear accountability for the quality of policy advice either. These positions tend to be bolted on to the job of a busy policy director general, who might be lucky to devote a tenth of their time to policy profession matters. Many policy officials say they do not know who their departmental HoPP is.² To the extent that policy officials do come across the policy profession – in their department or more broadly – the role is typically confined to offers of training and skills development, rather than actively overseeing standards.

The result is that there is no clear individual in each department with the time or authority to take responsibility for the quality of advice that goes to ministers. It also makes it hard, when policy advice does turn out to have been poor, to work out who is responsible and where in the system the error should have been prevented.

The Institute for Government has offered its own recommendations on how to solve this problem. In a 2011 report *Making Policy Better*,³ we suggested elevating a senior policy official to ‘policy director’ – a senior leadership role giving them responsibility for co-ordinating the department’s policy work, overseeing policy capabilities and developing policy and analytical skills and awareness of external thinking.⁴ Compared with underpowered departmental HoPPs, this would have the benefit of giving one person clear responsibility and clout, and ensuring standards remained high regardless of what a minister asks for.

No departments have taken the recommendation up. This could be for resourcing reasons, but it is more likely that permanent secretaries find it managerially difficult to elevate one senior policy official above others, and directors and directors general guard their policy territory closely. But ultimately departments do need to find a way of strengthening accountability for policy making, and setting quality standards for advice that is given to ministers.

Tamara Finkelstein, permanent secretary at Defra, has recently been appointed as head of the policy profession, responsible for leading efforts to improve skills and raise standards among policy officials across government. As part of setting out her vision for the role, she should set out how civil servants should be held accountable for the advice that they give. This should include an expectation that – as in other careers – if a senior policy official is responsible for poor advice that results in poor outcomes, this should be reflected in their career development. It is still too often the case in Whitehall that ‘high-flyers’ are able to progress quickly up the ladder despite major failures on their record.

The central policy profession should be more active in supporting departments to raise standards, but currently it has limited influence over the daily life of most policy officials. While other functions and professions have raised standards in their areas, the policy profession has fallen behind.^{5,6} It faces particular difficulties – it is more amorphous than other fields, and does not have the recognised qualifications or standards that apply elsewhere. But its relative weakness is a problem. It has recently been given additional resources and it should focus on helping departments identify and test different models for raising standards. At a minimum there should be a policy profession hub in each department, working directly to a director general or the permanent secretary, who takes responsibility in departmental executive committees for the quality of policy making in the department.

More widely, stronger accountability would be supported by a further change we proposed with the creation of a new civil service statute: namely, giving the civil service a statutory objective to maintain the capacity of government with relation to providing policy advice. This would help ensure senior officials felt it was a core and integral responsibility worth devoting time and resources to.

Policy making should be more transparent

While some advice is by its nature private, there is a strong case for making policy assessments more public, building on the limited disclosure offered by those policy impact assessments that are already published.

If civil servants and ministers knew that, within a reasonably short period, their most important advice and the decisions based on that advice would be published and scrutinised by a committee of officials or parliamentarians, it would encourage a more serious evaluation of options and hold policy makers to a high standard of evidence analysis and discussion. Our past work has found that opening up policy making to more external scrutiny and input has often been a key factor in the most successful policy interventions.⁷

A programme to improve policy making advice would need to establish exactly what advice should be published, when it might be disclosed and how civil servants and officials could protect the private space that ministers need to take decisions.

The evidence that supports policy decisions also needs to be made available more consistently. The Institute for Government and Sense about Science, a charity, has conducted several evidence transparency reviews, which have shown many departmental policy documents often fail to set out a clear rationale and cite robust evidence in support of policy judgments. There has been a tendency, including in recent Covid policy making, towards 'policy by press release', with little space given towards showing the evidence base for a particular action. This makes it hard for people outside government – including members of the public – to scrutinise decision making.

More diverse teams with deeper domain expertise

Problems often stem from not having the people with the right skills and experience working on a policy. The civil service needs leaders who can assemble the right mix of skills – which may include delivery, finance and digital. At the core of these teams there needs to be deeper domain expertise, which will require changes to Whitehall's workforce model, and policy officials being more 'anchored' in a particular area. Departments need to look outside their walls too, and develop better ways of accessing external expertise and research.

Mixed-discipline teams need knowledge combined with skills

Building capability to make more effective policy is a matter of combining subject-matter knowledge with the relevant skills to create a high-performing multi-disciplinary team. The first of these skills is leadership. Currently there is an assumption in civil service teams that the policy expert is also the right person to lead the team. That assumption should change – the important qualifications for leadership are to be able to set direction, motivate teams and to be willing to be held to account for success and failure.

Regardless of who leads the team, there are core skills that a policy civil servant in a multi-disciplinary team should demonstrate. These are an understanding of political context, ministerial objectives and constraints, how to get buy-in within government and then to make change happen. They also need high levels of numeracy and literacy to communicate clearly and to be able to challenge garbled reasoning and unclear argument. Our work on evidence and evaluation in policy making describes how policy officials need to recognise the importance of the values of political leaders as well as underpinning policy evidence, and to navigate and present 'inconvenient truths' to ministers.⁸

The leader of a mixed-discipline team then needs to identify the professional and 'functional' skills that the team needs to be successful. That will almost always include project management skills – not having such people fully involved when major policies were developed was guaranteed to cause big problems.

In many areas, it will include drawing in expertise from local government and public bodies, or industry. Senior officials should see it as a core part of their remit to maintain connections with these stakeholders.

Any complex policy process will also need finance, communication and public engagement, digital, data, procurement and analytical skills. Mixed-discipline teams will also increasingly need to include modellers, experts in policy evaluation and – learning from the experience of the pandemic – sometimes experts in contingency planning and emergencies.

Too often people with these skills are spread across a department, or specialists only called on to deal with one part of a piece of work. A lack of commercial expertise contributed to, for example, the botched tendering of the West Coast mainline, where the process was found to have suffered from basic flaws and mistakes including the department not taking account of inflation or evidence that passenger numbers had increased.⁹ The right mix of skills need to be properly embedded into multi-disciplinary policy teams from the start.

The skills required will change over time. Different phases of a project demand different types of civil servant to manage and work on them – a ‘disruption’ or building phase will need a different team to a policy consolidation or evaluation phase.¹⁰ Building the government architecture to oversee climate change targets in the mid-2000s, or tackle rough sleeping in the late 1990s, required a different set of civil service skills to the ones required to maintain those policies now. Part of the skill of leaders is recognising that circumstances have changed and that the disciplines of their policy team need to change to reflect the new situation. But there needs to be some continuity through the lifetime of a policy from inception to implementation. Some of the people who will be responsible for implementation must be part of the initial policy team, and some of the policy makers need to remain connected to the project through the implementation phase.

Civil servants need career ‘anchors’ to improve their subject-specific knowledge

We have long warned of the harm caused by excessive turnover. As has the civil service itself, with the cabinet secretary and leading permanent secretaries all having expressed a desire to tackle it. But the slow progress apparent in the annual figures, analysed in our *Whitehall Monitor* publication, suggests that while the flesh may be willing, the spirit is weak. Ultimately when a senior official is tasked with rapidly assembling a team, they will do whatever it takes, which often means causing disruption by moving people.

Improving domain knowledge does not mean stopping civil servants from changing jobs or requiring long tours of duty in specific areas – that leads to stale policy making teams, a resistance to new ideas and interest group capture. But setting expectations, and rewarding civil servants who stay in one role or area for three to five years and deliver on specific long-term policy goals would be an important change. In the past, we have argued for specific roles for deep subject-matter specialists, with career structures tailored to reward expertise.¹¹

Permanent secretaries also need to be more accountable for reducing churn within their departments. They should be required to set a target level, based on evidence about what the optimum amount of personnel change for their type of organisation would be, and held to account if the department – or particular directorates – continually miss these targets. Our report *Moving On: The costs of high staff turnover in the civil service* drew on the latest thinking in the public and private sector on optimum levels of turnover, and set out how other organisations manage staff much better.

A further change is needed to the 'generalist' model to ensure not just that levels of movement are controlled, but that movement is more useful – to officials and the civil service as whole. Currently, unlike in most successful organisations, staff movement is almost entirely unplanned. With little structure guiding it, this can lead to chaotic careers in which people 'pinball' between different opportunities that arise.

Instead, all policy civil servants need an 'anchor' specialism, not necessarily a highly specific area of expertise, but one that gives them a more authoritative grounding in their chosen field. This would formalise the areas of interest that many civil servants already gravitate towards, and provide a structure for training and developing officials in subject-matter as well as cross-cutting skills.

Some departments lend themselves to such policy anchors like health, education, welfare, trade, and digital policy. Other anchors could cut across departments like economic policy, tax policy, the constitution and government process, and security and defence. This model has recently been adopted by the Fast Stream, but it is largely forgotten after these initial three years – and not used at all for the majority of officials who enter the civil service via other routes (even if some civil servants do operate along these lines already).

Formalising these as established career paths will lead to a more healthy balance between civil servants moving jobs for promotion or a new experience and developing the knowledge needed to give ministers the best advice. It would make it more likely that moves would be helpful to developing knowledge and expertise that is useful throughout an official's career. The civil service would need to do this in the right way, recognising that there are many overlaps between different policy areas – for instance, health and education have an economic lens and vice versa.

Better planned careers would also allow civil servants to develop deeper and more useful relationships with relevant contacts inside government – breaking down silos between departments – and beyond. Our work on the factors behind policy successes¹² and on opening up policy making¹³ emphasises the importance of strong and honest relationships with those who will be responsible for implementing a policy. Better domain-specific knowledge will mean that civil servants also develop deeper and more useful relationships with the people who need to inform policy making.

Senior policy officials should be responsible for ensuring departments maintain expertise

The problem of departments struggling to maintain sufficient knowledge and domain expertise has multiple causes, including high turnover, a culture of generalists who can act as ministerial 'fixers' and poor institutional memory. But its persistence also follows from the lack of clear responsibility for departmental policy making.

In theory, responsibility for the knowledge and evidence used in policy in each department currently sits between the permanent secretary, the departmental head of the policy profession and the chief analyst. In practice, it tends to fall between the cracks of the three roles – and no one effectively ensures departments maintain the expertise they need.¹⁴

Alongside making a senior official more accountable for the quality of advice, in each department, or part of a department, a senior policy official should be made responsible for domain expertise. This should include identifying the knowledge and expertise the department needs, and planning for how to maintain that over time, as well as identifying the most valuable case studies of policies abroad, and ensuring the department has the necessary links to learn from these.

This would help departments to avoid damaging examples where they have lost all their domain expertise. Departmental policy officials should also take a medium- to long-term view of the expertise that will be needed. They should see themselves as the steward of a particular policy area, and this is likely to involve working with officials in other departments to ensure they have a grasp of the wide range of data and evidence that has a bearing on their specialism.

Policy teams will adapt to government and ministerial priorities, but one of the benefits of a permanent civil service should be to maintain stocks of knowledge such that it can provide critical advice across the full range of areas for which a department is responsible. Part of the job of the head of the civil service – and the new Civil Service Board we are proposing – should be to hold permanent secretaries to account for building and strengthening the knowledge of the staff in their department. The board should demand reports from departments about the state of their organisations' retention of core knowledge.

This also means departments need to improve the way they maintain corporate memory. There is a long history of failed attempts to do this, with civil servants struggling to devote time to it. But there are departments that have made progress, such as the Treasury. The civil service should commit to renewing efforts, learning from successes both within government and in the private sector.

Stronger HR can help the civil service to assemble better policy teams

Human resources (HR) has a critical role in enabling organisations to build and maintain effective teams. But while this role for HR is standard in successful private sector organisations, in the civil service, along with many other public sector organisations, it has in recent years been more marginal.¹⁵

The civil service is attempting to change this and to shift from an operational approach to HR (incorporating payroll, maintaining staff information, job adverts, background checks, inductions and overseeing employee relations processes) to a more strategic one (which incorporates long-term staffing, retention, succession planning, talent management, company culture, skill levels and employee performance).¹⁶

The civil service's chief people officer has brought in leading HR directors from outside government. But progress is patchy across departments, and a perception persists among wider teams, including policy teams, that HR enforces rules or creates problems rather than helps to meet needs.

As HR teams take on a more prominent role, they should work with senior policy officials to help enable policy officials to assemble effective policy teams. That will require having a clear view of the range of skills needed across the organisation, and using promotion, pay and reward to help ensure that departments maintain the skills they need such that teams can be assembled quickly when a project launches.

Central government should make much greater use of deliberative methods that involve the public in decision making

As well as improving internal processes, government needs to fundamentally rethink how it involves citizens in policy making. There are huge possibilities in using technologies to open up the policy process, but by and large these are still being overlooked.

Old-fashioned techniques – government consultations, engaging a small group of stakeholders, polling and focus groups – look increasingly top-down and outdated. Rather than being genuinely interested in what people have to say, these methods often give the sense that government already has 'the right answer' but wants to be seen to have 'engaged', or it wants to get people on side to make a policy appear more legitimate.

However, there are growing examples of policy makers – at a national and more extensively at the local and devolved level – adopting very different types of tools. There is a wide range of deliberative methods, from citizens' assemblies through to more nimble approaches including co-production, crowdsourcing and participatory budgeting. Many draw on new technologies to enable a wide and representative group of citizens to feed into a process.

These methods allow solutions to be developed that, by design, address the public's concerns. They may not be right to incorporate into every single policy making process, but as we have argued in the case of net zero, there is scope for government to use them much more widely than it is currently.

There is a compelling argument for this change in relationship between policy makers and the public to be made now, following more than a decade of waning public trust in government. As Polly Mackenzie, the chief executive of the think tank Demos and a former special adviser, argued in a recent series: "People want the chance to make

the decisions themselves... legitimacy and popular support are actually essential characteristics of successful policy, especially when we are asking people to tolerate, or even lean into such extraordinary economic and social change.”¹⁷ Mackenzie urges policy makers to move away from both overly partisan and overly technocratic solutions, and to value the process of reaching consensus as equally – or more – important as reaching the right ideological or technical outcome.

A similar change of mindset is needed to breathe life back into the legislative part of the policy making process. As our colleague Hannah White has argued, participatory and deliberative techniques could play a key role in making parliament more reflective of and responsive to the concerns of the public.¹⁸

The civil service needs to improve routes for bringing in external expertise

As well as being poor at engaging the public, the civil service often struggles to bring in expertise from other institutions outside government. Our 2018 report that examined the use of external expertise and research in 10 departments found that many used both ineffectively, and found it difficult to access relevant and useful academic work in a timely way.¹⁹

Some departments, such as Defra, had well-established routes through advisory committees, secondments and networks. The education department has strong links to the Education Endowment Fund, a What Works Centre it funded through an endowment.²⁰ The business department regularly calls on the Centre for Science, Technology and Innovation at Cambridge University as a source of knowledge and expertise on UK and comparative international policy in areas such as manufacturing.

These connections can be hugely valuable in providing officials with rapid, expert input, pointing them towards existing work, and giving them a deeper understanding of the evidence on how interventions have worked in the UK or other countries. But many departments lack such links, and more widely officials are not encouraged or supported to develop external networks.²¹ There has been little discernible improvement in the last three years.

Senior policy officials in each department take greater responsibility for building more established links with academic and brokering institutions. Strengthening links with external experts will make it easier for officials to build up networks and access expertise and challenge in a timely and low-resource way. This will help the civil service to build and maintain domain expertise in the longer run.

That applies to international evidence and examples as well. While it will not always be possible to translate policy initiatives directly across different political and cultural environments, there are few policy areas that are unique to the UK. When developing new ideas ministers and civil servants should more systematically look at evidence from other countries and learn from those who do it best.

Departments need to get better at ensuring they can access the research they need

Departments used to have large budgets for commissioning research, which helped them plug gaps in knowledge that might hinder policy making. This system went back to the landmark Rothschild report in 1971, which argued that departments (rather than research councils) should have greater control over funds for applied research, enabling scientists or analysts in government to gain a better grip of research outputs.²² A key problem for Rothschild was that academics often saw problems differently to officials in government, making it hard for officials to find useful research.

But in recent decades these research budgets have been sharply cut, with most departments offering them up when forced to make cuts. Between 2007 and 2015, research spending more than halved in five departments. In what was then the Department for Communities and Local Government it fell by three quarters.

Most departments now have modest budgets to commission research directly themselves. In a reversal of Rothschild's proposals, they must rely instead on research done within academia and funded by research councils – although the 2021 spending review bucked this trend by allocating more money to departmental research budgets. The test, though, will be when departments are next asked to find budget savings; without a clear direction, these research budgets will be vulnerable to again being seen as the first place to raid.

Alongside this there have been broader changes. Academics are now much more encouraged to ensure their research is accessible to wider audiences, including policy makers, as a result of the introduction of the Research Excellence Framework (REF).*

The government also developed a new initiative called Departmental Areas of Research Interest (ARIs), whereby departments publish details of evidence gaps to help research councils and academics identify where useful research might add value. Every department (with the exception of the Treasury) has now published a document setting out areas in which their knowledge and understanding could be improved. But the quality has been variable – some are detailed, others brief and vague – and it is not clear how frequently the documents will be updated.

These changes are still bedding in. But departments – and the government as a whole – need to take a more strategic view of the research they need, and how to ensure they can access it. For many, that will mean working more closely with research funders and academics; chief analysts and scientific advisers should be responsible for overseeing this. In some areas, there may also be a strong case for departments commissioning more research themselves.

* For a more detailed discussion of the REF, see: www.instituteforgovernment.org.uk/publications/how-academia-can-work-government

Institutions and processes that support good policy making

In addition to stronger accountability and more diverse and expert teams, several other changes to institutions and processes in Whitehall would help to unlock more effective, long-term policy making – and ultimately help the government to deliver on its agenda.

The centre of government should be strengthened

In the wake of problems managing the coronavirus pandemic, the government acknowledged that – as the Institute as argued – the centre of UK government is too weak. A stronger centre would help the prime minister to better hold ministers to account for delivering on the government’s policy ambitions and help to break down the silos and lack of effective working across departments.

A strengthened Cabinet Office should play a greater role in agreeing the government’s policy programme. This means early in their term the prime minister should set out the government’s objectives clearly, seek explicit cabinet agreement for the government’s programme, then invest personal time in holding ministers to account for delivering it. The cabinet secretary in turn should hold permanent secretaries to account for how well their departments implement that programme through regular formalised stocktakes.

A core part of the role of this stronger central function should be to identify where responsibilities overlap and departments may not be working well together and unblock and resolve those issues. This has always been part of the Cabinet Office’s role at a political level, but its relative organisational weakness has often prevented it from taking more fundamental steps to address problems with the way departments work together. It should have authority from the prime minister and cabinet secretary to deploy a range of tools to do this – whether ministerial working groups, joint units at the official level or other mechanisms. A new Office of the Prime Minister, and Steve Barclay’s move to be chief of staff to the prime minister while retaining ministerial duties at the Cabinet Office, is an opportunity for reform. But with complex new reporting arrangements and a weak prime minister and No.10, it is more likely to mean continued confusion.

In a number of areas the government has adopted strategy and operations committees to help join up policy and deliver across different departments. This is a good development and creating a powerful forum where ministers and civil servants can iron out conflicts between departments will improve cross-government co-ordination. We are starting to see that with the government’s net zero plans. This should go further and include a more standard method for civil servants to co-ordinate policy initiatives that span departments. The Cabinet Office performs some of this function already, and part of its strengthening should be to give it more authority to require sustained joint working across departments.

It is welcome that the government has established a new prime ministerial Delivery Unit – a mechanism the Institute for Government has long supported as a way of driving progress on overarching priorities. The new unit will reportedly focus on five

overlapping areas: levelling up, net zero, public sector backlogs, crime and pandemic recovery. But it is vital that it is given the authority and resources to do its job effectively, and does not spread its work too thinly. The prime minister will need to invest time in supporting the process of stocktakes and reviews if the unit is to have the success that its predecessor had in the 2000s. And the unit will need authority at the official level too: Emily Lawson, the highly regarded official brought in to head the unit, has already been temporarily moved back to the health department to lead the vaccine booster rollout.

The five areas the government has picked create other risks. All are huge, meaning that a small team working across all of them will struggle to master them. As we have argued, net zero demands an entire central unit of its own given it is such a long-term economy-wide goal. Rather than adding it to the priorities of an overstretched Delivery Unit, a beefed-up net zero unit would help the government to develop the shared analysis needed to underpin a coherent approach.

An area to watch will be the government's approach to its top priority: 'levelling up'. At the last reshuffle the prime minister gave responsibility for this (so far loosely defined) goal to Michael Gove, with support from the highly regarded junior minister Neil O'Brien. Andy Haldane, the former chief economist at the Bank of England, will also head up a levelling up taskforce reporting to Gove. The key question is whether this combination of brains and ministerial clout results in the government being able to develop a credible strategy and implement it across a huge range of departments and local authorities that will need to be involved.

The Treasury should focus more on long-term outcomes

The Treasury has many strengths, but one of its main weaknesses is that it does not encourage departments to focus on the long-term outcomes of policy.

A series of Institute for Government reports that explored how the Treasury could become a finance institution fit for the 21st century argued that the department's processes drove "short-term and poorly designed resourced allocation".²³ It noted how many organisations – including local authorities – were exasperated by the annual ritual of government providing last-minute top-up funding for predictable events such as 'winter pressures'. By failing to plan and allocate spending with a long-term lens, the Treasury prevented departments from having sufficient certainty to plan effective policy interventions.

A report for Nesta authored by former special advisers Stian Westlake and Giles Wilkes (now of the IfG) made similar criticisms of the Treasury's short-term approach, arguing that "the power of Treasury spending teams, combined with the short-term nature of budgets and autumn statements, encourages a tendency towards policy wheezes, where a long-term approach to policy-making would generally be more productive".²⁴

The Treasury's approach to tax policy has likewise been characterised by a lack of clear long-term direction, which makes planning difficult for businesses and individuals – as well as policy makers in other departments.²⁵

There are many reasons why the Treasury has ended up adopting these positions. The urge to keep departmental spending under close control may reflect historic experience, with recessions before the 1990s often caused by overspending. Avoiding setting out a tax roadmap also allows the chancellor to be nimbler in responding to short-term political developments.

But ultimately, a more long-term approach from the Treasury would help government to achieve its goals. A wide range of reforms have been proposed to help achieve this: the Institute for Government has suggested the Treasury should publish clear guiding principles and priorities for tax policy, and reform the spending review process to encourage a greater focus on long-term performance, backed up with data and evidence. More radically, others have called for the breaking up of different functions of the Treasury to allow a more concentrated team to focus narrowly on budgetary control.

Departments should devote greater resources to evaluation

Strengthening evaluation across government would help civil servants to focus more on the outcomes of policy, rather than moving on quickly to the next project.

Evaluation is a key tool for examining whether policies have worked or not, and why – and comparing the outcomes of policy with what would have happened otherwise. It is critical for ensuring public money is well spent, improving policy outcomes and building evidence that will help future policies to be more effective.

A report by the National Audit Office in 2013 was highly critical of the approach of successive governments to evaluation.²⁶ It noted major gaps in coverage, poor-quality evaluation, evaluations not being used properly, and external researchers not being able to access government data. Four out of 15 chief analysts considered the quality of their own department's evaluations to be "quite poor", while several departments did not follow the government's own guidance and the budget and resources devoted to evaluation was relatively small.

A recent update, published in December 2021, found there has been little progress.²⁷ Only nine out of 108 of the most strategically significant projects were being properly evaluated; in many cases findings were not used or evaluations not undertaken at all because they were seen as "unhelpful". The NAO concluded this meant ministers were spending billions of pounds with little information about what difference the spending makes.

Our work has also examined the reasons behind flaws in the way the UK government evaluates policy outcomes.²⁸ Departments and agencies often treat this as an unnecessary add-on to the policy process, giving it minimal time and resources. They also often fail to ensure those evaluating a policy were sufficiently independent of those involved in its development to ensure difficult lessons are learned.

The weakness of government evaluation is particularly harmful in transport, where government has to decide how to allocate large sums of money. This is, no doubt, partly a reflection of the sheer difficulty of evaluating large schemes, which typically have widespread impacts that are often gradual and hard to detect. Yet our work on key case studies – including Heathrow runway expansion, Hinkley Point C, High Speed 2 and the Jubilee Line extension – showed evaluation of decisions was patchy at best. This contributes to a lack of improvement in modelling, forecasting and decision making.

There have been some initiatives that led to modest improvements – the coalition government launched the Trial Advice Panel, which offers advice to officials thinking about using trials or running impact evaluations. But there is little sign that the underlying problems have been tackled.

The current government has said it will establish an evaluation task force to ensure consistent and high-quality impact evaluation. It should begin by conducting a frank assessment of the quality and coverage of evaluation across departments and making recommendations on how to drive up standards. Previous failure in efforts at improvement show that the task force will need sustained political support and resources if it is to make a difference to day-to-day behaviour.

Conclusion

The government faces a daunting set of policy challenges. Ministers and senior officials are right that they will need to address some deeply ingrained problems with the way UK government works if they are to stand a chance of tackling them. Those problems include a chronic short-termism, a tendency to design policies with insufficient grasp of their delivery, a lack of knowledge among officials about past policies, poor cross-government working and a closedness in central government to experiences beyond Whitehall.

The starting point for tackling these problems is clarifying and strengthening accountability for policy advice, decisions and outcomes. A focus on making better policy for the long term will only be achieved if the lines between ministers and officials become less blurred. Alongside this, the civil service needs to adopt a range of changes if it is to get better at building effective and expert teams – including to civil service careers, HR and the use of external research and expertise. And wider process within government – the way the Treasury signs off spending, the way departments evaluate whether policies work – needs to change to support more effective policy making too.

Continuing failure to grasp these long-standing issues with the way the machinery of government works would not only prevent the government from realising its own (considerable) ambitions. It would contribute to a sense among citizens that government cannot tackle the biggest issues they face and help them to achieve real improvements in their lives.

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