

DEMOS

MISSION REFORM

KEY REFORMS FOR
A FIT-FOR-PURPOSE
GOVERNMENT

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JANUARY 2024

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Published by Demos January 2024
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ABOUT THIS ESSAY

As part of Demos' work on public service reform, we will be publishing a series of essays, provocations and ideas throughout 2024 giving a platform to other peoples' ideas on the subject.

I am delighted to kick off the year with this provocation from two public servants who combine original thinking with decades of experience.

I hope you enjoy reading this essay as much as I did.

Ben Glover
Head of Social Policy, Demos

January 2024

MISSION-FOCUSED POLICY-MAKING IS NOW DOMINATING THE PRE-ELECTION PERIOD.

Labour is promising to deliver on five missions, from net zero to increasing productivity. The Conservative government has made five promises, from cutting inflation to reducing waiting lists.

But neither has set out how they are going to reform the way that government works to deliver against missions instead of silo-based targets. In this short piece we propose a series of reforms designed to change government, grow its capacities and deliver its missions.

During the 2020s there are likely to be high expectations that government can fix problems, and very limited resources. This means that how government works – its capabilities, structures and processes – will be crucially important.

Here we focus on reforms that could help align government's capabilities with the demands being placed on it, including:

- addressing the challenge of coordination across government,
- supporting a major investment in developing the skills needed for the tasks of the 2020s, not least because of the big influx of new as well as newly promoted staff to tackle first Brexit and then Covid.
- a more open and transparent approach to policy-making, informed by external input and challenge, to drive up performance in central government, and finally,
- a comprehensive overhaul of how the government organises and deploys its knowledge.

WHOLE OF GOVERNMENT ACTION

A first priority is to better organise government to achieve cross-cutting goals, of the kind being promised by all the main parties. Getting this right will be crucial to many tasks, from net zero and regional inequality to raising productivity. In the 1970s the Conservative government created super-ministries, but these generally proved unwieldy. Labour in the 1990s and 2000s tried cross-cutting units and ministerial roles (on social exclusion, for delivery and others) as well as joint budgets. More recently, digital innovators around the world - most notably One Team Gov - have shown how people can work together across organisational boundaries. Other countries have experimented with giving leading politicians strategic roles or devising legal requirements to act in a cross-cutting way.

Climate Change was a striking example of UK leadership in the 2000s. The UK was one of the first countries to create a comprehensive machinery in government including the 2008 Climate Change Act, with binding targets, a Department of Energy and Climate Change, and a Climate Change Committee to monitor progress. Later it also developed plans for a Green Investment Bank. However, all of these (except the CCC) were later dismantled.

The importance of getting this right should be obvious from recent experiences – in particular the failure to turn the rhetoric of 'levelling up' into effective action, which is at least in part a result of the lack of any cross-cutting structures, budgets or processes, meaning that DLUC has been reduced to handing out small pots of money. If Labour's missions remain merely rhetorical, they could face similar challenges in government.

The challenge for any government is how to get the right balance of vertical and horizontal structures and processes. Much of government is inevitably quite vertical – and therefore amenable to traditional performance management methods (though even this is often not done well). Horizontal tasks risk being owned by everyone and therefore accountable to no-one. So the key is to be sparing in designating these and then ensuring clear accountability.

We therefore recommend an early focus on 'whole of government' planning – to consider how to ensure a distribution of key roles, funds and accountability. There are many tools and methods available – though these have been little used in the UK in the last decade. They are likely to involve giving both leading ministers and officials cross-cutting as well as vertical roles, with a double key over budget allocations and legislation (so that any major spending may require agree both from the 'horizontal lead', who might cover a topic like use of

AI in government, and the vertical lead, who might be in charge of a department). There need to be central capacities to spot and resolve tensions and contradictions between departmental initiatives and relentless challenge to siloed and hierarchical ways of working from the top. Turning government into more of a team – with a shared sense of purpose and a willingness to collaborate – is difficult, but vital to achieving results.

HIS MAJESTY'S COLLEGE OF GOVERNMENT

Our next recommendation focuses on enhancing capability which will be critical for a civil service that has faced many attacks in recent years.

The majority of major countries' governments have dedicated civil service colleges to equip public servants with the necessary skills. Examples include the Singapore Civil Service College, the Australia New Zealand School of Government, and the Canadian School of Public Service.

However, the UK, in a decision that few now regard as wise, replaced its civil service college with a series of contracts primarily with commercial providers in the early 2010s. As a result, significant capability gaps have emerged across the system, despite some improvements in specific skill areas like procurement and major projects.

To address this, we propose the establishment of "His Majesty's College of Government," offering a curriculum of short and medium-term courses both online and face to face for public servants at all levels, including the civil service, regional and local government. Ideally, involvement from business and civil society should be integrated, as was the case with the civil service college, as well as from politicians. Priority areas of focus should include competence in science and technology, digital proficiency, understanding and influencing complex systems, effective implementation, and vital people skills like teamwork and public engagement.

HIS MAJESTY'S INSPECTORATE OF GOVERNMENT

Third, we draw from the knowledge gained in various public services, where the combination of regular external inspections, assessments, coaching, and support has proven to enhance continuous improvement and effectiveness.

Departmental capability reviews in the 2000s, led by external reviewers and published, were a good start, but have not been sustained. The National

Audit Office (NAO) reviews the extent to which civil servants pursue value for money, but is not permitted to scrutinise policy-making. And the Audit Commission, whose remit covered local government policy and implementation, is no more.

We recommend the creation of "His Majesty's Inspectorate of Government" (HMIG), which would engage experts, outsiders, and peers in regular audits of policy development and implementation. These reviews of both departmental and cross-Government policy initiatives would focus on how effectively policy makers turn Ministers' overall objectives into evidence-based, implementable policy, and their conclusions would inform the work of the College of Government. They should also allow for inputs from the public on their experiences – particularly where they concern services directly delivered to citizens.

Where practical, audits should be carried out sufficiently early in the policy-making process so that recommendations can be implemented in time to improve the specific policy being reviewed. Their purpose would be to help civil servants do their jobs as well as possible; not to wait until something goes wrong and find someone to blame.

There are a number of options for where to place the inspectorate. It could be self-standing, like the Office for Budgetary Responsibility. It could be an arm of Labour's proposed Office for VFM. Or it could even be housed within the NAO. Whichever is chosen, it should report to Parliament, in order to ensure that its work is independent. And as with school, hospital and other such inspections, its reports should be made public, spreading learning and enhancing civil servants' accountability.

SYNTHESISING DOMESTIC INTELLIGENCE

The primary rationale for maintaining a permanent civil service is to provide a shared memory for the nation, enabling an understanding of what works and how to achieve results. However, the current organisation of knowledge has lagged behind what's needed, as well as best practice in other sectors. Paradoxically, digitisation has made it more challenging for officials to access knowledge from past exercises, not helped by the rule prohibiting the provision of advice to current governments based on advice given to previous administrations. Additionally, intelligence within the government is compartmentalised in multiple silos, comprising individual departmental divisions and segregated functions such as statistics, research, science, economics, and data.

To address these shortcomings, we propose a more integrated and distributed approach to knowledge. For instance, insights from departments of business and trade, the Treasury, devolved administrations, major cities, and other relevant entities should synthesise government's knowledge of key sectors of the economy. Assessments, overviews, and observatories in these areas should be transparent and public.

The rapid development of Artificial Intelligence seems likely to provide tools which will soon enable the identification and synthesis of widely dispersed knowledge in ways which until very recently seemed quite impractical (and several now avoid the weaknesses of ChatGPT). Government has been slow to commission and shape AI to serve its needs (except in intelligence agencies and defense); this needs to change.

To ensure that this work is given the necessary priority and professional oversight, we should learn from the work of the Joint Intelligence Organisation, which provides syntheses of military and other threats to the United Kingdom. We recommend a Head of Domestic Intelligence, chairing a Domestic Intelligence Committee in the Cabinet Office, and working with a network of capabilities right across and beyond government. Their task would be to ensure that ministers have easy access to the best synthesized knowledge: knowledge of what's happening, of evidence, of relevant innovations, and of how whole systems could change. The UK government has very strong central control of money, through the Treasury and finance teams across the public sector. In modern organisations, data and knowledge are every bit as important to achieving results – but this isn't yet reflected in the organization of government.

TOWARDS FIT-FOR-PURPOSE GOVERNMENT

These are reforms which could be implemented quickly. Politicians would be unwise to assume that the current machine can simply implement new priorities and new tasks. How government works matters just as much as what it does, which means that new structures and capabilities will be needed if the UK is not to face a period of disappointment.

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PUBLISHED BY DEMOS JANUARY 2024

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