





Mission-led government: a radical re-wiring of Whitehall, or another failure to (re)launch

Carnegie UK CEO Sarah Davidson argues:



that Labour missions will be undeliverable without a long-term commitment to cross-government working and culture change from Ministers and officials, informed by innovations in governance in Northern Ireland, Scotland and Wales.

It doesn't feel controversial to note that Sir Keir Starmer's government has not taken to the business of governing like the proverbial duck to water. However, notwithstanding the ups and downs of the first six months in Government and as Chiefs of Staff have come and gone, one dimension of Labour's promised "Change" appeared to have survived intact: a shift to "mission-led government". That hunch has now been confirmed by Number 10 - the PM will recommit to his missions in a speech this Thursday and start reporting publicly against specific first term targets".

Lurking at the end of the news release was an intriguing final paragraph: "As part of this work, the Prime Minister will also charge the new Cabinet Secretary and all Cabinet Ministers to reform Whitehall so that it is geared to Mission delivery rather than working in the traditional silos that focus on fiefdoms not outcomes".

For students of public administration and of the art of governing, this is an interesting moment. For those – like Carnegie UK – who have long advocated for an outcomes-led approach to public policy, there is an opportunity to encourage learning from experiments in different ways of doing government elsewhere in the British Isles, and internationally. The absence of evident interest to date by the UK Government in accessing any such learning is both notable and disappointing.

Arguments that the "grand challenges" faced by governments today are too complex to be resolved by any one ministry or sector acting alone have been well-rehearsed in recent years, but rarely acted on effectively in Whitehall (despite an ironic enthusiasm for exhorting localities and regions to behave more collaboratively). Sir Mark Sedwill made a short-lived attempt as Cabinet Secretary to promote his so-called "fusion doctrine" beyond the national security community, arguing that "all our national capabilities" should be brought together "with a genuine sense of teamwork across and beyond government". However, his tenure coincided with the splintering of Government under the premierships of May and Johnston followed by Covid 19, and the potentially unifying value of "fusion" had no discernible impact on policy.

It's hardly a state secret that Whitehall Departments have rarely functioned as a coherent, integrated system of government. Aside from the entrenched cultural dynamics of individual Ministries, many of the day-to-day systems and processes in place incentivise a focus on the operations and outputs of individual silos. Secretaries of State and their Ministerial teams are

from the get-go competing with colleagues for airtime for localised Departmental agendas. Annualised budgets and pressure that comes from Budget Statements and Comprehensive Spending Reviews conspire to drive a culture where political "accountability" as expressed through the media and Parliament is conducted in the language of short-term outputs rather than long-term outcomes.

The recent House of Commons Liaison Committee report^{iv} called out the difficulties caused by HMT's insistence on negotiating budgets bilaterally with Departments and noted that cultural changes as well as technical and systematic ones are needed to make the shift to effective policy making for the long term. The Committee concluded that "a profound rethink is required to break the cycle of siloed, short-term thinking that has come to dominate successive governments' ways of working."

This inheritance ought to be a major headache for any incoming administration with an ambition to drive strategic, cross-government change. It is a problem compounded by a long-standing Whitehall tendency towards centralisation, distance between individual ministers and their departmental operations, and a mistrust of the ability of others to deliver.

Against this backdrop, the prospectus contained in a recent UCL/Future Governance Forum publication "Mission Critical – Statecraft for the 21st Century" is a compelling one. A strong, shared vision for the future. Collaborative, cross-siloed working. System-wide thinking and action, with a focus on the long-term, Humble government that mobilises and orchestrates the contributions of others.

The greatest value of this report arguably lies in the attention it pays to what it will take to realise this approach. Not just at the level of describing the strategic political and administrative leadership required, but in the nuts and bolts of procurement frameworks; funding criteria and financial operations; appraisal and performance management; mandating of Ministers and much more.

The new Labour Government will ignore these details at its peril, for they are the necessary conditions for success in re-wiring how Government works and focussing it on long-term goals which matter to the public. Absent these and other related actions, a proclaimed shift to mission-led government is simply magical thinking.

Our perspective on this at Carnegie UK has been honed by fifteen years studying and supporting outcome-based approaches to Government and developments in what we have long called "the enabling state". If there is one thing that we have learned during that time, it is that simply saying you have changed your approach to government doesn't make it so.

Lessons from the next-door neighbours

Since early in the 2000s, governments across the world and closer to home have been adopting so-called "wellbeing frameworks" comprising a long-term vision and ambitious cross-government outcomes for their populations. Examples include Australia; Canada; Finland; Germany; Ireland; New Zealand - and most significantly for current purposes - Scotland (with its National Performance Framework^{vii}), Wales, (the Wellbeing of Future Generations Act^{vii}) and Northern Ireland (the Programme for Government Wellbeing Framework^{viii}).

Given the unified Civil Service that still operates across the governments of Great Britain, it should be remarkable that Andrew Adonis could write for the Institute of Government in 2019, "[since 2007] Scotland has started to do things very differently from the UK. Many in Whitehall and Westminster have been oblivious to those changes^{ix}."

The analysis of the failings in the existing approaches to governing in Scotland that led to the innovations Adonis refers to was remarkably similar to that which is now being used to argue for a mission-led approach in the UK. The diminishing returns of New Public Management; a growing concern about inequality of outcomes; a fragmentation between the different agencies of national and local government; and a rejection of Departmentalism as a basis for effective government all informed the Scottish approach of the past seventeen years.

In Wales, the ineffectiveness of existing managerial arrangements and weak legislative requirements for embedding sustainable development as a central organising principle for government drove the commitment to the Wellbeing of Future Generations (Wales) Act 2015. Jane Davidson, the then Minister for Environment and Sustainability in the Welsh Government who proposed the legislation has written compellingly about this in her 2020 book #futuregen: Lessons from a Small Country.

In Northern Ireland, despite significant political turbulence over the past decade, successive Executives have kept faith with the wellbeing outcomes framework approach which it embraced following the Carnegie UK-convened Roundtable on Measuring Wellbeing in Northern Ireland in 2014-16^x. This was explicitly welcomed as an approach that required "a vision extending beyond any single Executive or Assembly mandate, and a direction of travel that is not a short-term one, rather generational in its nature" with much to offer a post-conflict society.

Given these similarities of context, now would seem a good time for Whitehall to start paying attention to the devolved nations. Scotland, Wales and Northern Ireland's outcome frameworks have been designed to hold a vision, incentivise the right behaviours, monitor progress and give policy makers and politicians a language for scrutiny of the long-term. The learning from these places about success or failure in implementation is highly relevant to any administration trying to put in place a mission-led approach to government.

It's still very early days for Northern Ireland, but here are five key lessons drawn from our study of the Scottish and Welsh experiences that the UK Labour Government would do well to heed.

Political and executive leadership are critical but not sufficient. Any gap between rhetoric and reality will be a drag on implementation. There must be alignment of culture; incentives; rewards; training and development; recruitment; internal processes and procedures. In the Scottish context, an early focus on building and incentivising the key leadership cadre gave way in time to a more laissez faire approach, where civil servants and ministers could effectively choose whether or not to prioritise collaboration, integration and prevention over more traditional siloed interests and short-term wins. Political leadership at the outset was vested in the Cabinet Secretary for Finance (now First Minister, John Swinney MSP) but the visible commitment of his colleagues was always variable and became more so as the years went on. Internal work on contribution analysis and theories of change was partial and not always maintained when the going got complex. Processes for allocating resources remained unchanged including the problematic failure to move away from annual budgets, and there

was little visible appetite for the hard – but important – work required to align these to longer term outcomes and a preventative agenda.

You must work differently if you want things to be different. Existing cultures and ways of working run deep in bureaucracies. Uniquely in the UK, the Welsh Future Generations legislation links its underpinning sustainable development principles with five "ways of working" that public bodies need to evidence they have applied in their work. These include collaboration; a balancing of short-term and long-term goals; and integration across the system. The legislation also established a new role, that of Future Generations Commissioner, part of whose mandate is to provide advice and support to government and public bodies as they learn how to embrace and embed the ways of working. While the role of Commissioner as "policeman" in the system is important and necessary (and discussed further below), of at least equal importance is his commitment to building the capability necessary to work in different ways. This independent model is much more embedded in the Welsh landscape and has taken a far more consistent approach to investing in new ways of working than its Scottish counterpart, Collective Leadership for Scotland (now defunct) which always operated at the margins despite itself embracing a culture of collaboration and innovation. Welsh policy makers also benefitted from the Welsh Centre for Public Policy which did not have a counterpart in Scotland until recently with the establishment for the Centre for Public Policy at Glasgow University.

A decentralising and empowering mindset is needed. Central government will not solve any grand challenges acting alone and therefore must pay proper respect to the distinctive contributions and roles of others – the devolved administrations; local government, public bodies and the third and private sectors. In Scotland, the 2007-2011 SNP administration governed with a minority of Parliamentary seats. This required a "big tent" approach which established new relationships with local government and the third sector based on the language of partnership and "parity of esteem". While always fragile, this sense of different actors having autonomy within the National Performance Framework to play to their strengths, innovate and take risks took a blow when the SNP was returned with a majority following the 2011 election. A tendency to centralise control in the following years, compounded by the effects of austerity on local authority budgets and the 2014 Independence Referendum worked against the ambition that this was "Scotland's framework" in which all spheres and tiers of government played equal parts. Attempts to meaningfully engage the business community were underwhelming and perceived as "top down" rather than seeking to engage the sector in a shared endeavour.

Re-wire accountabilities where they pull in the wrong direction. Civil servants and public bodies are rational beings who respond to prevailing accountability frameworks. If you want them to do something new, then you need to make sure you are not sending conflicting signals by holding them to account only for the old ways. In Wales, the Future Generations Commissioner now works alongside Audit Wales and the Auditor General for Wales to hold public bodies to account for their adherence to their statutory obligations in the WFG(W) Act. Meanwhile in Scotland, experience has shown that the equivalent legislative duties are too weak to establish the National Outcomes as key drivers of decision making, and individual accountability for compliance with the framework is weak or non-existent. The audit and scrutiny bodies - notably the Auditor General for Scotland - have increasingly called out the extent to which organisations are collaborating and planning for the long-term (or more frequently failing to do so), but for now they lack the powers to formally align scrutiny with the National Outcomes.

In Scotland, Parliamentary Committees have had a chequered history in scrutinising the extent to which the outcomes in the National Performance Framework are being achieved or pursued, although more recently the Finance and Public Administration Committee (FPAC) has played a stronger role, examining government decision making, and the future of the Framework. Given the role and power of audit and scrutiny in the Parliamentary and public services landscape, a misalignment between the longer-term ambitions of government and what public servants are publicly held to account for has been problematic.

Measure what matters and communicate how we are doing. Multiple data points, including those published by Carnegie UK, show an entrenched decline across the UK in public confidence and trust in government and politics. Action to address this will be critical in the years to come. One of the things which undermines citizens' confidence that politicians have their best interests at heart is the lack of a recognisable, shared narrative about how we are doing as a country. Insofar as this has traditionally existed, it has been dominated by economic output data.

Neither Scotland nor Wales have yet grasped the potential of their respective governance approaches to support a sustained, transparent and engaging dialogue with citizens about progress on the things that matter. While the Future Generations Commissioner has an independent platform for communications with the people of Wales, the last published progress report was in 2020 and not directed at the public. Similarly in Scotland, the National Performance Framework remains a technocratic reporting tool and has made little, if any, impact in framing the national conversation about progress.

Conclusion

The resistance of the Whitehall machine to deep cultural change has long since become a truism. This will have to be overcome to meet the delivery challenge posed by cross-cutting missions. Defining and implementing a new kind of statecraft for the 21st century will not be an easy task, but it is a necessary one if the great public policy missions of our time are to be addressed. Not only the five "Missions to rebuild Britain" of this new Labour Government, but whatever current and future challenges require collaborative, system-wide, outcomefocussed, humble leadership with a long-term focus.

To assess whether the conditions are being set for this fundamental reset, or whether Starmer's vision for government is heavy on sloganising and light on implementation, experience in Scotland and Wales suggests that we should ask:

- Is Whitehall ready to do the hard yards of identifying and aligning all the available levers in service of the mission-led approach? If so, then attending to the detailed and extensive proposals in "21st Century Statecraft" would be a good place to start.
- Are Civil Service Leadership and Learning and the leadership of the Civil Service
 Professions focussed on the capability required for mission-led government and ready
 to prioritise investing in its development? This approach requires skills and behaviours
 that are not traditionally the core craft of Whitehall.

- Is there a sophisticated understanding of the entire eco-system surrounding the proposed missions and are UK ministers willing to allow others the necessary autonomy to play their full part in delivery? All this in a context of an increasingly messy and complex landscape of governance across the nations and regions of the UK. The private and not-for-profit sectors have a role here too are they being meaningfully engaged in ways that play to their distinctive strengths?
- How will the National Audit Office and Parliament scrutinise and comment on the effectiveness of mission delivery? Will Permanent Secretaries be asked to account to the PAC for their leadership of cross-cutting missions as well as Departmental accountabilities? The demise of the Audit Commission and the subsequent fragmentation of inspection and scrutiny regimes exacerbates the challenge.

How will we know whether the missions are delivering their intended outcomes? Will the improved ONS Measures of National Wellbeing and other data be drawn on to paint a rich picture of impact? Since the Labour Missions are not – unlike Scotland, Wales and Northern Irelands' wellbeing outcomes – situated within an overarching outcomes framework, this will be more challenging with knock-on effects for scrutiny, improvement and collaboration. The trailed real time "missions data dashboard" does not feel like the best way to conduct a conversation with the population about sustained, long-term, complex and non-linear population level change. A return to the gaming behaviours incentivised by previous target-chasing must be avoided at all costs.

Contact: sarah.davidson@carnegieuk.org

i <u>Mission-driven government - The Labour Party</u>

ii Next phase of Mission-led government will put working people's priorities first, with PM set to unveil Plan for Change - GOV.UK

iii An interview with Sir Mark Sedwill, National Security Adviser, Cabinet Secretary and Head of the Civil Service – Civil Service Quarterly (blog.gov.uk)

iv <u>Urgent reform of Whitehall culture required to improve strategic decision making and make UK fit for the future, say MPs - Committees - UK Parliament</u>

v <u>"Mission Critical – Statecraft for the 21st Century</u>

vi National Performance Framework | National Performance Framework

vii Well-being of Future Generations (Wales) Act 2015 - The Future Generations Commissioner for Wales

viii PfG Wellbeing Framework

ix Northern Exposure.pdf (instituteforgovernment.org.uk)

Towards a Wellbeing Framework: Short Report - Carnegie UK Trust

xi Programme for Government Consultation document