

# House of Commons Liaison Committee

# Promoting national strategy: How select committee scrutiny can improve strategic thinking in Whitehall

First Report of Session 2023–24

Report, together with formal minutes relating to the report

Ordered by the House of Commons to be printed 23 May 2024

## The Liaison Committee

The Liaison Committee is appointed to consider general matters relating to the work of select committees; to advise the House of Commons Commission on select committees; to choose select committee reports for debate in the House and to hear evidence from the Prime Minister on matters of public policy.

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# Introduction: Context of the inquiry

- 1. This report makes findings and recommendations about how select committees, and Parliament as a whole, can better promote and sustain coherent national strategy. This begs immediate questions, which we also address. What exactly is 'strategy'; and what should Parliament be looking to find in government as evidence of coherent national strategy? There have been a number of select committee and other reports tackling these issues in the last two decades, and there now appears to be more appetite in Whitehall for addressing them, but the need to do so is now more urgent than ever, not only by Whitehall officials, but by Ministers and by Parliament, working together.
- 2. The UK faces an increasing number of serious immediate and escalating long-term strategic challenges and opportunities. They require a coordinated and sustained response across government, with cross-party support that transcends the electoral cycle, and often requiring collaboration with our international partners. The pace of change and the connectivity between issues is accelerating. This makes it harder for government to plan better for the future—not just for what can be foreseen, but also for the unexpected. Goals and solutions often take time to prepare, to resource and to implement. They require continuing strategic leadership, delivery and implementation across multiple Parliaments. This inquiry has examined the existing capacity and quality of strategic thinking and decision-making in government. It addresses how Parliament, through its select committees, can promote and encourage better national strategy.
- People embark on careers in politics and the public service because they want to secure a better life for future generations. Parliament has a crucial role in the relationship between the voters and the most important strategic priorities adopted by government. This report and its recommendations aim to strengthen this relationship. This is vital to combat voter disillusion with mainstream politics. There is a need to better engage voters of all ages, particularly younger voters. Coherent strategy which carries popular consent is harder to achieve in democratic systems than strategy imposed in autocratic states. Too often, the most significant threats and opportunities that confront government are often far from the forefront of daily politics and the news agenda, so they are neglected until there is a crisis. Reflecting on the pandemic, the former Cabinet Secretary, Lord O'Donnell, told the Covid-19 Inquiry that "in hindsight the country was not prepared for a pandemic such as Covid-19" and that it can be difficult to persuade departments to fund resilience preparedness.<sup>1</sup> Few were warning about energy security and over-dependency on Russian gas until Vladimir Putin started using it as a weapon. In his oral evidence, the present Cabinet Secretary, Simon Case, said, "Who is it in Parliament who is asking the long-term questions about the demographic changes in this country and the consequences? That will touch every aspect of government and society. Ask that question".2
- 4. Select committees have developed considerable influence over governments since they were first fully established in 1979, by then Leader of the House of Commons, Sir Norman St. John Stevas. He was implementing what had been a manifesto commitment

UK Covid-19 Inquiry, Witness Statement of Gus O'Donnell, 13 April 2023

<sup>2</sup> Q118

of the new government.<sup>3</sup> They exemplify the best of cross party working, which can help to build the consensus necessary so key national priorities outlast a single Parliament or a change in the government of the day. They often look well ahead of a single Parliament's time horizon. At their best, select committees can have a positive influence in favour of more coherent strategic thinking and decision-making in government.

- 5. Mounting challenges and opportunities have been evident in recent years. Brexit, Covid-19, the Russian invasion of Ukraine, changing demographics, the sustainability of the pensions system and the ever-faster pace of technological change: all demonstrate the need for better national strategy. They demand better long-term planning and delivery of large cross-government programmes and delivery also needs to embrace multiple UK government departments, the devolved administrations, and local government, and often requires international collaboration and public engagement. These challenges and opportunities must compete against a day-to-day political agenda driven by 24/7 news media and through social media. Sustaining long-term strategy, such as the UK's strategic nuclear deterrent, or the counter-terrorism strategy, or a coherent approach to energy security and net zero, requires a degree of consensus and self-discipline, or strategy is undermined by the temptation of governments (and oppositions) to respond to voters for short-term political advantage. As the accelerating pace of events over recent years has shown, government also needs to be both more agile and more coordinated across departments.
- 6. There will be continuing pressures on government and on the wider society, both threats and opportunities. The importance of the latter as part of the strategy-making and delivery process was rightly emphasised by the current Cabinet Secretary in his October 2021 lecture where he questioned:

"How are we going to avoid the 'Curse of the Missed Opportunity'?" of learning as we go.4

So the machinery of government also needs to identify the fresh opportunities which are too often missed, and to bring them to the attention of Ministers, in good time.

7. How capable are our democratic and administrative institutions of responding to present and future strategic challenges? What dynamic capabilities are required to match the pace and complexity of the challenges that lie ahead? National strategy is the property of the government of the day, so what is the proper role of the permanent and impartial Civil and Diplomatic Services in respect of national strategy? The machinery of government must never usurp the role of Ministers, but it can certainly support Ministers with timely and relevant advice and information, as it does with such distinction in so many critical areas of government, such as through the security services.

<sup>3 &</sup>quot;We will see that Parliament and no other body stands at the centre of the nation's life and decisions, and we will seek to make it effective in its job of controlling the Executive.

<sup>&</sup>quot;We sympathise with the approach of the all-party parliamentary committees which put forward proposals last year for improving the way the House of Commons legislates and scrutinises public spending and the work of government departments. We will give the new House of Commons an early chance of coming to a decision on these proposals."

<sup>(</sup>Conservative Party, Conservative Party General Election Manifesto 1979, 1979)

<sup>4</sup> Cabinet Office, Cabinet Secretary Lecture: Wednesday 13 October 2021, 13 October 2021

- 8. Over many years, steps have been taken to improve strategic thinking and decision-making in government. In the 1970s, the Central Policy Review Staff was set up as a strategic think-tank in government. In the 1990s, the Foresight Centre was established to conduct futures work in the scientific sector and the Prime Minister's Strategy Unit was created. More recently, successive Cabinet Secretaries have sought to re-energise this mission through discrete initiatives:
  - Lord (Gus) O'Donnell (2005–2011) introduced a new group of Permanent Secretary heads of department which met three to four times a year to consider a range of issues, including the long-term strategic issues facing the UK;<sup>5</sup>
  - Lord (Jeremy) Heywood (2012–18) introduced a programme of horizon scanning and technological 'foresight';
  - Lord (Mark) Sedwill (2018–20) introduced the 'Fusion Doctrine' to "strengthen our collective approach to national security" that identified "the most effective and efficient combination of ways to achieve the government's objectives [across departments] over the long term"; 6 and
  - Simon Case (2020–present) has responded further by commissioning papers to develop the strategic thinking capability of the Senior Civil Service Policy Profession.

These are all significant steps which went some way to help government to learn more effectively from experiences, and to be readier to meet current challenges. Lord Sedwill was clear, however, in evidence to us and elsewhere,<sup>7</sup> that Whitehall has not yet delivered the step-change in capability and approach required. This is the context in which we launched our inquiry into the effectiveness of select committee scrutiny of strategic thinking in June 2023. The purpose of this report is to examine how select committees can hold government to account for the rigorous creation and delivery of strategy over time, while adapting to changing circumstances and learning from experience.<sup>8</sup>

- 9. Constitutional historian Lord Hennessy of Nympsfield also sets out the historic content for this inquiry, which is published as Annex 1.
- 10. Our inquiry builds on previous select committee reports that have examined strategic thinking, going back to 2007. All the evidence confirms that better scrutiny of strategic

Public Administration Select Committee, Second Report of Session 2006–07, Governing the Future, HC 123-I

<sup>6</sup> HM Government, National Security Capability Review, March 2018, p10

<sup>7</sup> Q53; UCL Policy Lab and Hertford College, Oxford University, <u>The World in 2040: Renewing the UK's Approach</u> to International Affairs, 7 April 2024, p1; Qq56–57

<sup>8</sup> Liaison Committee, 'Liaison Committee: New inquiry to explore select committee scrutiny of strategic thinking across Government', 22 June 2023

Public Administration Select Committee, Second Report of Session 2006–07, Governing the Future, HC 123-I; Public Administration Select Committee, First Report of Session 2010–11, Who does UK National Strategy?, HC 435; Public Administration Select Committee, Twenty Fourth Report of Session 2010–12, Strategic thinking in Government: without National Strategy, can viable Government strategy emerge?, HC 1625; Public Administration Select Committee, Fourth Report of Session 2013–14, Engaging the public in National Strategy, HC 435; Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, Strategic Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the Government of the Day, HC 1536

thinking by Parliament will promote better strategic thinking within government and encourage forward-looking accountability that will serve the interest of the public and the nation. <sup>10</sup> In this, we are encouraged by the words of Lord Hennessy:

The Liaison Committee inquiry could be of considerable significance in the long-term story of our search for strategic grip. In one sense it already is. In none of [the 20] post-1945 defence reviews or industrial strategies has Parliament played an initiating role as opposed to a scrutiny function after the event. If the select committees could somehow (individually and collectively) acquire a participatory and stimulating function in, at last, the UK acquiring that strategic-mindedness we have needed so sorely since 1945, it would represent a new ingredient in the mix and a boost to Parliament's reputation.<sup>11</sup>

- 11. Some select committees already have cross-government remits, notably the Public Accounts Committee, the Public Administration and Constitutional Affairs Committee, and the Environmental Audit Committee, but these committees are overstretched. Departmental select committees are just as busy. They may be interested in relevant cross-departmental programmes and issues beyond the remit of their respective departmental Ministers, but find it difficult to access the relevant witnesses and information. This is the case even as the Government itself recognises the need for, and seeks to devise, cross-departmental national strategy.
- 12. This inquiry has not been about highlighting failures of the past and finding blame. We hope we are demonstrating forward-looking accountability, by learning from success as well as failures, and holding government to account for implementing future improvement. We have found that many of the issues we address are faced by other governments who are also seeking to adapt. As such, this inquiry has two aims:
  - To encourage and improve strategic thinking and decision-making in government on the most serious immediate and long-term challenges and opportunities faced by the UK; and
  - To make recommendations about how to facilitate better scrutiny of strategic thinking across Whitehall by select committees. Parliament must provide constructive, cross-party oversight and challenge on the UK's key national strategic priorities, to hold government to account for learning from success and failure, and to promote good practice for developing and maintaining capacity for strategic thinking, decision-making and delivery.

#### Box 1: Forward-looking accountability

The term "forward -looking accountability" was coined by Dr Virginia Sharpe in her studies of hospital safety. Forward-looking accountability identifies changes that need to be made and assigns responsibility for making those changes. The accountability is focused around making changes—in organizational systems and management practices—that will meet future needs.<sup>12</sup>

Source: Virginia Sharpe, Accountability: Patient Safety and Policy Reform, 2004)

# The report and the inquiry process

- 13. First, we set out why there needs to be a shared understanding in Whitehall of terms, such as 'strategy', 'policy', 'strategic concept', 'strategic framework', 'national strategy' 'plan', 'review', and 'emergent strategy', and then why it is essential to establish a shared understanding of terms, and how to avoid adopted terms becoming meaningless jargon. Chapters 2 and 3 identifies the current culture (attitudes and behaviours), and processes that militate in favour or against a strategic culture in Whitehall. We recommend changes that would embed strategic thinking and strategic decision-making into training, learning and professional development of Ministers and officials, and into the process and procedures of government. We next consider what initiatives have been explored in other jurisdictions to try to systemise the process by which governments look to the longterm and not just the election cycle. Linked to this, we examine how long-term thinking needs to engage the public imagination and achieve popular consent, particularly among younger generations, who will inherit the consequences arising from the opportunities missed, and the decisions made or avoided by our present leaders.<sup>13</sup> Finally, we return to the role of select committees: how they can use their scrutiny role to promote better national strategy and strategic decision-making in government.
- 14. Prior to the launch of this inquiry, we exchanged correspondence with Rt Hon Oliver Dowden MP, Chancellor of the Duchy of Lancaster, and Rt Hon Penny Mordaunt MP, Leader of the House of Commons, where we set out the aims of the inquiry. We have worked with the Cabinet Office throughout the inquiry and we are grateful to all those in the Government who have assisted the sub-committee in its work. We received 46 pieces of written evidence, first from a general call for evidence, and then through a targeted invitation for submissions, after we had identified gaps in the evidence we initially received. In December 2023, we held a private roundtable with former Ministers and civil servants, academics and other stakeholders, discussing the focal points for the inquiry
- See also: Nesta, <u>Innovation in the Public Sector: How can public organisations better create, improve and adapt?</u>, 2014, p17—"any leadership or management team should be held to account for how well it performs in the present, and for how well it is preparing for the future". Institute for Government, <u>Accountability in modern government: what are the issues?</u>, 2018, p32—"forward-looking accountability can enable innovation by focusing on how to respond to future challenges rather than blame for past mistakes".
- 13 For further reading on this aspect of the report, see:
  - "We must consider the well-being of both future and living generations, integrating intergenerational considerations more systematically in strategy design and programming". OECD, <u>Governance for Youth, Trust and Intergenerational Justice: Fit for All Generations?</u>, 2020, p4
  - "Our unsustainable engagement with Nature is endangering the prosperity of current and future generations". HM Treasury, *The Economics of Biodiversity: The Dasgupta Review*—Headline Messages, 2021, p1
  - "New research...found that companies that operate with a true long-term mindset have consistently outperformed their industry peers since 2001 across almost every financial measure that matters." Harvard Business Review, "Finally, Evidence That Managing for the Long Term Pays Off", 2021
- 14 Liaison Committee, Letter to Oliver Dowden MP, Chancellor of the Duchy of Lancaster, 31 March 2023

and oral evidence sessions.<sup>15</sup> We took oral evidence on two days from nine witnesses, including experts, former and current Cabinet Secretaries, and former and current Ministers. We are grateful to all those who have assisted the sub-committee, particularly our specialist advisers for this inquiry,<sup>16</sup> Major General (Retd.) Jonathan Shaw, formerly Assistant Chief of Defence Staff (International Security Policy), and Assistant Chief of Defence Staff (Global Issues), and Cat Zuzarte Tully, from the School of International Futures, a global non-profit organisation, focused on transforming futures for current and next generations.<sup>17</sup>

<sup>15</sup> Attendees subsequently agreed that a note of this discussion be published: House of Commons Liaison Committee (SSTG0049)

The specialist advisers declared their interests on appointment on 18 October 2023. For details see: <u>Formal Minutes of the Liaison Committee in Session 2022–23.</u>

For more information about the School of International Futures, see '<u>About Us'</u>, School of International Futures, accessed 8 May 2024

# 1 What is strategy?

'The question is,' said Alice, 'whether you can make words mean so many different things.'

- —Lewis Carroll, Through the Looking Glass
- 15. For Parliament to scrutinise UK national strategy, there must first be clarity in government and beyond about what strategy is. In its 2010 report, *Who does UK National Strategy*?, the Public Administration Select Committee (PASC) found that, although the term 'strategy' originally had a very precise meaning, this term has been used and abused so widely—being absorbed into the business lexicon and general usage—that it has lost any consistent meaning. This makes it difficult to agree on a single, clear definition of strategy—what it is and how best to pursue it.<sup>18</sup> As the PASC stated in 2011, after the government had rejected its report: "The Government's response [to our report] suggests that there are fundamental confusions about terms, no agreed definitions and hence at present none of the prerequisites for constructive engagement with the analysis in our Report".<sup>19</sup>
- 16. National strategy is important. It is not enough for governments to revert to the tendency to 'muddle through', and to settle for less than voters and taxpayers are entitled to expect from their political leaders and public servants. The complex and diverse opportunities and challenges of modern society emphasise the need for efficient and effective ways to analyse and assess opportunities and for clear thinking about what policies to pursue. As the PASC concluded in its further 2012 report, *Strategic thinking in Government: without National Strategy, can viable Government strategy emerge?*, strategy can be coherent, and if it is, it can create:
  - a virtuous circle, as positive leadership (i.e., National Strategy) leads to effective policies and positive outcomes, which reinforce the public's values and aspirations which inspired that leadership.<sup>20</sup>

This has been sporadically evident in government, as seen with the Vaccine Taskforce, and the endurance of our nuclear skills capability.

17. The evidence we have received in this inquiry makes it clear that at present there is still no clear shared understanding in government of what strategy is. Dr. Keith Dear, a former RAF Intelligence Officer and adviser to the Prime Minister, told us that, "criticism

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<sup>18</sup> Public Administration Select Committee, First Report of Session 2010–11, *Who does UK National Strategy?*, HC 435, paras 9–10

Public Administration Select Committee, Sixth Report of Session 2010–11, Who does UK National Strategy?

Further Report, HC 713, para 6. In its 2012 report, Strategic thinking in Government: without National Strategy,

can viable Government strategy emerge?, the Public Administration Select Committee defined National Strategy
as follows:

National Strategy is a framework that helps Government at the highest level efficiently make strategic choices and decisions about policies with a view not just to addressing immediate problems but also understanding the UK's position in a changing context. In this way, National Strategy requires shorter-term decisions to be made within a more informed understanding of the wider context, including longer-term trends, informed by analysis and evidence, and acknowledging uncertainty and complexity where appropriate, with a clear-sighted understanding of government and UK non-state capabilities and assets including aligned financial resources. This is 'emergent strategy': it acknowledges the challenges and reflects the countervailing pressures on government, in being strategic.

of Whitehall's ability to create and deliver strategy continues in Parliament ... [and] it is notable that similar frustrations are often expressed within Whitehall and at all levels. Noone seems to think we have this right". Similar criticisms were also expressed by others. In describing the lost art of strategic thinking, Lord Ricketts—the UK's first National Security Adviser (2010–12)—stated that:

"Ministers are constantly calling for strategies on every subject, and civil servants are producing them. But a pile of uncoordinated strategies across government does not add up to a national strategy setting out the direction for the country and driving the allocation of scarce resources".<sup>22</sup>

Robert Hall, an expert in risk and resilience, told us that the Government's 2021 review of national security and international policy—known as the 'Integrated Review'—was a valuable, overarching look at security, defence, development and foreign policy out to 2025. However, he said "with more aspirations than deliverables, and with a shrinking, unidentified capacity to implement, one could justifiably conclude that [it] lacked strategic thinking ... Certainly, the review[s] cannot be seen as strategies."<sup>23</sup>

- 18. This is the problem for government: as the Harvard Business Review found in its 2017 article, 'Many Strategies Fail Because They're Not Actually Strategies'. Dr. Dear told us that a starting point should be for the government to clearly define, and publish, what it means by the terms 'policy' and 'strategy'—although our inquiry has identified a number of other terms seemingly used interchangeably within government that similarly require definition and delineation, such as 'national strategy', 'plan', 'review', 'strategic concept', 'strategic framework', and 'emergent strategy'. Published definitions are essential to enable those involved in government strategy-making to communicate with and understand one another; without it, discussion "dissolves into debate over competing definitions, or dismisses the need for them at all". The implication—Dr. Dear contended—is that neither Parliament nor the public can hold a government to account for failing to deliver something it cannot define, which is why it might be that no such definition for all of government exists.
- 19. Some witnesses thought it instructive that there is a different approach to strategic thinking in the UK armed forces when compared to the wider UK government. For example, Air Marshal (Retd.) Edward Stringer, formerly Director General of the Defence Academy between 2018 and 2021, stated that shared definitions were essential to interoperability both within the UK armed forces and with their international counterparts. Former UK Defence Secretary and NATO Secretary General, Lord Robertson of Port Ellen, told us about the work of the Development, Concepts and Doctrine Centre at the Ministry of Defence,<sup>27</sup> based at the Shrivenham Defence Academy. Notably, amongst its many activities, it is tasked with the definition and use of terminology to ensure a shared understanding across the entire defence community.<sup>28</sup> In Edward Stringer's view, the strategic issues of accommodating the rise of China or achieving energy security while dealing with climate

<sup>21</sup> Dr Keith Dear (SSTG0010)

<sup>22</sup> Lord Ricketts (SSTG0012)

<sup>23</sup> Mr Robert Hall (SSTG0003)

<sup>24</sup> Harvard Business Review, "Many Strategies Fail Because They're Not Actually Strategies", 8 November 2017

<sup>25</sup> Dr Keith Dear (SSTG0010)

<sup>26</sup> Dr Keith Dear (SSTG0010)

<sup>27</sup> Q46

<sup>28</sup> Development, Concepts and Doctrine Centre, Writers' Handbook, September 2023

change are "at least as complicated and complex as a significant war" and departments must "pull-together more deliberately, efficiently and effectively". However, such cross-departmental action is hampered without a shared lexicon or definitions.<sup>29</sup>

- 20. Dr. Dear proposed two alternative approaches to achieving a shared understanding of relevant terms:
  - i) for an authoritative body to issue an approved definition for each key term for use by all and subject to periodic review; or
  - to accept that Ministers and officials have different definitions and to insist that those involved in strategy-making define their terms precisely before any discussion starts.
- 21. Dr. Dear also proposed that we might usefully publish a proposed definition of 'strategy'. Using the many established definitions cited in the written evidence we received as a starting point, with the input of our specialist advisers and staff, a definition of 'strategy' was formulated and shared with those who gave oral evidence to this inquiry:

'Strategy' is best understood by reference to what it is trying to achieve: the successful implementation of government policy over time. Executing strategy, or strategising (it is more an active verb than a static noun), is the cohering over time of reality (of the challenge faced), policy (what the government wants to do about this challenge), activity (directed towards this challenge to achieve this policy objective) and resource (allocated to this activity).

Alex Thomas, Programme Director at the Institute for Government (IfG), welcomed the definition but thought it could be punchier, while Professor Matthew Flinders, Professor of Politics at the University of Sheffield, described it as "a rather technocratic definition". However, Lord Sedwill said: "the language you are thinking about looks pretty good to me", adding that the word 'strategic' was often used simply but erroneously to mean 'big' or 'senior'. <sup>31</sup>

- 22. In December, during our informal seminar, the former Government Chief Scientific Adviser, Sir Patrick Vallance, said that his experience in a large private organisation had taught him that one person's strategy was another person's tactic. He said that strategy required:
  - Identifying a clear long-term outcome you want,
  - Deciding a strategy needed to meet it,
  - Calculating what might deflect you from meeting the outcome.

His view on how this should be done was:

• That science and technology had to run through it. If the strategy was not enabled by science and technology, it would not succeed over time.

<sup>29</sup> Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>30</sup> Q2

<sup>31</sup> Q55

- You need to give the strategy time and to see it through to the end.
- You need to have a systems approach or engineering. It is systems but with a
  huge human component. It is possible to apply systems across government if
  there is the will.<sup>32</sup>
- 23. We were please to read in written evidence submitted by the Cabinet Office, that a "working Government definition of strategy" and a "common vocabulary across Government" are key deliverables of the Policy Profession's current efforts to improve strategy skills and capability in government.<sup>33</sup> In oral evidence to us, the Cabinet Secretary said that, while he could not sign the Government up to our definition of strategy, it would form the starting point of this work, as it was recognised "that strategy means lots of different things across Government, and we need to try to improve that".<sup>34</sup>
- 24. It is essential that government establishes a shared understanding across Whitehall of terms, including 'strategy' and 'strategic thinking', and the differences between 'strategy', 'policy', 'national strategy', 'plan', 'review', 'strategic concept', 'strategic framework', and 'emergent strategy'. We have set out our own understanding in our definition of strategy, as an active process, not just as a noun, as follows:

'Strategy' is best understood by reference to what it is trying to achieve: the successful implementation of government policy over time. Executing strategy, or strategising (it is more an active verb than a static noun), is the cohering over time of reality (of the challenge faced), policy (what the government wants to do about this challenge), activity (directed towards this challenge to achieve this policy objective) and resource (allocated to this activity).

- 25. Select committees cannot seek to impose definitions on government, but based on the evidence received, we recommend that definitions of strategy and other terms be set. A common appreciation of why these terms must be defined is indispensable to coherent strategic thinking across our system of government. Any alteration to our wording must not detract from the substance of our definition. The challenge for government is to find the definitions they wish to employ that achieve the same cohering function of the same factors. Therefore, we expect to be consulted on and informed of the definition the Government wishes to use.
- 26. Our main objective is for government to achieve a shared definition and understanding that incorporates the commonly identified elements of 'strategy', so that communicating on the same terms within and across departments, reflects the systems approach as recommended by the former Government Chief Scientific Adviser, Sir Patrick Vallance. Without this, there will be no improvement in the quality of strategic thinking within government. As such, we welcome the work that is currently under way to produce a cross-government lexicon. The Government should use its response to this report to update us on the processes and timelines for completing this work.

<sup>32</sup> House of Commons Liaison Committee (SSTG0049)

<sup>33</sup> Cabinet Office (SSTG0009)

<sup>34</sup> Q94

27. Once the definition of 'strategy' and other, related, terms are set, they need to be adopted across government, consistently applied, and periodically reviewed. The Development, Concepts and Doctrine Centre, based at Shrivenham Defence Academy, defines terminology for the defence community. In the same way, the new National School of Government and Public Service, which we recommend in chapter 3, should include a National Strategy Concepts and Practice Centre. Papers should also be published to better enable Parliament and the public to engage with government strategic thinking and to hold government to account. Having been developed, we recommend that the Cabinet Secretary be responsible for the cross-Whitehall lexicon, and accountable for its consistent application.

# 2 Strengthening capacity for national strategy

"Culture eats strategy for breakfast".

Peter Drucker, management consultant and author

# Strengthening Whitehall culture to support strategy

- 28. For Parliament to scrutinise how Whitehall conducts national strategy, government needs to demonstrate that strategic thinking is applied with consistency. Once a shared understanding of strategy and other terms has been established, it must be communicated across government and adhered to. The National Preparedness Commission—an NGO focused on national preparation for, and recovery from, major strategic shocks—explained that the greatest barrier to strategic thinking is human and organisational resistance.
- 29. The biggest challenge for government to improving strategic thinking and national strategy will be to strengthen the culture of Whitehall in favour of strategic thinking. By this, we mean identifying, encouraging and rewarding the habits of attitude and behaviour in Whitehall that will promote strategic thinking. It also means identifying and discouraging those which undermine it. Everyone must be persuaded to adopt a sincere understanding of strategy and its language, or culture will remain unchanged. Leadership must be united and clear in this purpose and should lead by example.
- 30. How can the shared understanding of strategic thinking be embedded? The purpose of this is to strengthen Whitehall as a system in which Ministers and officials work better together, across departments and with those outside government, when thinking about, and delivering, key national strategies over the long term, as well as in reaction to immediate events. Organisational, machinery and process changes are necessary to reinforce a strategic approach (see chapter 3), but they would have little effect if the old habits of attitude and behaviour remain unaddressed, because people will simply carry on behaving in the same way. Attitudes and behaviour are changed and embedded through the right learning and professional development, which must develop strategic thinking skills at all levels in Whitehall: across the Civil and Diplomatic Services, including special advisers, and amongst Ministers, and future Ministers.
- 31. This was supported by Professor Matthew Flinders, who said the culture and understanding, training and skills for officials and Ministers are more important to building strategic capacity within government than any institutional or process reforms.<sup>35</sup> However, Pamela Dow, who established the first Government Skills and Curriculum Unit, explains that while 'strategy' is a high-status pursuit in Whitehall departments, there is no common vocational skill of strategy in government. While there are parts of government that underpin its strategic analysis and assessment and demonstrate good practice in doing so,<sup>36</sup> this is insufficient to enable effective national strategy and delivery across the rest of government.<sup>37</sup>

<sup>35</sup> Q17

<sup>36</sup> These bodies include the Joint Intelligence Committee, the Joint Terrorism Analysis Centre and the Government Office for Science, for example.

<sup>37</sup> The National Preparedness Commission (SSTG0030)

- 32. Developing the internal capability of the wider public service, including Ministers, and encouraging a culture in which it is normal to think and act strategically was prominent in the written evidence we received.<sup>38</sup> Moreover, it is not enough only to improve the capability and capacity of what should be the 'strategic mind' of government at its centre. The National Preparedness Commission, No. 10 and the Cabinet Office would not be able to embed strategic thinking across departments and elsewhere without significant investment in skills across government and the extensive redesign of process or practice in every department.
- 33. Several witnesses, including Lord Robertson and Edward Stringer, confirmed that strategic thinking within government must be actively taught.<sup>39</sup> However, RAND Europe points to the inadequacy of existing training provision within government, highlighting a tendency to focus on the theory of strategy and its design, rather than on "how to give strategy its best chance of success in imperfect human systems and organisations". RAND Europe consequently argues "that existing structures are struggling to adapt to the strategic demands of the time, and change is required".<sup>40</sup> Professor Sir Geoffrey Mulgan, Professor of Collective Intelligence, Social Innovation and Public Policy at University College London, told us that strategy training had largely disappeared with the dismantling of the UK's Civil Service training system, adding: "It is notable that no other country has chosen to follow the UK's route and dismantle a coherent Civil Service training system with a series of contracts to commercial providers".<sup>41</sup>
- 34. Pamela Dow also points to the lack of a training offer for the Civil Service, at all levels, that is equivalent to that provided by the Royal College of Defence Studies (RCDS):

Teams that have learned and trained together, over time, according to common rubric, can assemble swiftly and effectively in response to a particular need. They follow a set of handrails with unconscious competence, and quickly assign ownership and accountability for necessary tasks and functions. ... All government activity in pursuit of effective strategy would be improved with the application of a mandatory shared method.

The result, Dow says, is that "what passes for strategy effort across Whitehall is often atomistic, repetitive, abstract, irrelevant, and wasteful." <sup>42</sup>

## A new 'School for Government'

- 35. To meet this challenge, Lord Robertson recommended that the Government establish a new 'School for Government' through which to:
  - ... build a culture of leadership among politicians and officials (equivalent to SEO and above) from across the UK governance system and to develop the mindset, skills, shared language and doctrine that are essential to

<sup>38</sup> George Robertson (SSTG0023); Mr Neill Hunt (SSTG0005); Dr Ian Elliott (Associate Professor of Public Leadership and Management at Northumbria University) (SSTG0015); Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>39</sup> George Robertson (SSTG0023); Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>40</sup> RAND Europe (SSTG0016)

<sup>41</sup> Professor Geoff Mulgan (Professor at UCL) (SSTG0001)

<sup>42</sup> Ms Pamela Dow (Chief Operating Officer at Civic Future) (SSTG0037)

strategy-making and delivery. In doing so, it should learn from the UK's Staff Colleges, which teach 'mission command' and the delegation of responsibility and risk down the reporting chain based on trust.<sup>43</sup>

36. Edward Stringer concurs with this proposal, noting that:

If the execution of a workable approach depends, as it always does, on the leadership and the collective management of those responsible then we should educate and train them to work in a coordinated way. All professions have some form of college or academy for postgraduate development of the individuals severally and ... the profession collectively. It is time for the Civil Service to create similar.<sup>44</sup>

- 37. This is not a new idea, with the previous National School for Government having been closed in 2012 (see Box 2).<sup>45</sup> However, in considering what a resurrected 'national school' might look like, Lord Sedwill stressed the importance of having a physical campus, rather than pursuing online learning only. This would have the advantages of:
  - creating a 'network effect' of civil servants across departments, enabling more effective collaboration in future;
  - improving understanding of departments' respective cultures and imperatives;
     and
  - establishing an environment that is conducive to the "creative process" of strategic thinking, including by "kick[ing] ideas around".<sup>46</sup>

# Box 2: A brief history of the development of strategic thinking skills and the 'School for Government'

The 2007 report, Governing the Future, by the Public Administration Select Committee (PASC) welcomed the fact that the then National School for Government ran a number of courses on strategic thinking, which was considered a core skill for those aspiring to the Senior Civil Service. It was thought this would enable the Civil Service to develop and encourage a culture in which it is normal to think strategically.

In 2010, that Committee recommended that the Royal College of Defence Studies (RCDS), the National School for Government and other such bodies should consider how best to achieve the cultural change necessary to recruit, train and promote a community of strategists from across Whitehall to work collectively.

By 2012, the National School for Government had been abolished, and the Public Administration and Constitutional Affairs Committee lamented in 2019 that "the closure of the National School for Government was premature and left a void that has not been filled. In particular, the need for a dedicated facility where civil servants can reflect on their experiences and share them with their peers is as significant now as it was when the Civil Service College was first established".

Source: Public Administration Select Committee, Second Report of Session 2006–07, *Governing the Future*, HC 123-I, para 50; Public Administration Select Committee, First Report of Session 2010–11, *Who does UK National Strategy?*, HC 435; Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, *Strategic Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the Government of the Day*, HC 1536.

<sup>43</sup> George Robertson (SSTG0023)

<sup>44</sup> Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>45</sup> Also see Annex 2 for a description of the development of Civil Service skills over the past 50 years.

<sup>46</sup> Q70

- 38. Edward Stringer thought that RCDS might provide a useful blueprint for a 'School for Government', noting that it had trained several hundred senior civil servants from across Whitehall—not only those departments that traditionally deal with national security matters. However, he cautioned that: "If a college is going to have to teach, then it is going to have to create a syllabus ... and so the [Civil] Service will have to ask itself where its best practice is to be found." He also told us that previous efforts to create an improved and government-wide offer on this model had foundered: "funds for the 'perfect' solution were not forthcoming and that scuppered solutions that could well have been 'good enough'". 47
- 39. This appears to be a common factor of recent efforts to improve Civil Service capability, which Pamela Dow described as:
  - a story of many attempts to improve skills which are then abandoned or diluted when Ministerial momentum is lost, only to begin from first principles once more when the next Minister or Cabinet Secretary makes this a priority. This guarantees waste, low morale, and lack of progress.<sup>48</sup>
- 40. We note that on two occasions in this Parliament there have been set-piece speeches or announcements from senior Ministers referencing the improvements in Civil Service learning that are to come: in 2020, Rt Hon Michael Gove MP, who was then Chancellor of the Duchy of Lancaster, called for a "proper, and properly-resourced campus for training those in government [which] equips the many hugely talented people within the Civil Service to become as knowledgeable in their policy areas as consultant surgeons, chancery barristers and biochemistry professors are in theirs". This was followed in June 2021 by the Declaration on Government Reform, signed by the then Prime Minister, Rt Hon Boris Johnson, and Cabinet Secretary, Simon Case CVO, which committed to investment in training for civil servants and the creation of "a new physical campus". Yet several years later, no such campus exists.
- 41. The Government, in its written evidence, told us that the Policy Profession, led by Head of Profession, Tamara Finkelstein, was taking forward work to improve strategy skills and capability in government. The key deliverables of this work are:
  - a working government definition of strategy and strategic work to create a common vocabulary across government;
  - a strategy toolkit, developed in cooperation with experts across HMG, and bringing this together as a practical guide;
  - skills and curriculum development, building on the definition and toolkit, the next step is to define strategy skills, map out existing skills and training offers, and to develop new curricula; and
  - community building, consolidating existing strategy networks across government, with a view to developing a cross-government community of strategists.<sup>51</sup>

<sup>47</sup> Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>48</sup> Ms Pamela Dow (Chief Operating Officer at Civic Future) (SSTG0037)

<sup>49</sup> Cabinet Office, "The privilege of public service" given as the Ditchley Annual Lecture, 1 July 2020

<sup>50</sup> Cabinet Office, Declaration on Government Reform, 15 June 2021

<sup>51</sup> Cabinet Office (SSTG0009)

That written evidence did not comment on the progress made thus far towards establishing a physical campus. Neither did it refer to how strategy would be implemented.

- 42. When the Cabinet Secretary appeared before us, he said that currently the Government does not sufficiently learn from examples of successful strategic thinking nor spread best practice effectively. He said, to be more consistent in approach, he wanted "a stronger syllabus in the Civil Service on our learning, which I would love to be housed for the long term in a physical location for a national school of government" which would be the guardian of best practice for how to do this.<sup>52</sup> He and John Glen MP, Minister for the Cabinet Office, told us that establishing a new physical school of government would be a question of prioritisation at the next spending review,<sup>53</sup> which the Prime Minister subsequently reiterated, adding "I think it is an eminently sensible and plausible idea".<sup>54</sup>
- 43. While we welcome the direction of travel on this matter, we have reflected on the Minister's comments on how broadly training should be offered. He said: "I think it is unrealistic to expect all the Civil Service to go through a single level of training. Let's prioritise Ministers' private office and some of the senior levels, to try to improve those dynamics". There is virtue in prioritising, but there must be a wide and general understanding of strategy throughout Whitehall. The Cabinet Secretary was more receptive to the notion that understanding had to be shared widely, saying "I want more of our training to be ... multidisciplinary, because all of today's complex problems are multidisciplinary in nature, so training people in their own silos does not work". In his view, from the beginning and throughout their careers, civil servants need to be training alongside local government, emergency services, armed forces colleagues, the NHS, other public service providers and the private sector. 56
- 44. The Government should establish a new 'National School for Government and Public Services' which reflects the Cabinet Secretary's aspiration, that is charged with (a) developing a strong, shared culture of strategic thinking across government and (b) continually defining and disseminating best practice in strategy and delivery. The new National School's syllabus should address all the requirements for effective strategy in government, including:
  - skills and tools;
  - shared language and operating practices;
  - the development of leaders who can build and lead large cross-departmental teams; and
  - recognition for people who demonstrate rigour, risk management and challenge.
- 45. The new National School's mission should also facilitate the creation of essential informal networks among all those involved in governing the UK. As such, its students should encompass Ministers, their special advisers, officials, potential future Ministers, and other public service officials and leaders such as those in local government and the

<sup>52</sup> Q108

<sup>53</sup> Q109

<sup>54</sup> Oral evidence taken on 26 March 2024, HC (2023–24) 572, Q91

<sup>55</sup> Q110

<sup>56</sup> Q111

NHS. However, establishing a new National School will not be sufficient if its teachings are not actively adopted in the practice of the day-to-day work of government and if it is not backed by the sustained support of both Ministers and civil servants. Leaders must set the best example and reward and promote those who embrace the new strategic culture.

- 46. The new National School must also have a permanent physical campus. While online learning can be useful, it is no substitute for in-person development and residential courses, not least by enabling a 'network effect' that enables cross-department strategy and crisis response. This new institution must be one that enables the Civil and Diplomatic Services to be more mindful of their own capabilities and purpose in the future.
- 47. While we welcome the positive response from the Prime Minister, Minister for the Cabinet Office and Cabinet Secretary, when we put our proposal to them, past experience suggests that good intentions are not enough: it is three years since a previous Prime Minister and the same Cabinet Secretary announced a similar proposal, yet still no such campus exists. What is required now is a binding commitment to implement this new National School. Ministers must agree the principle and commit to providing the resources for this at the start of the next Parliament. We recommend that all political parties commit to this before the general election, so Whitehall can start planning now.
- 48. Learning and professional development in strategic thinking should not be the preserve of the more senior ranks of the Civil Service. This may be the priority but is not sufficient to enable cultural transformation. All government activity in pursuit of effective strategy would be improved with the application of a mandatory shared method and the development of a shared culture. It would also benefit from a cultural shift away from risk aversion and waiting for permission to act, towards proactivity and making the best of new opportunities and effective risk management. Anything less than learning and professional development provision in strategy for all those potentially working on policy and delivery within the Civil Service would therefore be another opportunity missed to create the culture for strategy and a further waste of effort.
- 49. We therefore recommend that the new National School should build competences for strategic thinking among all civil servants involved in policy and implementation, regardless of their grade. A basis of strategy and strategic thinking for all those joining the Civil Service is essential—so the shared understanding and common language is disseminated, and new recruits can be inducted in the culture of strategic thinking, and then graduated with deeper learning for those at senior levels or with a requirement for more development to support a particular role.

# **Involvement of politicians**

50. The importance of learning and professional development in strategic thinking for Ministers and MPs was a key theme of the evidence we have taken. Jill Rutter, Senior Fellow at the IfG, said that Ministers were essential in setting the culture within government "because civil servants take their lead from their Ministers". This included whether they regarded their department as a "critical enabler" of cross-government goals—which might

be typical of government-wide strategies—or as "their current fiefdom".<sup>57</sup> Edward Stringer also told us there is little point in departments working more effectively "if the Ministers don't understand the machine for which they are responsible, or cannot play their part in coordinating within it".<sup>58</sup> Yet, as Lord Sedwill highlighted, "we do not really teach Ministers or potential Ministers about government—they are expected to sink or swim". He said that in addition to having political skills, Ministers should be taught governance and strategic skills.<sup>59</sup> This is also required for Minister's special advisers, with Pamela Dow noting that, among others, the "Special Adviser network, rarely - if ever - spend time discussing the government's strategic goals and choices implied in every area of policy and operation".<sup>60</sup>

51. Other witnesses similarly stressed the importance of learning and professional development for backbench MPs, as both potential future Ministers and central actors in the governance of the UK. Lord Robertson told us that MPs should attend a new school of government "to learn about the way the system operates and how it might better operate". He said:

I speak as somebody who has been in Parliament for 45 years. We preach lifelong learning and we do nothing. We are the one group of people for whom we do not actually do anything in terms of real, genuine education and training. A school of government would deal with that.<sup>61</sup>

52. Sam Hogg, founder and editor of the 'Beijing to Britain' briefing on the UK-China relationship, argued that politicians were not incentivised or taught how to think strategically, observing that:

While a FTSE100 leadership team could expect to attend courses, events or activities aimed at building up their strategic understanding of the space they work in, an average backbench MP is not privy to this stream of development.<sup>62</sup>

53. In 2015, the PASC, in its report *Developing Civil Service Skills: a unified approach*, concluded:

To develop better understanding between politicians and civil servants, there should also be a Civil Service Parliamentary Scheme set up by the Cabinet Office, similar to the Armed Forces Parliamentary Scheme. As well as giving MPs experience in Whitehall departments and educating future Ministers, it would expose civil servants to politicians as part of their career development. There should be more reciprocal secondments of potential Civil Service and Diplomatic Service leaders to the offices of MPs, shadow Ministers, and to select committees.<sup>63</sup>

<sup>57 017</sup> 

<sup>58</sup> Air Marshal (Retd) Edward Stringer (Director at iJ7 (Consultancy)) (SSTG0027)

<sup>59</sup> Q69

<sup>60</sup> Ms Pamela Dow (Chief Operating Officer at Civic Future) (SSTG0037)

<sup>61</sup> Q39

<sup>62</sup> Beijing to Britain (SSTG0025)

Public Administration Select Committee, Fourth Report of Session 2014–15, <u>Developing Civil Service Skills: a unified approach</u>, HC 112, para 46

At the time, the Government acknowledged that MPs and civil servants having a mutual understanding of their roles and responsibilities was important and valuable, but only referred to the reciprocal arrangements offered via the Civil Service Attachment Scheme (CSAS), run by the Industry and Parliament Trust.<sup>64</sup>

54. In January 2024, following an exchange at Cabinet Office questions,<sup>65</sup> John Glen MP wrote to the Chair about the proposal for a Civil Service Parliamentary Scheme:

work was undertaken in 2019 to scope a scheme that would give insight into the operational delivery of policy through front line services. This scoping work was paused in 2020 as resource was reprioritised. Initial scoping highlighted some challenges with the proposal, including how to provide a unique experience for MPs that went beyond what they already access through constituency work and identifying an appropriate means by which to fund it.<sup>66</sup>

- 55. When we raised the professional development of Ministers with the Government, the Prime Minister told us he was "very open to considering whether we have the right mechanisms in place". However, both he and the Cabinet Office Minister said that some training is available for Ministers, with the Prime Minister pointing to "various training modules in place and being used" and John Glen MP giving the example of an RCDS course he took when he was a Parliamentary Private Secretary. That said, John Glen MP also reflected on his previous role at Anderson Consulting, which involved preparing the then shadow Cabinet for government in the run-up to the 1997 General Election. His view was that "[t]hose sorts of ad hoc arrangements do not work".
- 56. We welcome the clarification from the Government that there is a programme of learning and professional development for Ministers. Nonetheless, it is revealing that the general perception conveyed in our evidence—including that taken from the Cabinet Secretary's immediate predecessor—was that there was no such training offered. If there is to be good strategic thinking in government, those who want to be our national leaders need to train for it as they embark upon their public service. It is critical that there is professional development for politicians—whether Ministers, or backbench MPs who may become Ministers. This is the least that politicians would, and do, expect from other professions.
- 57. The new National School for Government should therefore include learning and professional development in strategic thinking, government ways of working, and tools and skills for all MPs. This underlines that national strategy is a joint responsibility of Parliament as well as between Ministers, officials (including special advisers), and Parliament. It would also help to prepare current and future Ministers, enabling them to (a) lead and reinforce an effective culture from the top and (b) engage with and lead governance structures and processes within Whitehall and across the UK. In addition, it would support other MPs in scrutinising government strategy-making and delivery,

Public Administration and Constitutional Affairs Committee, First Special Report of Session 2015–16, <u>Developing Civil Service Skills: a unified approach: Government Response, HC 526, p3</u>; see also Industry and Parliament Trust, 'Civil Service Training', accessed 17 May 2024

<sup>65</sup> HC Deb, 23 November 2023, col 446

<sup>66</sup> Rt Hon John Glen MP, Minister for the Cabinet Office and Paymaster General (SSTG0043)

<sup>67</sup> Oral evidence taken on 26 March 2024, HC (2023–24) 572, Qq91–92;Q 109

<sup>68</sup> Q110

whether that is as a shadow Minister, a Chair or member of a select committee, or otherwise on the backbenches. This should be delivered by establishing a Civil Service Parliamentary Scheme. Strong and able government should be subject to strong and informed opposition and scrutiny if it is to be effective. Specialist Advisers and potential Specialist Advisers should be required to attend the same programmes.

## Incentives for civil servants

58. In 2010, the Public Administration Select Committee found that "an ability to think strategically is an essential quality of senior leadership" and concluded that "[s]electing and promoting senior officials for their capacity for strategic thinking, and not just their management skills, is a crucial factor in regenerating the practice of strategy within government".<sup>69</sup> They inquired further into this subject and in their 2012 report cited the following evidence:

[Julian McCrae from the Institute for Government] accepted that strategic thinking was a "reasonably valued skill" but believed that the records of those who have been promoted suggest that it was not valued as highly as other skills. Professor Nick Butler, a former senior civil servant, believed that strategy skills were present in the Civil Service, but not valued.<sup>70</sup>

- 59. We have not encountered strong evidence to suggest that strategic thinking has become more valued over the past decade. RAND Europe told us "[s]trategic thinking and planning, or statecraft, are not a skillset that government staff are typically encouraged to prioritise in their careers. ... there are few strategy-making career paths to allow people to specialise in these important skills". They added that the lack of continuity in the careers of senior civil servants also "historically prevented many officials from seeing through the lifecycle of a strategy, plan, or programme, and disincentivises long-term thinking and accountability". Pamela Dow, who set up the Government Skills and Curriculum Unit but left the Civil Service in 2022, told us that although the role of 'Director of Strategy' was "prestigious" and sought-after, there was not a common role description across Whitehall departments and "no central quality control or evaluation".
- 60. We asked witnesses about how improved strategic thinking might be incentivised within the Civil Service. The IfG's Jill Rutter told us that, currently, the incentives were "totally dependent on who your Minister is". Lord Sedwill, however, was more positive about his efforts—as National Security Adviser—to incentivise the cross-departmental pursuit of national security objectives over the long term, by appointing Senior Responsible Owners (SROs) for Ministers' priorities and establishing cross-government working groups to coordinate delivery. He told us that, because civil servants are generally team players,

<sup>69</sup> Public Administration Select Committee, First Report of Session 2010–11, <u>Who does UK National Strategy?</u>, HC 435, para 71

Public Administration Select Committee, Twenty Fourth Report of Session 2010–12, <u>Strategic thinking in</u> Government: without National Strategy, can viable Government strategy emerge?, HC 1625, paras 63–64

<sup>71</sup> RAND Europe (SSTG0016)

According to Pamela Dow, some departmental strategy teams are "enhanced Principal Private Secretaries, running a flexible working group for a de facto extended Ministerial Office. Some run an internal consultancy overseeing novel projects. Others run governance or resource allocation and reporting for the executive team".

Ms Pamela Dow (Chief Operating Officer at Civic Future) (SSTG0037)

<sup>73</sup> Q27

<sup>74</sup> See HM Government, National Security Capability Review, March 2018.

If you create the right structures, civil servants will mostly work really well within them. Then what you have to do, which we did with the SROs we appointed in the national security area, is say, "Your cross-government responsibilities are a big part of your job. Your annual performance reviews and all the rest of it will depend on them as well as your normal responsibilities ... [which may be] even more important in some cases."

It is telling from this language by implication that cross-government responsibilities are not regarded as "normal". He also recognised that it was essential to create the career incentives that encourage civil servants to stay in a role long enough to see ideas through to delivery rather than moving between roles in pursuit of promotion.<sup>75</sup>

61. We have found that civil servants are not sufficiently recognised for thinking and acting strategically in pursuit of the government's objectives. This is particularly important when it requires working across departments and delivery over time on national strategic priorities. Nor is officials' strategic capability recognised in their career development. Lord Sedwill's evidence on appointing Senior Responsible Owners to deliver cross-cutting priorities was a compelling example of what can be done in a mutually beneficial way. However, it appears this initiative has not endured and, in any case, was limited to national security policy in its implementation. We recommend that proper recognition for cross-cutting work be established so that this is displayed in Civil Service career paths and becomes as valued as working within departmental boundaries. If any government wants to deliver on its top priorities, it would do well to learn from, and develop, the SRO model and use it as a way to develop leaders of cross-departmental teams.

# 3 Leading strategy from the centre of government

"As we look ahead into the next century, leaders will be those who empower others."—Bill Gates

- 62. As expressed at the start of the previous chapter, for a shared understanding of strategic thinking to be embedded in Whitehall culture it has to overcome organisational resistance. Changes to the culture can be reinforced by structural and procedural changes at the 'centre of government'—by which we mean the Prime Minister's Office in No. 10, the Cabinet Office and HM Treasury—so that it can more readily lead on cross-government strategic thinking and decision-making.
- 63. The centre of government should be set up so that it encourages—and does not militate against—effective behaviour throughout government and the public service. The evidence from Catherine Day, Senior Research Fellow, and Professor Andrew Blick, Department of Political Economy, King's College London, tell us that structures across government need to be strengthened to better support strategic national endeavour. This includes the introduction of stronger practices and procedures so that the government is thinking and acting collectively as a matter of routine. This will require a 'strategy cycle', "supported by regular processes for horizon-scanning; deliberatively considering the implications of changes and options for action, including with those affected; and acting where necessary". To
- 64. Our inquiry was launched in June 2023. Since then, two major studies into the centre of government—reviewing its role, structure and processes—have published their final reports:
  - 'Independent Review of Governance and Accountability in the Civil Service', The Rt Hon Lord Maude of Horsham, November 2023 (commissioned by the then Minister for Brexit Opportunities and Government Efficiency, following the 2021 Declaration on Government Reform);<sup>77</sup> and
  - 'Power with purpose: Final report of the Commission on the Centre of Government', Institute for Government, March 2024.<sup>78</sup>

We have not examined the issues raised in these reports in detail. Nonetheless, these reports do raise questions about the role of the Cabinet Office and HM Treasury, which have also been raised with us during our inquiry.

Catherine Day; Dr Andrew Blick (SSTG0045). There is a variety of material on strategic planning cycles, including a four-stage process of plan, develop, implement and monitor (Sunil Rananavare, "The Strategic Planning Cycle", Linkedin, 3 July 2022) to the OODA Loop of observe, orient, decide, act (Indeed, 'A guide for using the OODA loop to make complex decisions', 23 March 2023)

<sup>77</sup> The Rt Hon Lord Maude of Horsham, <u>Independent Review of Governance and Accountability in the Civil Service:</u>
The Rt Hon Lord Maude of Horsham, 13 November 2023

<sup>78</sup> Institute for Government, <u>Power with purpose: Final report of the Commission on the Centre of Government,</u>
March 2024

65. In particular, we note Lord Maude's finding that the Prime Minister's Office, the Cabinet Office and the Treasury have gained an important number of new responsibilities in the past 100 years, yet the division line between them has never been modified.<sup>79</sup> Furthermore, as the IfG's report succinctly stated:

No.10 Downing Street, the Cabinet Office and the Treasury are not capable of meeting the challenges facing the United Kingdom in the 2020s and beyond. The centre of government must become more strategic, better able to set direction and hold the rest of government accountable for delivery.<sup>80</sup>

# Role of the Cabinet Office and the importance of Cabinet Government

66. Common criticisms of Cabinet Office structures and ways of working emerge from the Maude and IfG reports, as well as from the evidence submitted to our inquiry. These include a remit that is both too broad and ever-changing, and a lack of strategic direction from the centre across government. The size of the Cabinet Office has grown and grown from 2,708 full-time equivalent (FTE) staff in the 2016–17 Financial Year, <sup>81</sup> to 10,396 in 2022–23. <sup>82</sup> This led the IFG to comment in their report that "The Cabinet Office is unwieldy and has lost its sense of purpose", and "No.10 and the Cabinet Office are confused and underpowered". <sup>83</sup>

67. The breadth of the Cabinet Office's current work is underscored by the description of its role and responsibilities on Gov.uk:

We support the Prime Minister and ensure the effective running of government. We are also the corporate headquarters for government, in partnership with HM Treasury, and we take the lead in certain critical policy areas.<sup>84</sup>

Its responsibilities are further described as:

- supporting collective government, helping to ensure the effective development, coordination and implementation of policy;
- supporting the National Security Council and the Joint Intelligence Organisation, coordinating the government's response to crises and managing the UK's cyber security;

<sup>79</sup> The Rt Hon Lord Maude of Horsham, <u>Independent Review of Governance and Accountability in the Civil Service:</u>
The Rt Hon Lord Maude of Horsham, 13 November 2023, para 2.1

<sup>80</sup> Institute for Government, <u>Power with purpose: Final report of the Commission on the Centre of Government,</u>
March 2024, p7

<sup>81</sup> National Audit Office, Cabinet Office: Departmental Overview 2021–22, January 2023, p9

National Audit Office, Cabinet Office: Departmental Overview 2022–23, December 2023, p11. The National Audit Office states "The largest increase was of over 2,000 FTE staff and took place in 2019–20. This was largely due to an increase in staff numbers in the Government Commercial Function and the National Security Secretariat".

<sup>83</sup> Institute for Government, Power with purpose: Final report of the Commission on the Centre of Government, March 2024, p49 and 43

<sup>84</sup> Cabinet Office, 'About us', accessed 8 May 2024

- promoting efficiency and reform across government through innovation, better procurement and project management, and by transforming the delivery of services;
- promoting the release of government data, and making the way government works more transparent;
- creating an exceptional Civil Service, improving its capability and effectiveness;
- political and constitutional reform.<sup>85</sup>

68. The Cabinet Office has also been subject to persistent restructuring and a changing remit, with successive Prime Ministers seeking to harness its cross-government purview and closeness to the Prime Minister's Office to deliver respective priorities through a succession of new delivery, policy or strategy units. <sup>86</sup> This has meant that, depending on the policy agenda of the current Prime Minister, certain functions have moved around over the years between No. 10, the Cabinet Office and departments. <sup>87</sup> This situation was summarised by Michael Gove MP who, in evidence to the UK Covid-19 inquiry, described the Cabinet Office as dysfunctional because new responsibilities were continually

... added in a piecemeal and cumulative way, without strategic thought being given to how the Cabinet Office would discharge all of those, and a related failure to think strategically about how the centre of government should be reconfigured.<sup>88</sup>

69. Such continual change and widening of scope will naturally make it more difficult for a cross-government department to remain focused on setting and delivering the key national strategic priorities. However, as Lord Sedwill told us, "it was only the centre of government, using the Prime Minister's authority, that could drive departments to focus on the cross-cutting priorities". He further observed that, during his time in the Civil Service, the centre of government had not found the "right balance" between coordinating other departments or directing them. In his view, if a Prime Minister has a "handful" of strategic priorities, "then the centre needs to take quite a directive approach". Without that direction, departments tended to focus on those policy issues they were directly responsible for.<sup>89</sup>

70. The evidence we have taken, and the detailed reviews by Lord Maude and the IfG, suggest that structural changes to the Cabinet Office would support more effective cross-government strategy-making and delivery. Both Lord Maude and the IfG recommend the creation of a single Department or Office of the Prime Minister and Cabinet, bringing together the existing policymaking and coordinating functions in No. 10 and the Cabinet Office. Lord Maude notes that this would bring the UK into alignment with similar jurisdictions such as Australia, New Zealand and the Republic of Ireland, arguing

<sup>85</sup> Cabinet Office, 'About us', accessed 8 May 2024

The Office of the Prime Minister, or 'Number 10'''No. 10', is formally a business unit within the Cabinet Office but in practice operates separately from it. For more information see: Public Administration and Constitutional Affairs Committee, First Report of Session 2021–22, The role and status of the Prime Minister's Office, HC 67.

Public Administration and Constitutional Affairs Committee, First Report of Session 2021–22, *The role and status of the Prime Minister's Office*, HC 67

<sup>88</sup> UK Covid-19 Inquiry, *Transcript of 28 November 2023*, p11

<sup>89</sup> Q61

that "[t]his can create an effective strategic centre, which gives overall direction to the government". The IfG further proposes a separate Department for the Civil Service that would assume the corporate functions of the Cabinet Office. 91

- 71. Other proposals for structural change were less far-reaching. For example, we received evidence recommending the creation of an Office for Strategic Affairs within the Cabinet Office as it currently exists, with a view to strengthening a whole-of-government, whole-of-nation, and whole-of-society approach through which to achieve national strategic objectives. 92 It is clear from this that the Cabinet Office does not fulfil this vital function.
- 72. Another example was provided by Professor Sir David Omand GCB, formerly UK Security and Intelligence Coordinator in the Cabinet Office and Director of the Government Communications Headquarters (GCHQ), who said:

Good practice includes regular 'peacetime' exercising of Ministers and senior officials on difficult scenarios so they understand the nature of decisions they may be called upon to take in major crisis, maintaining a single operational picture of what is going on, ... operating to a 'battle rhythm' of Ministerial and official meetings to ensure advice can be properly prepared, harnessing scientific, statistical and other professional input, and having a dedicated strategic policy team looking ahead to what needs to be done to prepare for the post-crisis period.<sup>93</sup>

He explains that part of this capability has now been reinforced by the establishment of a National Situation Centre of data analysts in the Cabinet Office. Announced as part of the Integrated Review, the National Situation Centre has been established to bring data, analysis and expertise together for crisis management. Professor Andrew Blick and Catherine Day's evidence also reflected that more could be done through work with the Cabinet Secretariats and National Situation Centre to mobilise action and decisions when events or indicators showed that it is necessary. They said that recent experience, including the Covid pandemic, has shown that this is a consistent weakness, and that government needs to be better at driving action across the system when the information shows that is needed in order to maintain strategic direction.

73. In December 2023, during our informal seminar, Lord Forsyth of Drumlean, formerly Secretary of State for Scotland, reflected on his experience as a minister and commented that he felt the Cabinet was now less effective than in the past. He emphasised the importance of Cabinet government and of collective cabinet responsibility, which were vital for coherent leadership from the centre of government. He argued that the role of the Cabinet and its committees as decision-making bodies needed to be restored. In addition, he said there should be fewer Ministers and bemoaned the tendency for Ministers to listen

The Rt Hon Lord Maude of Horsham, Independent Review of Governance and Accountability in the Civil Service:
The Rt Hon Lord Maude of Horsham, 13 November 2023, para 5.2

<sup>91</sup> Institute for Government, Power with purpose: Final report of the Commission on the Centre of Government, March 2024, pp14–16. See Annex 2 for a list of functions the Cabinet Office might relinquish.

<sup>92</sup> Professor Carl Stephen Patrick Hunter OBE (SSTG0042), Catherine Day; Dr Andrew Blick (SSTG0045)

<sup>93</sup> Professor Sir David Omand (Visiting Professor at War Studies Department King's College London) (SSTG0026)

<sup>94</sup> Cabinet Office, *The UK Government Resilience Framework*, December 2022

<sup>95</sup> Catherine Day; Dr Andrew Blick (SSTG0045).

to special advisers rather than civil servants, which undermined the relationship between Ministers and officials. Furthermore, he said that briefing against the Civil Service had had a negative impact, and that led to the Civil Service being less able to challenge Ministers.<sup>96</sup>

74. The Government's responses to these proposals were mixed. John Glen MP told us that although the Cabinet Office should be leaner, he doubted whether the Maude and IfG proposals were realistic and in any case did not foresee imminent changes in the Department's responsibilities. Fisher Simon Case, by contrast, observed that while the core function of the Cabinet Office—to co-ordinate and direct government on behalf of the Prime Minister and Cabinet—was still to the fore, the Department had nevertheless assumed responsibility for delivering services to the rest of the government and even to the public over the past decade.. His view was that in the next Parliament, the Cabinet Office needed to be focused on delivering excellence in the core tasks of the Cabinet Office and delivering the Prime Minister and Cabinet's will through government and for the other departments to lead on the delivery of public services. He cited CONTEST, the counter-terrorism strategy, as an example of how strategy could be delivered effectively outside of the centre of government, and said in conclusion:

Not everything has to be done from the Cabinet Office. I think Michael Gove famously said that often the Cabinet Office becomes the place to put everything that nobody else wants, and that is not a sensible way of growing a department.<sup>100</sup>

- 75. It is clear that the centre of government is not executing its most important function: to set, direct and ensure delivery of cross-government national strategy in support of the Cabinet's priorities. This has been stated by senior Ministers, by those commissioned by the Government to report on this matter and a leading think-tank on government affairs. It has been a common theme in our written evidence. Even the Cabinet Secretary, in evidence to us, said it was time to reset.
- 76. We agree with Lord Forsyth about the importance of cabinet government and collective cabinet responsibility. These are vital for coherent leadership from the centre of government. We would add that the extensive divisions in Cabinet about fundamental issues have undermined its own authority and often made it impossible for permanent secretaries to know what to do. This has resulted in the sense that officials are resisting Ministers, when No 10, or the Treasury, or the Secretary of State are trying to achieve the opposite things. To return to this style of government would be an abject failure of leadership from the centre of government. Without attributing blame to any party or individuals, the delays inflicted by the 2010–15 Coalition Government on the renewal of the strategic nuclear deterrent, and then divisions about the Brexit negotiations are each a case in point, and underline the importance of strategic coherence, cabinet unity and collective responsibility.
- 77. We have heard proposals for major restructuring, including the formation of new government departments, and also for more modest reforms such as establishing a new Office for Strategic Affairs within the existing Cabinet Office, or the creation of an

<sup>96</sup> House of Commons Liaison Committee (SSTG0049)

<sup>97</sup> Q88

<sup>98</sup> Q89

<sup>99</sup> Q90

<sup>100</sup> Q91

Office of Budget Management separate from the Treasury, or of a separate department for the Civil Service. Whichever approach government decides to pursue, it must have at its heart the essential requirement that the centre of government leads by example in setting national strategic direction and holding other departments to account for the delivery of the government's national strategic priorities.

- 78. We recommend that the next Government, with the input and engagement of the whole-of-society, sets out the UK's national strategy. This should then be underpinned by the five or six key national strategic priorities. Around which the cabinet and its committees must be fully united. It must be clear that the role of the centre of government, the Cabinet Office, is to set, direct and ensure delivery of cross-government national strategy in support of the Cabinet's priorities.
- 79. Once the national strategy and key national strategic priorities are clarified, it will be necessary to implement, to monitor and to update them. This should be the task of the National Situation Centre. The existing National Situation Centre should be augmented to include coordination of current and future horizon scanning. When indicators show a need for action, it needs to be able to trigger reviews of existing strategies to check their viability and continued coherence with reality. With this function, it will be the coordination centre from which Cabinet decision-making can be subject to consistent challenge and updating. In addition, as the monitoring centre for the key national strategic priorities, the National Situation Centre should brief the Cabinet and its committees on these priorities as one collective body, so Ministers are not dependent on their departmental view and so Cabinet committees can work effectively with the collective responsibility that is expected of them.
- 80. As these five or six key national strategic priorities will tend to necessitate cross-departmental working, they must be driven by the Cabinet Office (or a lead government department overseen by the Cabinet Office). However, the Cabinet Office must be conscious of its capacity. If it seeks to prioritise too much from the centre, it will not be able to deliver. The Cabinet Office official in charge of each national strategic priority should be seen as someone with executive authority to lead on the mandates of the Cabinet and its Committees. We also know from experience that it is possible for the strategic lead to be driven from outside the centre of government, where there is strong leadership and the necessary incentive or imperative. CONTEST and the Vaccine Taskforce are examples of this. Government must learn from these very positive examples, not just in reaction to threats or at times of crisis.
- 81. To give the Cabinet Office the space to focus on its core tasks and these strategic priorities, the other policymaking and delivery functions it has acquired over the years must be handed back to departments, so that they do not become a distraction. The Cabinet Office has become far too big and complicated and should be slimmed down. We set out in Appendix 1 a list of functions we have identified which could be considered for reallocation to departments, and call on the Government to confirm its approach in response to this report.

# **Role of HM Treasury**

- 82. HM Treasury is arguably the most influential department in the government's strategic thinking. Of the five departmental responsibilities listed on Gov.uk, <sup>101</sup> it is primarily through control of public spending—"including departmental spending, public sector pay and pension, annually managed expenditure (AME) and welfare policy, and capital investment"—that the Treasury exerts influence over government strategy-making and delivery. However, its role in overseeing economic growth and its oversight of the tax system also have direct implications for the government's ability to fund its policies.
- 83. It is obvious that control of public expenditure is one of the most challenging and important priorities of any government. But we have heard mixed views on the role of HM Treasury in government strategy-making. Lord Robertson stated that:
  - ... the 'positive agency' of the Prime Minister's Office and Cabinet Office is underweighted relative to the Treasury's negative 'blocking power', with its focus on fiscal control rather than achieving outcomes.<sup>102</sup>
- 84. This view was echoed by the Institute for Government, which—in its report and in oral evidence to us—identified a number of challenges relating to the Treasury's role, processes and culture:
  - The Treasury favours static and long-term thinking, spending and fiscal control over achieving positive policy outcomes, and departmental allocation of budgets rather than cross-departmental objectives.<sup>103</sup>
  - The Spending Review process "militates against having a very clear strategic approach to spending allocation", while the Budget process was "absolutely inimical to strategic thinking".
  - The Treasury is "highly politically attuned" as a department but only to the Chancellor of the Exchequer.
  - The Treasury's role in control and value for money was conducted "slightly at arm's length" from delivering the core missions of the government, raising questions about the extent to which the Treasury has bought into and actively supports the overall government strategy.<sup>104</sup>
- 85. According to the IfG, the effect of these challenges is that:

The relative strength of the Treasury ... distorts decision making across government, and ... makes it harder to tackle the cross-cutting and long-term problems facing the country.<sup>105</sup>

The Treasury's five areas responsibility are listed on its 'About us' webpage as: public spending; financial services policy; strategic oversight of the UK tax system; the delivery of infrastructure projects across the public sector and facilitating private sector investment into UK infrastructure; ensuring the economy is growing sustainably.

<sup>102</sup> George Robertson (SSTG0023); Institute for Government (SSTG0020)

Institute for Government, <u>Treasury 'orthodoxy' What is it? And is it a problem for government?</u>, January 2024, pp27–29

<sup>104</sup> Qq15-16

Institute for Government, <u>Power with purpose: Final report of the Commission on the Centre of Government,</u>

March 2024, p10

86. Lord Sedwill, by contrast, was more positive about the Treasury's role in practice, observing that it simply "disliked highly ambitious goals for which there wasn't proper funding". However, he highlighted the difficulties created by the Treasury's insistence on setting budgets bilaterally with departments and its "institutional resistance" to establishing single budgets for cross-cutting priorities and policy areas, such as national security. He cautioned that the Treasury:

always want to know where the money is going to come from, and it is a zero-sum game for them. I think there are questions around whether it is possible to apply budgets, essentially crosscutting budgets ... to some of these really big questions.<sup>107</sup>

- 87. Proposed solutions to these challenges have ranged from structural reform to changes in strategy-making and budgetary processes. We are also aware of more fundamental reforms, such as New Zealand's Wellbeing Budget which it is presumed HM Treasury will have discussed with its counterparts in other jurisdictions. Lord Maude recommended that an Office of Budget and Management (OBM) be established alongside a newly combined Office of the Prime Minister and Cabinet. Under this arrangement, the OBM would gain spending functions from the Treasury, leaving that department with responsibility for economic and fiscal policy, "including the overall expenditure envelope, taxation, and financial services regulation." This division of responsibility would bring the UK into closer alignment with countries with a similar system.
- 88. The IfG, however, argued that it would be more effective to "harness the power of the Treasury to better support collective government objectives", rather than dismantle "one of the bits of the government machine that ... actually does work". Instead, the IfG suggested that "the government's priorities should be fully reflected in a new shared strategy, budget and performance management process owned collectively at the centre of government". Lord Robertson, meanwhile, proposed that Cabinet Committees should have responsibility for setting total resources for cross-departmental initiatives and the power to agree how those funds are allocated over time.
- 89. John Glen MP echoed the IfG in citing the "rigour" of the Treasury and observing the "wisdom in keeping that as a strong institution at the heart of government". Nevertheless, he thought that "a closer working arrangement, which is the thrust of what the Maude reform is really about, is worth serious consideration", even though he doubted whether some proposals in the Maude and IfG reports were realistic. Simon Case thought that the Treasury had been subject to unfair criticism in a few areas, and highlighted that it

<sup>106</sup> Q63

<sup>107</sup> Q64

<sup>108</sup> Wellbeing Budgets look beyond traditional measures of success and taking an intergenerational approach to "ensure we improve New Zealanders lives now and into the future", New Zealand Government, Wellbeing Budget 2023: Support for today, Building for Tomorrow, 18 May 2023

<sup>109</sup> The Rt Hon Lord Maude of Horsham, Independent Review of Governance and Accountability in the Civil Service:
The Rt Hon Lord Maude of Horsham, 13 November 2023, para 5.4

<sup>110</sup> Ibid.

<sup>111</sup> Ibid.

<sup>112</sup> Institute for Government, Power with purpose: Final report of the Commission on the Centre of Government, March 2024, p17; Q15–16

Institute for Government, <u>Power with purpose: Final report of the Commission on the Centre of Government,</u> March 2024, p17

<sup>114</sup> George Robertson (SSTG0023)

<sup>115</sup> Qq87-88

has increasingly been identifying multi-year spending horizons as well as enabling cross-cutting funding for cross-government programmes. He concluded, "I think a lot of focus ends up going on the Treasury, which is just a consequence of politics. The Treasury can be harnessed, with all of its capabilities, with a strong political direction ... that [has to be] set at the outset", as during the 2010–15 Coalition Government.<sup>116</sup>

- 90. For strategy to be realistic and effective, it must be properly resourced. We have heard that the Treasury responds well when it is presented with clear and considered requests for funding. This demonstrates the positive role it could play in embedding a culture of strategic thinking within government, through which strategic goals and the ways in which they are pursued are aligned with the available resources—and are iteratively adjusted over time as circumstances change.
- 91. The evidence suggests that the Treasury's role, culture and processes often prevent it from playing a positive role in strategy-making and delivery. It is expert in managing public expenditure very well and deserves high praise for consistently delivering this crucial function. However, it resists establishing cross-departmental budgets for the complex challenges faced by the UK, yet these key national challenges demand cross-government responses which are fully resourced and sustained over the long term. Some have called for major reform of the Treasury—including its break-up—to improve its contribution to the government's strategic thinking. This would be disruptive, but may deserve deeper consideration which is beyond the remit of our inquiry. We are however convinced by those who argue that governments should harness the power of the Treasury and focus on making the current system work better, under the authority of Cabinet and its committees. We recommend that reviews, plans and other policies should only be published with the necessary resources committed by the Treasury.

# 4 Governing for the future

"There is nothing permanent except change."—Heraclitus

- 92. The outlook for the next 20 years will continue to be one of insecurity, instability and uncertainty. There will be challenges and opportunities arising from coping with the national debt, trends in demography, decarbonisation, deglobalisation, in the sphere of defence, and from emerging technologies. Therefore, the centre of government will need to be looking forward and be engaged well beyond government, with industry and academia, and involve the public, in its deliberations in order to navigate these transitions ahead. In addition, the issue of the lack of political representation of the interests of young and upcoming generations will reinforce the need for our institutions to engage with the long-term implications of decisions taken now, to address the interests of future generations.
- 93. These are all issues with which modern democracies and civil society are engaging. We examine in this chapter what action the government has taken in this respect and consider a number of mechanisms and innovations that have been tried in other jurisdictions with the aim of encouraging a longer-term perspective. We also consider the evidence we have received that emphasises how an inter-generational approach and whole-of-society engagement is crucial.

#### Longer-term thinking

94. As the Public Administration Select Committee said, in its 2007 report:

Governing for the future is both important and difficult. Important because it means getting to grips with the long-term issues that will shape the lives of future generations; difficult because it rubs up against the short-termism that is inherent in the politics of the electoral cycle. Its difficulty is compounded when governing for the future involves painful choices in the present.<sup>117</sup>

95. In the past 50 years, much work has been done to build capacity to think, plan, and make policy for the future. In the 1970s, the Central Policy Review Staff was set up as a strategic think-tank within government. In the 1990s the Foresight Centre was established to conduct futures work in the scientific sector. The previous Labour Government, under Tony Blair, set up a number of Commissions and Reviews to engage in future-related work; and, under Gordon Brown, the national security-focused Horizon Scanning Unit and Horizon Scanning Forum were created. It was during that time that the Ministry of Defence's think-tank, the Development, Concepts and Doctrine Centre (DCDC), was established and which published in 2002 the first edition of 'Global Strategic Trends'. During the Coalition Government, the Day review was conducted which established a Horizon Scanning Secretariat which was later merged with the pre-

Public Administration Select Committee, Second Report of Session 2006–07, <u>Governing the Future</u>, HC 123-I, para 1

<sup>118</sup> For a fuller timeline of the key developments in the past 120 years, see Appendix 2.

Public Administration Select Committee, Second Report of Session 2006–07, Governing the Future, HC 123-I, para 5

<sup>120</sup> Ibid.

<sup>121</sup> Institute for Government (SSTG0020)

<sup>122</sup> Cat Zuzarte Tully, A History of Foresight in UK Government, 1999–2019, School of International Futures, p8

existing Horizon Scanning Centre in the Government Office for Science (GOS) to create the Horizon Scanning Programme team. This was in turn replaced by the GOS's Futures, Foresight and Emerging Technologies team, which now offers training and resources to civil servants in horizon scanning and related areas. The IfG told us that while there is a risk of that the role, function and names of these teams might change, it is welcome that this capacity exists, and it is important that such resource is protected.<sup>123</sup>

96. In our most recent evidence session with the Prime Minister, he told us:

I have always tried to focus on the long-term and what I think is right for the long-term of the country, whether that is HS2, a different approach to net zero, the long-term workforce plan and what we are doing on smoking and vaping. Those are all examples of longer-term thinking, which is a good thing. It is not always easy to do in government, but it is the right thing to do. As best as possible, trying to get people to focus on the long-term is obviously a good thing.<sup>124</sup>

97. The Cabinet Office, in its written evidence, highlighted the Government's efforts to further improve foresight capability. It explained that there are various strategy and foresight units—departmental<sup>125</sup> and cross-governmental—who help identify strategic opportunities, risks, and threats.<sup>126</sup> For example, in 2023 the Cabinet Secretary established the Cabinet Secretary Foresight Group to consider medium-to-long term economic and domestic issues facing the UK. In this group, Permanent Secretaries, the Cabinet Secretary and the Government Chief Scientific Advisor meet every two to three months to discuss the strategic policy implications of priority issues at a cross-government level.<sup>127</sup> In oral evidence, the Cabinet Secretary said this was the recreation of a group that used to exist before, where "[w]e look at questions like demographics [and AI], where you very specifically ask the questions about the pressures that that is going to bring ... [and] trying to identify the opportunities in those things".<sup>128</sup> The Cabinet Office also explained that it is currently assessing whether the Civil Service makes the best use of the tools and capabilities it has for foresight and horizon scanning.

98. When we discussed governmental foresight capability with John Glen MP, he referred to the wide range of horizon-scanning activities across Whitehall, and raised the following concern:

I worry ... that there can be a risk that there are multiple scanning evaluation exercises going on and there is overlap and duplication. That is a risk, because it is not efficient, and it is not going to drive the best analysis.<sup>129</sup>

<sup>123</sup> Institute for Government (SSTG0020)

<sup>124</sup> Oral evidence taken on 26 March 2024, HC (2023–24) 572, Q83

<sup>125</sup> The Cabinet Office gave the example of the FCDO Strategy Directorate, and cite how the lessons learned exercises for the Integrated Review 2021 and the 2023 refresh will become part of an adaptive 'strategic cycle'. Cabinet Office (SSTG0009).

<sup>126</sup> Cabinet Office (SSTG0009)

<sup>127</sup> Ibid.

<sup>128</sup> Q99

<sup>129</sup> Q115

#### Experience in other jurisdictions

99. The challenges and opportunities that can be presented through foresight and horizon-scanning have resulted in a variety of approaches and innovations in other jurisdictions. While the approaches taken by other governments could offer valuable lessons for the UK,<sup>130</sup> the National Preparedness Commission cautioned:

"that best practice is only directly transferrable if the context is similar—learning from best practice starts with understanding the conditions, culture and incentives needed for it to be effective".<sup>131</sup>

100. The IfG drew to our attention a study published by the Inter-American Development Bank, 132 which highlighted several alternative approaches, taken in Finland, Singapore, Portugal, the Netherlands and Estonia. 133 The National Preparedness Commission, in addition to Finland and Singapore, referred to work undertaken in Sweden, New Zealand and Switzerland, but noted that these countries are smaller than the UK, and "have a good understanding both of their position on the World stage, and the risk context in which they operate". 134 RAND Europe referred to a comparative analysis it undertook of four countries—Finland, France, Germany and Spain. 135 Additionally, the mechanisms contained in the Well-being of Future Generations (Wales) Act 2015 were highlighted to us in a number of submissions. 136 The key features of some of these approaches are:

- Singapore—a Centre for Strategic Futures sits within the Strategy Group in the Prime Minister's Office;<sup>137</sup>
- Estonia—the "Estonia 2035" strategy outlines the government's long-term strategic goals, based on extensive public engagement work;<sup>138</sup>
- New Zealand—an annual national survey on risk and preparedness is undertaken;<sup>139</sup>
- Finland—The Prime Minister's Office coordinates government work on foresight. The Finnish Government also submits a "Report on the Future" to Parliament each parliamentary term; 140 and
- Wales—the Well-being of Future Generations (Wales) Act 2015 serves to embed long-term thinking and intergenerational equity into the decision making of the Government and main public bodies in Wales.<sup>141</sup>

<sup>130</sup> Institute for Government (SSTG0020)

<sup>131</sup> The National Preparedness Commission (SSTG0030)

<sup>132</sup> Inter-American Development Bank, <u>The Center of Government, Revisited: A Decade of Global Reforms</u>, July 2023

<sup>133</sup> Institute for Government (SSTG0020)

<sup>134</sup> The National Preparedness Commission (SSTG0030)

<sup>135</sup> RAND Europe (SSTG0016)

<sup>136</sup> Mr Derek Walker (Future Generations Commissioner for Wales at Future Generations Commissioner for Wales) (SSTG0028); Sophie Howe (SSTG0041); Catherine Day; Dr Andrew Blick (SSTG0045); Professor Matthew Flinders (SSTG0002)

<sup>137</sup> Institute for Government (SSTG0020)

<sup>138</sup> Ibid.

<sup>139</sup> RAND Europe (SSTG0016)

<sup>140</sup> Institute for Government (SSTG0020)

<sup>141</sup> Sophie Howe (SSTG0041)

The question in respect of any of these examples is not whether a particular government is perceived to be performing or underperforming, but how they might improve strategic decision-making in the longer term. There is also the challenge of scaling up from these examples of smaller and often less diverse jurisdictions.

101. The Public Administration Select Committee (PASC) in 2007 examined the approach taken in Finland. It found that the Finland Government produces a report on a futures topic once every electoral cycle, which is considered by the Parliament's Committee of the Future. This began as an ad hoc response to economic difficulties during the 1990s, "but proved so successful that the Parliament decided that such a report must be produced once every electoral cycle and debated by the Parliament in plenary session". The IfG told us that "the outputs [of the Finnish approach] have real impact in government departments". The IfG told us Drawing on its findings, PASC recommended that government publish a 'Report on the Future' once a Parliament as the basis for parliamentary and public discussion of the key strategic issues facing the country.

102. Regarding the Well-being of Future Generations (Wales) Act 2015, this was a new approach taken with the aim of building a wellbeing economy for all, as it transitions from its socio-economic past. The Act was preceded by a public dialogue in 2014 ('The Wales we want'). The Act enshrined into law the Sustainable Development Principle, the Five Ways of Working (Long-term, Prevention, Integration, Collaboration, and Involvement), and the Seven Well-being Goals. It also introduced the surrounding institutional mechanisms to support this and to hold the public service to account in abiding by the Act (including the establishment of an independent Future Generations Commissioner). 145

103. We discussed some of these alternative approaches during our evidence sessions. Lord Sedwill thought that a report on the future, made annually to Parliament, which could measure a whole range of outcomes and show trends, "would be well worth doing". <sup>146</sup> Sophie Howe also thought that such a report would be "an incredibly useful document" but added that "it is important that Finland has a Committee of the Future", which is an issue we address in the next chapter. <sup>147</sup> We also raised these alternative approaches with the Government, in particular the Well-being of Future Generations (Wales) Act 2015, but both the Minister and the Cabinet Secretary said they had not considered that approach and would need to look at it more closely. <sup>148</sup>

104. Over the past quarter of a century there have been incremental improvements to the government's capacity for longer-term thinking. However, it is clear from the evidence we received that these are not coherent and the Minister thought there might be duplication of effort.

105. There have been improvements to the UK's system of foresight, but it must continue to be developed and it is vital that resources for foresight are protected and enhanced.

Public Administration Select Committee, Second Report of Session 2006–07, Governing the Future, HC 123-I, paras 92–95

<sup>143</sup> Institute for Government (SSTG0020)

Public Administration Select Committee, Second Report of Session 2006–07, Governing the Future, HC 123-I, paras 92–95

<sup>145</sup> Sophie Howe (SSTG0041). See also: Welsh Government, 'Well-being of Future Generations (Wales) Act 2015: the essentials', 23 June 2015

<sup>146</sup> Q73

<sup>147</sup> Q83

<sup>148</sup> Qq114-117

No matter how valuable, however, foresight will fail in its purpose if not connected to the decision-making apparatus. What is required is that a system is established, and it is clear that the different elements of foresight are working together to support decision-makers. This futures work needs to be connected to the implementation of strategy. Strategy demands plans which can be adjusted to reflect the experience and lessons of implementation, thereby keeping strategy coherent. We recommend that for the key national strategic priorities, the implementation, monitoring and reviewing to take account of foresight analysis be the responsibility of the National Situation Centre (see chapter 3). This is where futures work can be drawn together to have an impact on existing government plans and therefore to advise how government's national strategic priorities should be reviewed for their continued relevance and coherence.

106. During this inquiry we have been struck by the alternative approaches taken in other jurisdictions, which embrace the need for longer term thinking and more consistent implementation of national strategic priorities. We note warnings that each approach is based on the context in that jurisdiction and may not be transferable. It would not be appropriate to impose models from other countries or to try to recreate past UK approaches on a system that has since developed. Nonetheless, key aspects of successful systems seem to include the following features:

- a single cross-government trends report that looks at the long-term—the example from Finland of their 'Report on the Future' has been cited to us many times in evidence. We believe it would be replicable in the UK context, and therefore recommend that an annual paper be published which sets out long-term trends and policies vital for national wellbeing, perhaps to coincide with the Sovereign's address to Parliament at State Opening. This would enable debates on the King's Speech to include more explicit reference to the government's national strategic priorities;
- a process for engaging citizens on upcoming issues and how they might be resolved—see paragraph 119;
- an institution at the centre of government for discussing the implications and consequences of change—see paragraph 79;
- consistent leadership and resources recognising the value of capability development in the realm of strategy, involving all civil servants and departments—see paragraph 44; and
- a way in which strategic-thinkers beyond government can be networked together, whether that be through Parliament or through the scrutiny of audit bodies—see paragraph 149 on a new Committee for the Future.

#### Public engagement and intergenerational policymaking

107. A major reason why people embark on careers in politics and the public service is because they want to secure a better life for future generations. However, we have received evidence that when it comes to decision-making, all too often the younger generations are not consulted and their interests are not engaged. Therefore, in this section we examine

how long-term thinking needs to engage the public imagination and popular consent, particularly among younger generations, who will inherit the consequences arising from the opportunities missed, and the decisions made or avoided by our present leaders.

108. Professor Matthew Flinders warned that the latest research on young people's trust in the values of democracy was "very, very worrying". 149 Similarly, Sophie Daud, in referring to work undertaken by the Apolitical Foundation, highlighted "a vicious cycle of distrust where, when a particular group's views and ideas are not properly represented or supported in policy outcomes, they tend to identify and participate less with political processes". This was being seen with young people and they were more open to authoritarian forms of government and military rule. 150 This was also the finding of a global poll published in September 2023, 151 and of a report by Onward in September 2022, which states "[t]here is growing evidence to suggest that younger generations are increasingly ill-disposed to democracy, and more open to authoritarianism than previous generations were at their age". 152 There is a real risk that younger people feel that current-so-called democratic-systems are not democratic to them, they do not see their interests reflected in them, and therefore other alternative systems of government seem less problematic and less hypocritical. This is reinforced by intergenerational unfairness.

109. Professor Flinders thought that this detachment from democracy needed to be addressed by "bringing [young people] into the conversation about how they want to redefine their lives". He said that doing so would have the benefit of having their voice fed into the way policy is made at a strategic level, and would also rebuild public trust and confidence and understanding about why politics is so hard.<sup>153</sup> He noted that young people are massively interested in politics, but that effort needed to be expended to create "the fresh, boundary-spanning structures through which younger people feel they really can be heard and play a role".<sup>154</sup> For Sophie Daud, more drastic steps were required:

We cannot expect intergenerational equity, nor multiple generations' perspectives and views to be considered in decision making if those generations are not at the decision-making table.<sup>155</sup>

110. We have heard in evidence about the need for public engagement to inform strategic thinking and for a whole-of-society approach. Restless Development's evidence informed us of work it undertook with the School of International Futures which stressed the importance of linking up domestic and international policy in a whole-of-nation strategy. <sup>156</sup> RAND Europe found that countries which took a whole-of-society approach to the implementation of national security strategies had improved societal preparedness. <sup>157</sup> They said that communicating clear strategic objectives and being more upfront about trade-offs, through sustained and frank public engagement, can together boost the legitimacy of governments and their national strategic priorities. <sup>158</sup> For Elle Farrell-Kingsley, a

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149 Q29
150 Q76
151 Open Society Foundations, Open Society Barometer: Can Democracy Deliver?, September 2023,p 17
152 Onward, The Kids Aren't Alright: Why young people are detaching from democratic and social norms - and what to do about it, September 2022
153 Q29
154 Qq29–30
155 Q76
156 Restless Development (SSTG0033)
157 RAND Europe (SSTG0016)
158 RAND Europe (SSTG0016)
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Next Generation Champion of the National Strategy for the Next Generations (NSxNG) programme, run by the School of International Futures (SOIF), a nation's strategy had to be adaptable and sensitive to the needs of current and future generations, and she emphasised "the intergenerational demand from citizens for foresighted leadership". She said "a 'whole-of-society' and 'nothing about us without us' approach is imperative for effective policy and strategy" and that "intergenerational voices, including young people leading intergenerational dialogues, helps provide insights, perspectives, and contributions to add at a critical time". 159

111. Some of these issues about intergenerational fairness have been raised in Parliament before, through the work of the House of Lords Select Committee on Intergenerational Fairness and Provision. Their report, published in 2019, found that:

To ensure that there is fairness between generations the Government must think on a generational scale. Successive governments have failed to do this. The Government must plan for the long-term, being transparent about what it believes the country's needs will be and how it will meet them. It needs to model the effects of its policies on specific generations. In addition, far more data on different generations must be collected and published to ensure a high-quality public debate and to hold the Government to account.

The report also found that the UK compared favourably to other governments in terms of its analytical ability, but did not use that ability effectively to think about the long-term in order to tackle intergenerational fairness. Its recommendations included considering how long-term expenditure was captured in government accounts, and how statistics can be better presented to show the breakdown of policy impact on different generations. It also recommended that government create Intergenerational Impact Assessments for all draft legislation indicating how it will affect different generations. <sup>160</sup>

112. This recommendation of the Lords Committee, if accepted, would have introduced some processes which would force government to think more about intergenerational fairness. This is also the approach taken in the Well-being of Future Generations (Wales) Act 2015, which Sophie Howe told us "serves to embed long term thinking and intergenerational equity into the decision making of the main public bodies in Wales" and was "seen internationally as the most comprehensive approach to embedding intergenerational equity". <sup>161</sup> Elle Farrell-Kingsley noted that the Act had a lot of visibility and international interest as the best example of comprehensive governance innovation, <sup>162</sup> and Sophie Daud told us it was "the gold standard for intergenerational justice, and on systematically embedding that across governments around the world". <sup>163</sup> In oral evidence, Sophie Howe told us that these issues were now being considered at the United Nations, with the UN Secretary-General proposing that there should be a UN declaration for future generations and a UN special envoy for future generations appointed, which was expected to happen at the Summit of the Future in September 2024. <sup>164</sup>

<sup>159</sup> Elle Farrell-Kingsley (SSTG0044)

House of Lords Select Committee on Intergenerational Fairness and Provision, Report of Session 2017–19, Tackling intergenerational unfairness, HL 329

<sup>161</sup> Sophie Howe (SSTG0041)

<sup>162</sup> Elle Farrell-Kingsley (SSTG0044)

<sup>163</sup> Q77

<sup>164</sup> Q77

113. As alluded to above, there are a number of benefits that can be accrued from thinking about intergenerational considerations and effectively engaging with the public when devising strategy. Restless Development told us that by engaging young people as leaders of tomorrow there was a significant opportunity to establish an approach to strategy that harnesses future perspectives. <sup>165</sup> Sophie Daud acknowledged that:

"[y]oung people may not be experts in how to deliver a multi-million pound programme, but they are definitely experts in their own lives and they can give you real-world experience and knowledge about how something will land with a particular age group [and] how it might affect them ... young people are experts in their own lived experience and they can very much bring that to the table.

Neill Hunt's view was that groupthink can be detrimental for strategic thinking, which could be avoided by engagement with "people from other parties, departments and groups, and those with different perspectives". <sup>166</sup> For Involve, the benefit was clear in that current practice demonstrated that engaging the public leads to better and more effective policy and implementation, particularly when looking at issues than span Parliaments. <sup>167</sup>

114. Given these benefits from public engagement, we were also alerted that this could be something that select committee scrutiny will need to bear in mind. Involve told us that if committees want to consider the extent and effectiveness of public engagement at the governmental and departmental level it will then have to scrutinise this point. Furthermore, if it is shown either that public engagement has been ineffective, or there are key missing voices from the strategy process, it may be necessary for select committees to ensure that these weaknesses are addressed.<sup>168</sup>

115. We have not received extensive evidence on the approaches the Government is taking to improve public engagement with its strategy process. The written evidence from the Cabinet Office noted that "a small programme of work is being undertaken to explore what models would be effective at developing and setting strategic priorities, and driving forward delivery of them" and that this work would include an assessment of "external challenge and engagement to bring in diverse skills and expertise". <sup>169</sup>

116. Involve were strongly of the view that, if supported effectively, public, civil society and stakeholder input would improve government and departmental strategy. However, in order to do so, it would require the publication of specific information to support engagement. Involve also thought that government would need to further develop its ability to conduct effective public engagement to inform the development of an overall strategy. They referred to two government institutions, Policy Lab and Sciencewise, which have considerable knowledge "of how to open up strategic thinking and involve the public in doing so". However, they say that neither are placed sufficiently centrally to support the open development of an overall, central government strategy which effectively involves the public, and as a result, government will need to develop this capability.<sup>170</sup>

Restless Development (SSTG0033), a similar point was made by RAND Europe (SSTG0016): "addressing the public in the communication of the strategy also enables the collection of responses and feedback regarding the perceptions and attitudes of the public, which can provide useful lessons for future strategies and policies".

<sup>166</sup> Mr Neill Hunt (SSTG0005)

<sup>167</sup> Involve Foundation (SSTG0034)

<sup>168</sup> Ibid.

<sup>169</sup> Cabinet Office (SSTG0009)

<sup>170</sup> Involve Foundation (SSTG0034)

117. In our recent evidence session with the Prime Minister, he affirmed that intergenerational fairness was vitally important and was the reason for his consideration of the long-term implications of policies.<sup>171</sup> We also raised these public engagement and intergenerational considerations with the Minister for the Cabinet Office and the Cabinet Secretary in our oral evidence session. The Minister's view was that MPs were already engaged with the next generation, as in representing their constituency they visit schools and "try to be part of the whole dialogue across multiple generations". He said "I think it is important that we have a system where MPs and most of our Ministers ... are engaged in the real challenges of the communities that we represent. That helps quite considerably". He also cast doubt on the appetite of the general public for deep strategic thinking. The Cabinet Secretary echoed the Minister's view, saying:

I would underline one of the points that Ministers make, which is that, unlike many of our counterparts across G7, one of the strengths of our model is that many of our Ministers also have constituencies, which gives them that very direct connection on a weekly basis to the things that are going on and the issues that matter. I think that is one of the strengths of our system".

118. We are concerned by the polling in recent years that young people are becoming detached from democracy, and more open to authoritarianism than previous generations. This no doubt reflects the real problems faced by young people such as housing, the looming burden of national debt, at a time when disposable income has been limited, and the challenges of climate change. The failure to address the long-term issues which affect future generations further undermines their engagement and trust in the political system. This was not a part of the terms of reference of our inquiry, but we received powerful evidence to support recommendations for action in this area.

119. We have noted the Government's muted scepticism when we raised this in oral evidence, and recommend that, in response to this report, it sets out what action it is taking to address the issues of intergenerational fairness and engagement with young people on the UK's national strategic priorities. It is vital that more is done to engage with the public on decisions, in order to combat voter disillusion with mainstream politics, which is particularly prevalent amongst younger voters. In particular, we endorse the recommendation of the House of Lords Select Committee on Intergenerational Fairness and Provision, that "[t]he Government should create Intergenerational Impact Assessments for all draft legislation indicating how it will affect different generations". In order that consideration of these intergenerational issues is embedded into decision-making, there needs to be a procedural mechanism such as this to make it happen. An appropriate first step for the impact of proposed new legislation on future generations to have been considered and set out during its passage through Parliament.

House of Lords Select Committee on Intergenerational Fairness and Provision, Report of Session 2017–19, Tackling intergenerational unfairness, HL 329

# 5 Scrutiny by Parliament and the role of select committees

"Qui custodiet custodiens?"

120. So we return to the prime purpose of this report, which is to address how select committees can better scrutinise and thereby encourage strategic thinking in government. This chapter will look at how Parliament can more effectively scrutinise strategic thinking in government. It will consider what changes to current practices could be made by government and by Parliament; where select committees have been able to conduct effective scrutiny of strategy and also where they have been frustrated; and what changes can be made to help select committees scrutinise strategy, take a longer-term view, and seek forward-looking accountability. Parliament has a crucial role in the relationship between the voters and the most important strategic priorities adopted by government. Parliament has also been described to us as critical in underpinning the bipartisan consensus around agreed national long-term policies, where such consensus exists.

#### An affirmation to Parliament of the government's priorities

121. As we recommend in chapters 3 and 4, one of the innovations from other jurisdictions government should adopt is to publish a regular report on the future, setting out its key national strategic priorities. If these elements were to be combined in a set-piece event, they could address a current gap in the public's understanding of the government's priorities.

122. Currently, there is no comprehensive statement of the government's priorities, analogous to a US President's State of the Union Address. One way that priorities are conveyed is through the King's Speech. However, the speech focuses on the government's forthcoming legislative programme and only covers one (usually annual) session of Parliament. A government's tax policy is communicated through the annual Budget statement, which Jill Rutter, IfG, described as being "an incredibly unstrategic approach to tax policy" where everyone waits for the Chancellor to pull a rabbit from the hat. <sup>174</sup> A third big event in a Parliament would be a Spending Review, on which Jill Rutter questioned whether that "really align[s] with what the government have said their critical priorities are" as most government spending has to go on what it went on before, and that "the Treasury's tendency to pick off Departments one by one, to get the settlements it can, actually militates against having a very clear strategic approach to spending allocation". <sup>175</sup>

123. The IfG proposed a solution to this point in its report, 'Commission on the centre of government', where they call for the development of a more detailed articulation of government priorities. <sup>176</sup> This would be a document produced shortly after an election in preparation for a modernised King's Speech which set out a new Government's priorities, a sense of prioritisation between those priorities, and the principles underpinning them.

<sup>173</sup> See box 1.

<sup>174</sup> Q8

<sup>175</sup> Q14

<sup>176</sup> Institute for Government, <u>Power with purpose: Final report of the Commission on the Centre of Government,</u>

March 2024, p13

124. We recommend that the Government sets out its key national strategic priorities in a clear way in an annual statement to Parliament, or in a document which is published at the same time at the King's Speech.

#### The role of select committees

125. As Professor Flinders states, "select committees undoubtedly have a role in incentivising Ministers to focus on serious strategic issues". During this inquiry we have received mixed evidence on how successful select committees have been in performing this role. The Aldersgate Group thought that select committees tend to be better than other aspects of the political architecture at considering issues strategically and making well-developed recommendations. They highlighted the coordinated work being undertaken by select committees in the environment area, and we have received an informative submission from the House of Commons Climate & Environment Hub, which gives more detail on how these committees have worked strategically together to scrutinise government and in particular the arrangements for COP26. We have also reflected on our predecessor committee's report of 2019, which concluded "[m]uch of the strength of select committees comes from the varied and innovative approach they take to their work". This was highlighted by Sam Hogg, who gave the example of the Foreign Affairs Committee undertaking 'wargaming' sessions in order to build up its strategic understanding of the space it works in. Second S

126. We have also received some constructive criticism on how select committees scrutinise strategic thinking. For example, the IfG view was that the traditional departmental focus of House of Commons select committees could impede the effective scrutiny of strategic questions, leading to the piecemeal examination of major strategic challenges, albeit the increased use of joint working and guesting had helped to mitigate this. The issue of the remit of select committees being focused on government departments was also raised as a barrier to effective scrutiny by the National Preparedness Commission. 184

127. Throughout this report we have tried to articulate how our recommendations can feed through to more effective scrutiny by select committees of national strategy and bring those threads together in this section. However, as a fundamental starting point, the analysis of the Cabinet Secretary is apposite:

I suspect that select committees are under-resourced for the long-term views that you desire. ... I think there is something about how you can bring in high-quality resource to support you.

<sup>177</sup> Professor Matthew Flinders (SSTG0002)

<sup>178</sup> Aldersgate Group (SSTG0040)

<sup>179</sup> Climate & Environment Hub (C&E), Select Committee Team, House of Commons (SSTG0048)

<sup>180</sup> House of Commons (SSTG0051)

<sup>181</sup> Liaison Committee, Fourth Report of Session 2017–19, <u>The effectiveness and influence of the select committee</u> system, HC 1860, para 51

Beijing to Britain (SSTG0025), see also, International Affairs and National Security Hub, Select Committee Team, House of Commons (SSTG0052)

<sup>183</sup> Institute for Government (SSTG0020)

<sup>184</sup> The National Preparedness Commission (SSTG0030)

#### Change in approach to scrutiny

128. The IfG told us that, politically, the incentives for Commons committees run counter to considering broader strategic questions. They thought that, with the electoral cycle in the minds of MPs, there was a strong incentive to inquire into specific issues, for example, the collapse of specific companies, rather than longer-term questions. In their view, the House of Lords' committee structure, where committees examine themes rather than the work of specific departments, offered a more natural location for scrutiny of government's strategic thinking. Furthermore, they reiterated the importance that "the Commons' crucial role in undertaking detailed scrutiny into the work of each department—and in so doing developing deep knowledge and building relationships—is not lost or undermined". 186

129. Professor Matthew Flinders view was that the key issue of how select committees scrutinised strategic thinking was "more cultural than procedural or institutional". He thought that strategic scrutiny by select committees of long-term thinking and the capacity of departments would have to be undertaken as a collaborative partnership between the executive and the legislature. He said:

[t]he defensive 'tin hat' mentality would have to be replaced by a more open and transparent 'sun hat' mentality whereby departments (Ministers and officials) felt able to acknowledge the inevitable existence of uncertainties and trade-offs, and where select committees resisted the temptation to utilise such honesty for party political point scoring.

130. He also thought that shifting towards supportive strategic scrutiny could help build consensus between the main political parties which, in turn, could facilitate the early identification of challenges and stable long-term policymaking to address them. He concluded that "[b]etter scrutiny of strategic thinking by Parliament will contribute to better strategic thinking within government".<sup>187</sup>

131. One approach could be for select committees to engage more in "forward-looking accountability". Forward-looking accountability, a term coined by Dr Virginia Sharpe in her studies of hospital safety, identifies changes that need to be made and assigns responsibility for making those changes. The accountability is focused around making future changes—in organisational systems and management practices—that will meet future needs. 188

132. We note the evidence we have received that more effective scrutiny of strategic thinking could be achieved by a change in culture and practice. This applies to the practice of select committees. This should be at the front of their mind before they launch an inquiry. We recommend, rather than practising backward-looking accountability and trying to find who to blame, that committees should practice forward-looking accountability. This means searching through the facts behind success as wells as failure, to learn from what happened, and identifying who to hold to account in future for implementing the lessons learned from that experience. This can be done by a committee asking at the outset of an inquiry: how it wants to engage with the department and the rest of government; whether that is to collaborate on an issue to try to find a solution, or

<sup>185</sup> Institute for Government (SSTG0020)

<sup>186</sup> Ibid.

<sup>187</sup> Professor Matthew Flinders (SSTG0002)

<sup>188</sup> See box 1.

to keep them at arms-length during the process; how it sets its terms of reference, perhaps by asking what a good outcome in 10–20 years might look like to frame the inquiry in those terms; and whether it would be better to work jointly with another committee or committees, or to have a permanent or occasional guest member from another committee take part.

#### A checklist to show evidence of a truly strategic approach

133. The IfG told us that a helpful role for select committees would be to draw on the information gathered from this inquiry to produce best practice guidance for committees on how to scrutinise government strategy.<sup>189</sup> This would encourage existing committees to incorporate this into their workplans.

134. This suggestion was also made by Dr. Keith Dear, who said:

Perhaps the most useful service the Liaison Committee could provide is a short, succinct, checklist for all Committees to use in scrutinising government policy for evidence of a truly strategic approach. Every Committee report might have a strategy scorecard, and written assessment of whether the strategy, policy or plan defines its terms and is what it claims to be. Over time, such persistent evaluation might itself begin to change the incentives of Ministers and civil servants, by seeking to highlight just how many of our strategies are not actually strategies, with the aim that this is no longer regarded as acceptable until such time as failed policy is scrutinised in retrospect.<sup>190</sup>

135. We have had drawn to our attention in this inquiry a range of things that committees could look for which could be evidence of strategic thinking. For example, Involve thought that committees should be asking whether a department had carried out a public engagement exercise as part of its strategy development process.<sup>191</sup> Additionally, RAND Europe and Neill Hunt also flagged the importance of challenge and red-teaming, which was also expressed in the Cabinet Office's written evidence.<sup>192</sup>

136. We have benefitted from a wide range of evidence and ideas about what contributes to effective strategic thinking. If select committees seek evidence that these characteristics are present in the government's work, then it will have an information base from which to analyse whether that strategic thinking has been effective. These characteristics might include whether there has been a critical evaluation process, such as red-teaming, and whether there has been suitably extensive and effective public engagement.

137. We recommend that, when select committees are scrutinising a published plan, roadmap, strategy or policy, they should assess whether it reflects comprehensive strategic thought. Committees should have a checklist, and ask: whether the government has provided a clear statement of what it intends to achieve, by when, how, and with what resources; how these elements are aligned with reality, and with the rest of government; and how it will be adapted over time. If not, this would clarify the need for review.

<sup>189</sup> Institute for Government (SSTG0020)

<sup>190</sup> Dr Keith Dear (SSTG0010)

<sup>191</sup> Involve Foundation (SSTG0034)

<sup>192</sup> RAND Europe (SSTG0016); Mr Neill Hunt (SSTG0005); Cabinet Office (SSTG0009)

#### Government transparency

138. The IfG's evidence also focused on the benefits of transparency and how scrutiny can bring further challenge that is necessary for strategic thinking. They state "[t]he best strategic processes design in transparency both in the development and eventual publication of strategy and the documents in which it is expressed". In their view, successive governments' approaches to net zero have shown the benefits of transparency, with the challenge provided by the Committee on Climate Change enabling productive oversight of the government's plans. In contrast, they found that the Government's approach to managing extreme risks was too closed, with a limited role for external experts, and external scrutiny of government performance on risk management being limited. Additionally, they thought the Government's performance framework was undermined by its lack of transparency. 193

139. A number of our recommendations pre-supposes that the Government will set out its strategic thinking and delivery in a clear form. There has historically been reluctance to do so. Therefore, in order to get effective democratic and political challenge into the formulation of strategy, we recommend that the Government share strategies and implementation plans with committees as a matter of course, in advance of publication and in confidence if possible.

#### Core tasks

140. One of the ways which has been highlighted to us that committees could focus more on scrutinising strategic thinking is by changing the Select Committee core tasks. The core tasks were first set in 2002, on the prompting of the Modernisation Committee. These were then refreshed in 2012 by our predecessors and endorsed by the House in 2013. In 2019, our predecessor committee recommended that they be further revised, but these updated core tasks have not been endorsed by the House.<sup>194</sup>

141. Professor Matthew Flinders' view was that select committees have a role in incentivising Ministers to focus on serious strategic issues and that this could be reflected in a revised set of core tasks. His view was that this could have an emphasis on "horizon scanning, disruptive thinking and key strategic challenges", which would represent an important step towards 'strategic scrutiny'. The IfG thought that improved scrutiny of government strategic thinking would be welcome but warned that "this breadth of scrutiny should complement, not take the place of in-depth scrutiny into the work of government and specific policy issues". Among a number of options, they proposed updating the core tasks of committees to encourage the examination of the government's strategic thinking as part of their work programmes. They said that committees could be asked more broadly to consider how a department's work contributed to the government's broader strategic thinking. However, they emphasised that adding a further responsibility to committees would require trade-offs to be made. The said that the same and the same and that this could be reflected in a revised set of core tasks. His view was that this could be reflected in a revised set of core tasks of committees to encourage the examination of the government's strategic thinking as part of their work programmes. They said that committees could be asked more broadly to consider how a department's work contributed to the government's broader strategic thinking. However, they emphasised that adding a further responsibility to committees would require trade-offs to be made.

142. In 2019, the predecessor Liaison Committee recommended a new set of core tasks for select committees. However, these have not been endorsed by the House. We recommend

<sup>193</sup> Institute for Government (SSTG0020)

<sup>194</sup> Liaison Committee, Fourth Report of Session 2017–19, <u>The effectiveness and influence of the select committee</u> system, HC 1860, pp30–31

<sup>195</sup> Professor Matthew Flinders (SSTG0002)

<sup>196</sup> Institute for Government (SSTG0020)

that these be amended to include a specific reference to the scrutiny of strategic thinking. As we set out in this report, strategic thinking needs to be understood, appreciated and implemented by all departments, in order for select committees to be able to scrutinise it. It is therefore logical to recommend that it should be a core task of all select committees to play a part in scrutinising that work. Therefore, we recommend that revised core tasks based on those recommended by our predecessor committee in 2019 and set out in Annex 3, be put to the House in a motion to approve.

#### Resources for commissions of inquiry

143. As set out in paragraph 128, the Cabinet Secretary has questioned whether select committees have the resources they need to inquire into some of the long-term opportunities and threats that UK does and will face. In particular, he drew our attention to the report, America's Strategic Posture. He said this report was produced by "a group of unbelievably qualified people [who] reported to Congress last autumn and the US Administration is now responding". He concluded that this was "a very serious piece of work that is challenging Congress, but you have to put the effort into the resource to get those groups of people together to deliver". The report was produced by the Congressional Commission on the Strategic Posture of the United States, which was established by section 1687 of the National Defense Authorization Act 2022.

144. There is precedent for Parliamentary Commissions to be established to consider major strategic issues. The most recent example is the Parliamentary Commission on Banking Standards which was appointed by both Houses of Parliament to consider and report on the professional standards and culture of the UK banking sector. The Public Administration Select Committee in 2007 examined the use of commissions to develop policy or strategy. They concluded that:

The findings of an independent review can command more confidence than a government White Paper, but 'contracting-out' is not a panacea. Independent experts may get it wrong. Even if they produce well founded technical solutions, they may be unacceptable to the public. There will always be questions about the independence of experts chosen by government. Ultimately, reviews, commissions and advisers inform policy; they should not make it.<sup>200</sup>

145. We note the comments of the Cabinet Secretary, that there may be scenarios in which a commission, instigated by Parliament, would be a beneficial endeavour. We note that in the United States this was achieved by being included in legislation, and we therefore highlight this mechanism to committees and back-benchers for when appropriate legislation might be before the House.

<sup>197</sup> Congressional Commission on the Strategic Posture of the United States, <u>America's Strategic Posture</u>, October 2023

<sup>198</sup> Q117

<sup>199</sup> National Defense Authorization Act for Fiscal Year 2022 (USA), S.1605, 117th Cong. (2021), section 1687

<sup>200</sup> Public Administration Select Committee, Second Report of Session 2006–07, <u>Governing the Future</u>, HC 123-I, para 81

#### Establishing a committee to scrutinise strategic thinking

146. Another option proposed by the IfG for more effectively scrutinising strategic thinking in government was to create a new Commons committee with responsibility for conducting high-level scrutiny of the government's broad strategic approach. They contend that this would have the advantage of a committee resourced to focus solely on scrutiny of government's strategic thinking, avoiding the kinds of trade-offs that would need to be made by existing committees if they were additionally tasked with this responsibility. However, they highlight that creating a new committee for this purpose would also have some drawbacks that may hamper it from conducting effective scrutiny. They state:

> It would risk perpetuating the existing problem of overlapping and competing inquiries with other committees, as existing committees may continue to address aspects of government's strategic thinking within their work. A further issue would be the inherently cross-cutting nature of any new committee established with a specific focus on government strategy. Because it would not be responsible for shadowing any specific department, departments may feel less accountable to it. This could make it harder for a new committee to reliably get Ministers to attend, as well as limit the impact that the committee's work could have.<sup>201</sup>

147. Catherine Day and Professor Andrew Blick thought that having a specific committee with a remit for strategic thinking would be akin to the approach taken in Finland. As referred to in chapter 4, in Finland the government produces a report on the future once every Parliament. It is the remit of the Parliamentary Committee for the Future to consider this report and to track the government's success at dealing with long term issues during the Parliament. The written evidence says that this approach has contributed to rooting strategic thinking firmly in Finnish society.<sup>202</sup>

148. We recommend that a committee on national strategic priorities be established in the next Parliament. Its remit should specifically include the interests of future generations. The new committee should be time limited to the next Parliament, at which point its role, effectiveness and its need to continue should be reviewed. It is our hope that by then the recommendations of this report will be fully implemented, and strategic thinking will be mainstreamed across all government departments.

149. The main task for the new Committee for the Future will be to ensure that the culture change that is required in Whitehall is achieved. Free of day-to-day departmental scrutiny, it could concentrate more on cross-departmental national strategy, with a positive emphasis on forward-looking accountability. As we say earlier in the report, we want to drive cultural change—changes in attitudes and behaviours—and these scrutiny changes are needed to support that. We have recommended new structures and other changes within government, but it is essential that a parliamentary structure is also created to hold Ministers and officials to account for government's national strategy, and to add the incentive for Whitehall as a whole to think strategically.

# Annex 1: Written evidence submitted by Lord Hennessy of Nympsfield

#### Select committees and strategy

The Second World War taught the British to think, plan and act strategically albeit in the context of a highly directed economy and a thoroughly mobilised society. The great prize of the post-war years was to discover ways to apply the hard-learned techniques and to convert the energising attitudes of 1939-45 into peacetime structures and productive purpose in circumstances. As Maynard Keynes expressed it, in our struggle for survival, 'We threw good housekeeping to the winds. But we saved ourselves and helped save the world.'

It was Keynes, too, who caught the essentials of the greatly needed transformations of the peace in a paper for the War Cabinet a few days after VE Day. In vividly un-treasury like language, he brooded upon the essential questions that have plagued us ever since our lagging productivity and our overextended appetite for influence in the world. We have had 12 (by my count) defence/strategic reviews since 1945 and 8 (ditto) industrial strategies. Yet still Keynes's thoughts from his Treasury eyrie haunt and resonate 2020's UK.

Here are a couple of snatches from what he called (prophetically) his 'personal anxiety?' about post-war prospects.

> "For a Mosquito, a Lancaster, Radar, we should have the business at our feet in conditions of free and fair competition. It is when it comes to making a shirt or a steel billet that we have to admit ourselves beaten both by the dear labour of America and by the cheap labour of Asia or Europe. Shipbuilding seems to be the only traditional industry where we fully hold our own. If by some sad geographical slip the American Air Force (it is too late now to hope for much from the enemy<sup>203</sup>) were to destroy every factory on the North East Coast and in Lancashire (at an hour when the Directors were sitting there and no one else) we should have nothing to fear. How else are we to regain the exuberant inexperience which is necessary it seems, for success, I cannot surmise."

> "I am chiefly alarmed by the apparent prospect (if nothing is done about it) of the appalling rate at which this [overseas] expenditure will be running on the day at which the final Cease-Fire in Asia brings with it the end of American Lend Lease and Canadian Mutual Aid .... When we had thrown the Germans out of Africa and the Middle East was no longer in danger our expenditure in those parts remained as before. The Major-Generals in Cairo look like becoming chronic .... The prima facie evidence of the global statistics is that unless it is advisable and practical to bring this expenditure

under drastic control at an early date (and perhaps it is not) our ability to pursue an independent financial policy in the early post war years will be fatally impaired."<sup>204</sup>

The Liaison Committee inquiry could be of considerable significance in the long-term story of our search for strategic grip. In one sense it already is. In none of those post-1945 defence reviews or industrial strategies has Parliament played an **initiating** role as opposed to a scrutiny function after the event. If the select committees could somehow (individually and collectively) acquire a participatory and stimulating function in, at last, the UK acquiring that strategic-mindedness we have needed so sorely since 1945, it would represent a new ingredient in the mix and a boost to Parliament's reputation.

There would be some resource implications here but most crucially, it is a question of state-of-mind, aspiration and inspiration—a game-raiser **and** a game-changer if the HoC select committee system (which has done truly good things since 1979) rose still higher in the level of today's demanding and anxiety-inducing events. Maybe that 'great prize' we've been seeking since 1945 would, at last, be within our grasp.

Peter Hennessy

29 October 2023

# Annex 2: A short history of the development of Civil Service skills

- 1) There have been a number of schools of government in the past 50 years since the 1968 Fulton Report recommended such institutions as a remedy to Civil Service amateurism. In 1970, the Civil Service College was established in Sunningdale; in 1999, it was absorbed into the Centre for Management and Policy Studies; in 2005 and was then replaced by the National School for Government (whose training offer included a course on 'Strategic Thinking'<sup>205</sup>).<sup>206</sup>
- 2) The National School for Government was abolished in 2012. This was part of the Coalition Government's reform of public bodies, known as the 'bonfire of the quangos', and was motivated by a lack of demand from residential and classroom learning, and the reputation of NSG as being only accessible to more senior civil servants and individuals with enough funds to pay the fees.<sup>207</sup>
- 3) Civil Service Learning (CSL) was created in 2012 to encourage the move to e-learning, to make training accessible to all civil servants, and to make use of commercial providers rather than delivering learning in-house. While the establishment of CSL allowed the Government to make spending cuts during times of austerity, it was criticised for its lack of value for money, leaving a gap in the training provided to the Civil Service.<sup>208</sup> On top of that, CSL was split between the Cabinet Office and the Home Office, where it was located and run by a commercial provider.<sup>209</sup>
- 4) Its shortcomings led individual departments and professions to set up their own academies, such as:
  - Government Finance Academy;
  - Commercial College;
  - Major Projects Leadership Academy (MPLA);
  - Government Digital Academy;
  - Diplomatic Academy; and
  - HMRC Tax Academy.<sup>210</sup>
- 205 Public Administration Select Committee, Second Report of Session 2006–07, <u>Governing the Future</u>, HC 123-I, Appendix 3, pp41–43
- 206 Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, <u>Strategic Leadership in the Civil Service</u>: <u>Sustaining Self-Governance and Future Capability while Supporting the Government of the Day, HC 1536, pp8–9</u>
- 207 Public Administration Select Committee, Fourth Report of Session 2014–15, <u>Developing Civil Service Skills: a unified approach</u>, HC 112, p59
- Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, Strategic

  Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the

  Government of the Day, HC 1536, p16
- 209 Public Administration Select Committee, Fourth Report of Session 2014–15, <u>Developing Civil Service Skills: a unified approach</u>, HC 112, p86
- 210 Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, <u>Strategic Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the Government of the Day, HC 1536, p19</u>

- 5) These academies were additional to the Defence Academy, established in 2002. Additionally, in 2017 the Civil Service Leadership Academy (CSLA) was created to provide training to senior civil servants and the National Leadership Centre (NLC) on senior leadership capability targeted at the wider public service.<sup>211</sup> It still left some gaps in the training provided to the Civil Service. For example, the Policy Profession did not establish its own academy, showing a lack of a common approach.
- 6) In response to this issue, the Government Skills and Curriculum Unit (GSCU) was established in 2020.<sup>212</sup> It is responsible for the "Campus (the 'how') and curriculum (the 'what'), for all knowledge, skills, and training for the Civil Service", and also for Ministers and Special Advisers. Some of its main objectives are:
  - The Leadership College for Government, to promote leadership and related skills in the Civil Service and wider public sector;
  - A Reformed Fast Stream and Emerging Talent Routes that meet the government's current and future workforce needs;
  - A College for National Security to deliver on the Integrated Review commitment to build capability.<sup>213</sup>

It is not clear what progress has been made to meet these objectives—as set out in the report, a campus has yet to be established. We note that in 2020 the total headcount of the teams combined to create GSCU was over 400, by the beginning of 2022 this had reduced to around 300, and by May 2022 it was estimated at around 240. The assessment in September 2022 was that the GCSU no longer had the resources needed to deliver on all of its commitments and future plans, and that the Campus infrastructure, online and physical, was particularly at risk of under-delivery.

Public Administration and Constitutional Affairs Committee, Nineteenth Report of Session 2017–19, <u>Strategic Leadership in the Civil Service: Sustaining Self-Governance and Future Capability while Supporting the Government of the Day, HC 1536, p26</u>

<sup>212</sup> Cabinet Office, Cabinet Secretary Lecture: Wednesday 13 October 2021, 13 October 2021

<sup>213</sup> Ms Pamela Dow (Chief Operating Officer at Civic Future) (SSTG0037)

# Annex 3: Revised select committee core tasks

**Overall aim:** To hold Ministers and Departments to account, and to investigate matters of public concern where there is a need for accountability to the public through Parliament.

#### To deliver this aim our core tasks are:

- **Policy:** To examine the policy of the department, including areas of emerging policy or where existing policy is deficient, and make recommendations. This may include legislative scrutiny, post-legislative scrutiny, and scrutiny of delegated legislation where relevant.
- Implementation: To hold departments and arm's-length bodies to account for implementation of committee recommendations. Too often inquiries come up with important recommendations, widely welcomed but left to gather dust on the shelf.
- Administration: To examine the administration of departments and their associated public bodies, including their performance and management information. This includes holding pre-appointment hearings where appropriate.<sup>214</sup>
- **National Strategy:** To examine the strategy of departments and their associated public bodies, to examine its strategic thinking, and to examine how its work contributes to the government's broader national strategic priorities.<sup>215</sup>
- **Expenditure:** To inform and support the House's control of public expenditure by examining the expenditure plans, outturn and performance of the department and its public bodies, and the relationships between spending and delivery of outcomes, including effectiveness and value for money.
- Matters of public concern: To consider matters of public concern where there is a need for accountability to the public through Parliament, including the actions of organisations or individuals with significant power over the lives of citizens or with wide-reaching public responsibilities.

#### To deliver these tasks we will:

- Hear from those with relevant responsibilities, expertise, knowledge and lived
  experience, using methods which maximise our ability to engage with a diverse
  range of people.
- Work in collaboration when appropriate with research communities in the
  public and charitable sectors to make sure we are well informed, including using
  reliable and accurate data, and to ensure we use the best research evidence to
  support our findings.

<sup>214</sup> This has been revised from the 2019 core tasks; Liaison Committee, Fourth Report of Session 2017–19, <u>The</u> effectiveness and influence of the select committee system, HC 1860, p30

- Communicate our work in the most transparent and immediate ways which
  are appropriate through reports, findings, summaries and other means, and by
  a range of different media, to inform Parliament, to influence Government and
  hold Ministers and others to account, and to contribute to public understanding
  and public engagement in democratic debate.
- Follow-up on our findings and recommendations to maximise their impact; returning to subjects where necessary and repeatedly calling Ministers and others to account where responses are insufficient and actions are lacking.
- Make ourselves accountable to the House of Commons and the electorate for how we deliver on these commitments.

## **Appendix 1: Cabinet Office functions**

Below is a list of ministerial responsibilities that sit within the Cabinet Office.<sup>216</sup>

# Deputy Prime Minister, The Chancellor of the Duchy of Lancaster, Secretary of State in the Cabinet Office

#### Responsibilities include:

- Driving delivery of Government's priorities
- Oversight of all Cabinet Office policy
- Oversight of civil contingencies & resilience
- National Security (including Cyber Security)
- Economic security, including National Security and Investment Act
- Oversight of Cabinet Office business planning
- Oversight of Major Events
- Propriety and Ethics
- Public Appointments and Honours
- GREAT campaign

# Minister for the Cabinet Office and Paymaster General (attends Cabinet)

#### Responsibilities include:

- Delivery of the Government's efficiency programme
- Civil Service Modernisation & Reform
- Infected Blood inquiry
- Public Bodies reform programme
- Spend Controls Reform
- Places for Growth programme
- Oversight of the cross-cutting functions and government functional strategy
- Crown Commercial Service
- Government Commercial Function and commercial models
- Digital (Central Digital and Data Office, and Government Digital Service)

- Government Security Group including United Kingdom Security Vetting (UKSV)
- Office of Government Property
- Government Property Agency
- Government Communications Service

#### Minister without Portfolio (attends Cabinet)

#### Responsibilities include:

- Supporting the Deputy Prime Minister on:
  - Driving delivery of government's priorities
  - Ensuring effective communication of government's priorities
- Supporting the Deputy Prime Minister and the Minister for the Cabinet Office on:
  - Ensuring efficiency and value for money in government policy
  - Ensuring efficiency and value for money in government delivery
- Supporting the Deputy Prime Minister and Baroness Neville-Rolfe on:
  - Public appointments outreach
- Supporting the Minister for the Cabinet Office on:
  - Public Bodies reform programme

#### **Parliamentary Secretary**

#### Responsibilities include:

- Public sector AI efficiency
- Constitution
- Legislation including secondary legislation and Grenfell Tower Inquiry
- UK Covid-19 Inquiry
- Supporting the Deputy Prime Minister on:
  - Resilience, including AI
- Supporting the Minister for the Cabinet Office on:
  - Day-to-day management of the Government functions
  - Government Commercial Function

- Commercial Models and Crown Commercial Service
- Government Digital Service and Central Digital and Data Office
- Government Property Agency and Office of Government Property
- Government Communications Service

#### **Minister of State**

Responsibilities include:

- Cabinet Office business in the Lords
- Borders & Single Trade Window
- Places for Growth
- (COVID-19) Commemoration
- Transparency and Freedom of Information
- Sponsorship of UK Statistics Authority and Parliamentary and Health Service Ombudsman
- Conflict Stability and Security Fund
- Supporting the Chancellor of the Duchy of Lancaster on:
  - Cabinet Office business planning and performance
  - Honours and Appointments
- Supporting the Minister for the Cabinet Office on:
  - Government Security Group, including United Kingdom Security Vetting
  - Civil Service HR approvals
  - Public Sector Fraud Authority
  - Infrastructure and Projects Authority (jointly with HM Treasury)

#### Minister of State (Minister for Veterans' Affairs) (attends Cabinet)

Responsibilities include:

- All veterans issues
- Afghan accommodation
- Cross-government support to care leavers

#### **Minister Without Portfolio (Party Chair) (attends Cabinet)**

No Government responsibilities

#### Minister of State (Joint Minister with the Northern Ireland Office)

Responsibilities include:

• The Windsor Framework

# Parliamentary Under Secretary of State (Minister for Investment Security) (Joint Minister with the Department for Business and Trade)

Responsibilities include:

- Investment Security Unit
- The National Security and Investment Act

#### **Agencies of the Cabinet Office**

- Crown Commercial Service
- Government Property Agency
- UK Statistics Authority

# Appendix 2: Key developments in relation to foresight in the UK Government in the past 120 years

1904	The Committee of Imperial Defence (CID), set up in 1902, becomes a permanent adviser to the Prime Minister. The forerunner of the Secret Service and the national security council, it 'scans the horizon' for undesirable developments in world affairs
1910	The Secret Service Bureau, 'son' of CID, splits into MI6 and MI5
1920	The Supply and Transport Committee, a regular provider of foresight and contingency planning, becomes a permanent body. Its purpose is to keep services moving in the event of strikes, which are increasing in frequency
1923	The Chiefs of Staff Committee is set up with its own horizon-scanning team, the Joint Planning Committee. The prime mover is Winston Churchill, who had floated the idea for the committee as Secretary for War and Air, in 1919
1936	The Joint Intelligence Committee (JIC) is created. Part of the Chiefs of Staff Committee, it co-ordinates inter-services intelligence
1942	The Beveridge Report sets out a vision for post-war transformation, tackling what its author calls the "five giants on the road to reconstruction"—want, disease, ignorance, squalor and idleness
1948	The RAND Corporation, a global policy think tank, is set up in America by Douglas Aircraft Company to provide research and analysis to the US Armed Forces
1958	The Assessments Staff is created. Working for the JIC, it drafts assessments of situations and issues of concern, "providing warnings of threats to British interests and identifying and monitoring countries at risk of instability". The JIC agrees most assessments before they're circulated to Ministers and senior officials
1959	Harold Macmillan commissions Future Policy Study, a secret horizon scan looking at where Britain would be by 1970 on current policies
1960	Macmillan pulls Future Policy Study from full Cabinet discussion because it gloomily foresees a Britain: dwarfed by superpowers; falling behind the six EEC countries; struggling to meet welfare and defence costs. (The only thing it doesn't get right is Northern Ireland, failing to predict a resurgence of The Troubles.)
1962	The UK Policy Planning Staff (UKPPS) is set up at the Foreign and Commonwealth Office. It follows the PPS model established by George Kennan and George Marshall at the US State Department in 1947
1963	Dr Beeching publishes his controversial report on the future of the railways. His proposals for the rationalisation of trunk routes are based on forecasts for traffic patterns in 1974 and 1984
1964	The post of Government Chief Scientific Adviser is created. It is independent of
	Government
1966	The Science Policy Research Unit (SPRU) is founded at the University of Sussex by Christopher Freeman, a pioneer of innovation studies. Its aim is to take a sociologically informed approach to the study of scientific and industrial research

1967	Harold Wilson sets up the Programmes Analysis Unit. Working for the Ministry of Technology and based at the Atomic Energy Agency (AEA) in Harwell, it produces disinterested evidence on the benefits of investment in various new technologies, often using AEA computers for forecasting and modelling purposes
1970	The 'Reorganisation of Central Government' White Paper laments the government's lack of a "clear strategic purpose" and its inability to consider "the totality of current policies" and to evaluate as objectively as possible alternative options and priorities under the "pressures of the day-to-day problems"
1971	Edward Heath sets up the Central Policy Review Staff (CPRS) as a strategic think-tank within government to take a long-term view. Led by Lord Rothschild, former head of research at Shell, it sets up an Early Warning System (EWS) and tries to encourage Whitehall departments to share their anxieties about the future
c1973	The government gives SPRU an £11,000-pound contract to review and evaluate current future studies, including the Club of Rome study, Limits to Growth, published in 1972; Heath creates the Cabinet research group, the World Future Trends Committee (WFTC)
1974	Launch of the Number 10 Policy Unit by Harold Wilson. Wilson wants an "authoritative alternative source of policy ideas, especially economic, to fight the Treasury"
1974	The Department of the Environment, created by Heath when he came to power, sets up a Systems Analysis Research Unit (SARU) to monitor global models of the future and test their feasibility
1975	William Plowden, founder member of the CPRS, publishes 'A Joint Framework for Social Policy Studies'. It's greeted enthusiastically by the DHSS, less so by the Treasury
1976	The Cabinet Office publishes 'Future World Trends: A Discussion Paper on World Trends and Their Implications'. Based on modelling work by SARU, it concludes that the World computer model used by Limits to Growth was too crude, claiming that there "are no hard and fast physical limits to resources; the limits are economic and technological and can vary widely"
1979	The National Intelligence Council (NIC) is set up in America as the center for mid-term and long-term strategic thinking in United States Intelligence
1979	Michael Heseltine, newly appointed Secretary of State for the Environment, introduces an internal audit system, MINIS (management information system for Ministers), including expenditure, staff costs and forward plans
1983	Margaret Thatcher disbands the CPRS
1987	Mariot Leslie of the FCO's planning staff (UKPPS) writes a short paper foretelling German reunification and the collapse of the Berlin Wall
1989	The Parliamentary Office for Science and Technology (POST) is officially created, with charitable funding
1991	Michael Heseltine, Secretary of State for the Environment, announces the City Challenge programme: local authorities are invited to compete for £40m. To 'win', they must submit five-year strategies to transform an inner-city area
1992	POST is adopted as a parliamentary body, subject to five-year reviews
1993	In response to the White Paper 'Realising our potential: a strategy for science, engineering and technology' the government announces a national Foresight programme, managed by the Office of Science and Technology (OST or GO-Science)
1995	The OST is transferred to the DTI, under Deputy Prime Minister and President of the Board of Trade, Michael Heseltine

	T
1998	The Strategic Defence Review (SDR) makes clear the need for the MoD to set out a future strategic context, following the example of the NIC in America
1998	The Performance and Innovation Unit (PIU) is established to work on cross- cutting issues such as e-commerce, the ageing population and the future of rural economies. Teams are to be given "the time and space to develop forward-looking policies rather than reacting to short-term pressures"
1998/ 1999	In response to the 1998 Strategic Defence Review, a think-tank, the Development, Concepts and Doctrine Centre (DCDC) is created as part of the MoD. It is located outside Whitehall, at Shrivenham near Swindon
1999	The Blair administration sets out its approach to policy making and public services in the 'Modernising Government' White Paper and the 'Professional Policy Making for the Twenty-first Century' report. These papers conclude that, although long-term thinking is taking place within government, the difficulties identified by the 1970 White Paper, 'The Reorganisation of Central Government', remain: a bias towards strategies that produce short-term results; lack of 'joined up' thinking
1999	The Centre for Management and Policy Studies (CMPS) is set up. A Cabinet Office body, it has two functions: to provide a thinking hub for Whitehall; to oversee Civil Service learning and development through the Civil Service College (CSC)
2000	The Local Government Act includes a statutory requirement for local authorities to develop a 20-year Community Strategy to promote and improve the economic, social and environmental well-being of their areas
2001	John Birt, former director-general of the BBC, is appointed (unpaid) strategy adviser to Tony Blair, overseeing the development of long-term strategy on drugs, health, crime reduction, education and transport.
	The creation of the Prime Minister's Forward Strategy Unit (PMFSU), a complementary body to the PIU, follows
2001	The Defence Science and Technology Laboratory (DSTL) is created at the MoD to "maximise the impact of science and technology for the defence and security of the UK". It scans the horizon for technological threats and opportunities
2001	POST becomes a permanent parliamentary institution
2001	The Local Government White Paper 'Strong Local Leadership' calls for local councils to develop strategies for sustainable development that take account of the needs of future generations
2001	The MoD's think-tank the DCDC publishes its first edition of Global Strategic Trends. It follows the example of the NIC's Global Trends report, which "assesses critical drivers and scenarios for global trends with an approximate time horizon of fifteen years"
2002	The PIU and the PMFSU merge with parts of the Centre for Management and Policy Studies to create the Prime Minister's Strategy Unit (PMSU)
2002	Chief Scientific Adviser David King and Foresight UK Director Claire Craig establish a programme of in-depth scenarios- and futures-led projects; the Foresight lens is broadened to include social sciences
2002	The DCDC publishes its second edition of Global Strategic Trends. The purpose of the report, which is now to be published every four years, is to "identify the key drivers of changes that will shape and reshape our world" for both Defence and its "cross-governmental partners"
2003	The Treasury publishes the Lambert Review, which makes a number of recommendations to improve the transfer of knowledge between university research departments and businesses; the DTI publishes David Sainsbury's report, 'Competing in the global economy: the innovation challenge'

2004	The Technology Strategy Board is created as an advisory body
2004	Foresight publishes Future Flooding, a report looking at the risks to the UK from flooding and coastal erosion over the next 100 years
2005	The Horizon Scanning Centre (HSC) is created (within Foresight) to feed futures work into departments across Whitehall and grow capacity for strategic futures across government
2005	DEFRA sets up an in-house horizon scanning and futures unit to support long- term planning and futures work across the DEFRA family
2005	The Advanced Research and Assessment Group (ARAG) is founded inside the Defence Academy of the United Kingdom. It is 'tasked' with long-term planning and threat assessment and brings together experts from the military, academia and other fields, working across government departments
2005	The Scottish Parliament establishes the Scotland's Futures Forum think-tank to look beyond the five-year electoral cycle and enable MSPs and others to consider the effects of "decisions taken today on Scotland's long-term future"
2005	In the run-up to the General Election, Andrew Turnbull, Cabinet Secretary, commissions the Government Office of Science to use scenario planning to envisage the future of the world we're living in
2005	The Centre for Management and Policy Studies is shut down and replaced by the National School for Government (formerly the Civil Service College)
2006	The JIC prepares an assessment on the future of the nuclear deterrent—looking 50 years ahead
2006	The Stern Review on The Economics of Climate Change, commissioned by Gordon Brown, then Chancellor of the Exchequer, comes out. Looking ahead to 2030 and 2060, it concludes the benefits of action on climate change outweigh the costs
2006	Foresight publishes Infectious diseases: preparing for the future, a report on the detection and identification of infectious diseases over the next 10 to 25 years
2006	The Technology Strategy Board becomes a non-departmental public body
2007	The Public Administration Select Committee (PASC), in a report entitled 'Governing the Future', otherwise known as the Wright Review, suggests Parliament strengthens its capacity to think ahead and work with outside experts and the wider public
2007	David Miliband takes over as Foreign Secretary and charges the FCO Policy Planners Unit (founded in the mid-1960s) with the task of using "a 'formal strategy project' approach to analysing foreign policy issues", modelled on that of the PMSU; a revamped strategy centred on eight Departmental Strategic Objectives and related sub-strategies follows and is filtered down to every FCO outpost/embassy
2007	Foresight publishes Tackling obesities: future choices. The report "takes a strategic 40-year forward look at how the UK can respond sustainably to rising levels of obesity". (It's to be reviewed ten years later.)
2008	The Cabinet Office publishes its first National Risk Register—but fails to make any reference to the financial crisis, despite ARAG warnings of the impending threat to the economy
2008	The Horizon Scanning Unit (HSU), the National Security Secretariat (NSSec) and a Horizon Scanning Forum (HSF) are set up. The HSU, later known as the Strategic Horizons Unit (SHU) is located within the Joint Intelligence Organisation of the Cabinet Office, to "co-ordinate horizon scanning activity and improve its overall effectiveness across government"
2009	The public agency Natural England publishes 'England's Natural Environment in 2060—issues, implications and scenarios', a major piece of futures work

2009	The PMSU publishes 'Applying Complex Thinking to Public Services'
2010	David Cameron disbands the PMSU and transfers its functions to other units. He also closes the National School of Government, which provided training for civil servants in (among other things) strategic thinking, and replaces it with Civil Service Learning, which relies heavily on private contractors
2010	The SHU is transferred from the Cabinet Office to the NSSec Strategy and Projects team
2010	ARAG is closed in a cost-cutting move by the Defence Academy
2010	The Austrian entrepreneur Dr Hermann Hauser publishes a report recommending the creation of a network of science and technology centres. The government subsequently allocates £200m to create the first seven Catapult Centres for innovation. They include centres for cell and gene therapy, digital technology, future cities and medicines discovery
2010	The HSC's FAN club (Future Analysts Network), a group of futures thinkers from across the public, private, academic and third sectors, is disbanded
2011	The public-private NPO Future Cities Catapult is created to build better cities for the urban "dwellers of tomorrow"
2011	A White Paper on the Natural Environment is published. It includes a key piece of horizon scanning-based evidence, the National Ecosystem Assessment
2012	The PASC highlights concerns about the erosion of strategic thinking across the Civil Service. It recommends the government publishes an annual statement of National Strategy (over and above the National Security Strategy) to "ensure that short-term decisions are made in the context of the long-term national strategic framework". This follows its 2010 inquiry, 'Who does UK National Strategy?' and a subsequent report of 2011
2012	Michael Heseltine sets out an industrial strategy for England in his 'No Stone Unturned: in pursuit of growth' report
2013	The Jon Day review of cross-government horizon scanning is published as part of the government's Civil Service Reform Plan. It recommends the Cabinet Secretary formally owns and champions cross-cutting horizon scanning and sets out a new structure to improve coordination and reduce duplication
2013	Following the Day Review, a new hub of cross-departmental horizon scanning is formed at the Cabinet Office to increase understanding of "the world around us, and how that world is changing" and to identify "potential threats, risks, emerging issues and opportunities". The Cabinet Secretary Advisory Group (CSAG) is created. Formed of permanent secretaries and chaired by the Cabinet Secretary, it is set up to "give direction and leadership" to horizon scanning work
2013	Foresight publishes Future of cities, a report looking at the opportunities and challenges facing UK cities over the next 50 years
2014	Hermann Hauser reviews progress of the Catapult science and technology centres
2014	The Science and Technology Select Committee identifies "substantial weaknesses" in the new horizon scanning programme, saying it is "little more than an echo chamber for government views" and criticising the government for not making better use of the cross-department horizon scanning centre (HSC) in the Foresight Unit. It also recommends the relocation of GO-Science from the BIS to the Cabinet Office
2015	The Welsh Assembly passes the Well-being of Future Generations (Wales) Act, establishing the Office of the Future Generations Commissioner, with legal duties and policy incentives

2015	George Osborne launches the National Infrastructure Commission, a standing body that will think "passionately and independently" about Britain's long-term infrastructure needs. It is to produce a report at the beginning of each Parliament with recommendations for spending
2016	The Chilcot report on the Iraq war is published. It describes post-conflict preparation as "wholly inadequate" and says: "the Government's preparations failed to take account of the magnitude of the task of stabilising, administering and reconstructing Iraq, and of the responsibilities which were likely to fall to the UK". Among its recommendations: increased use of scenario planning in policymaking
2018	The sixth edition of Global Strategic Trends (GST6) is published
2019	The independent think-tank the Institute for Government expresses concern about the government's preparations for a no-deal Brexit, judging planning to be inadequate in nine key policy areas, including health, energy and the environment, and agriculture, fisheries and food.  The Department for Exiting the European Union counters it has been planning
	for "all scenarios" for two years

Source: School of International Futures, <u>Features of effective systemic foresight in governments around the world</u>, April 2021, pp93–99

## Conclusions and recommendations

#### What is strategy?

1. It is essential that government establishes a shared understanding across Whitehall of terms, including 'strategy' and 'strategic thinking', and the differences between 'strategy', 'policy', 'national strategy', 'plan', 'review', 'strategic concept', 'strategic framework', and 'emergent strategy'. We have set out our own understanding in our definition of strategy, as an active process, not just as a noun, as follows: (Paragraph 24)

'Strategy' is best understood by reference to what it is trying to achieve: the successful implementation of government policy over time. Executing strategy, or strategising (it is more an active verb than a static noun), is the cohering over time of reality (of the challenge faced), policy (what the government wants to do about this challenge), activity (directed towards this challenge to achieve this policy objective) and resource (allocated to this activity).

- 2. Select committees cannot seek to impose definitions on government, but based on the evidence received, we recommend that definitions of strategy and other terms be set. A common appreciation of why these terms must be defined is indispensable to coherent strategic thinking across our system of government. Any alteration to our wording must not detract from the substance of our definition. The challenge for government is to find the definitions they wish to employ that achieve the same cohering function of the same factors. Therefore, we expect to be consulted on and informed of the definition the Government wishes to use. (Paragraph 25)
- 3. Our main objective is for government to achieve a shared definition and understanding that incorporates the commonly identified elements of 'strategy', so that communicating on the same terms within and across departments, reflects the systems approach as recommended by the former Government Chief Scientific Adviser, Sir Patrick Vallance. Without this, there will be no improvement in the quality of strategic thinking within government. As such, we welcome the work that is currently under way to produce a cross-government lexicon. The Government should use its response to this report to update us on the processes and timelines for completing this work. (Paragraph 26)
- 4. Once the definition of 'strategy' and other, related, terms are set, they need to be adopted across government, consistently applied, and periodically reviewed. The Development, Concepts and Doctrine Centre, based at Shrivenham Defence Academy, defines terminology for the defence community. In the same way, the new National School of Government and Public Service, which we recommend in chapter 3, should include a National Strategy Concepts and Practice Centre. Papers should also be published to better enable Parliament and the public to engage with government strategic thinking and to hold government to account. Having been developed, we recommend that the Cabinet Secretary be responsible for the cross-Whitehall lexicon, and accountable for its consistent application. (Paragraph 27)

#### Strengthening capacity for national strategy

- 5. The biggest challenge for government to improving strategic thinking and national strategy will be to strengthen the culture of Whitehall in favour of strategic thinking. By this, we mean identifying, encouraging and rewarding the habits of attitude and behaviour in Whitehall that will promote strategic thinking. It also means identifying and discouraging those which undermine it. Everyone must be persuaded to adopt a sincere understanding of strategy and its language, or culture will remain unchanged. Leadership must be united and clear in this purpose and should lead by example. (Paragraph 29)
- 6. The Government should establish a new 'National School for Government and Public Services' which reflects the Cabinet Secretary's aspiration, that is charged with (a) developing a strong, shared culture of strategic thinking across government and (b) continually defining and disseminating best practice in strategy and delivery. The new National School's syllabus should address all the requirements for effective strategy in government, including:
  - *skills and tools*;
  - shared language and operating practices;
  - the development of leaders who can build and lead large cross-departmental teams; and
  - recognition for people who demonstrate rigour, risk management and challenge. (Paragraph 44)
- 7. The new National School's mission should also facilitate the creation of essential informal networks among all those involved in governing the UK. As such, its students should encompass Ministers, their special advisers, officials, potential future Ministers, and other public service officials and leaders such as those in local government and the NHS. However, establishing a new National School will not be sufficient if its teachings are not actively adopted in the practice of the day-to-day work of government and if it is not backed by the sustained support of both Ministers and civil servants. Leaders must set the best example and reward and promote those who embrace the new strategic culture. (Paragraph 45)
- 8. The new National School must also have a permanent physical campus. While online learning can be useful, it is no substitute for in-person development and residential courses, not least by enabling a 'network effect' that enables cross-department strategy and crisis response. This new institution must be one that enables the Civil and Diplomatic Services to be more mindful of their own capabilities and purpose in the future. (Paragraph 46)
- 9. While we welcome the positive response from the Prime Minister, Minister for the Cabinet Office and Cabinet Secretary, when we put our proposal to them, past experience suggests that good intentions are not enough: it is three years since a previous Prime Minister and the same Cabinet Secretary announced a similar proposal, yet still no such campus exists. What is required now is a binding commitment to implement this new National School. Ministers must agree the principle and commit to providing the

- resources for this at the start of the next Parliament. We recommend that all political parties commit to this before the general election, so Whitehall can start planning now. (Paragraph 47)
- 10. Learning and professional development in strategic thinking should not be the preserve of the more senior ranks of the Civil Service. This may be the priority but is not sufficient to enable cultural transformation. All government activity in pursuit of effective strategy would be improved with the application of a mandatory shared method and the development of a shared culture. It would also benefit from a cultural shift away from risk aversion and waiting for permission to act, towards proactivity and making the best of new opportunities and effective risk management. Anything less than learning and professional development provision in strategy for all those potentially working on policy and delivery within the Civil Service would therefore be another opportunity missed to create the culture for strategy and a further waste of effort. (Paragraph 48)
- 11. We therefore recommend that the new National School should build competences for strategic thinking among all civil servants involved in policy and implementation, regardless of their grade. A basis of strategy and strategic thinking for all those joining the Civil Service is essential—so the shared understanding and common language is disseminated, and new recruits can be inducted in the culture of strategic thinking, and then graduated with deeper learning for those at senior levels or with a requirement for more development to support a particular role. (Paragraph 49)
- 12. We welcome the clarification from the Government that there is a programme of learning and professional development for Ministers. Nonetheless, it is revealing that the general perception conveyed in our evidence—including that taken from the Cabinet Secretary's immediate predecessor—was that there was no such training offered. If there is to be good strategic thinking in government, those who want to be our national leaders need to train for it as they embark upon their public service. It is critical that there is professional development for politicians—whether Ministers, or backbench MPs who may become Ministers. This is the least that politicians would, and do, expect from other professions. (Paragraph 56)
- 13. The new National School for Government should therefore include learning and professional development in strategic thinking, government ways of working, and tools and skills for all MPs. This underlines that national strategy is a joint responsibility of Parliament as well as between Ministers, officials (including special advisers), and Parliament. It would also help to prepare current and future Ministers, enabling them to (a) lead and reinforce an effective culture from the top and (b) engage with and lead governance structures and processes within Whitehall and across the UK. In addition, it would support other MPs in scrutinising government strategy-making and delivery, whether that is as a shadow Minister, a Chair or member of a select committee, or otherwise on the backbenches. This should be delivered by establishing a Civil Service Parliamentary Scheme. Strong and able government should be subject to strong and informed opposition and scrutiny if it is to be effective. Specialist Advisers and potential Specialist Advisers should be required to attend the same programmes. (Paragraph 57)

14. We have found that civil servants are not sufficiently recognised for thinking and acting strategically in pursuit of the government's objectives. This is particularly important when it requires working across departments and delivery over time on national strategic priorities. Nor is officials' strategic capability recognised in their career development. Lord Sedwill's evidence on appointing Senior Responsible Owners to deliver cross-cutting priorities was a compelling example of what can be done in a mutually beneficial way. However, it appears this initiative has not endured and, in any case, was limited to national security policy in its implementation. We recommend that proper recognition for cross-cutting work be established so that this is displayed in Civil Service career paths and becomes as valued as working within departmental boundaries. If any government wants to deliver on its top priorities, it would do well to learn from, and develop, the SRO model and use it as a way to develop leaders of cross-departmental teams. (Paragraph 61)

#### Leading strategy from the centre of government

- 15. It is clear that the centre of government is not executing its most important function: to set, direct and ensure delivery of cross-government national strategy in support of the Cabinet's priorities. This has been stated by senior Ministers, by those commissioned by the Government to report on this matter and a leading think-tank on government affairs. It has been a common theme in our written evidence. Even the Cabinet Secretary, in evidence to us, said it was time to reset. (Paragraph 75)
- 16. We agree with Lord Forsyth about the importance of cabinet government and collective cabinet responsibility. These are vital for coherent leadership from the centre of government. We would add that the extensive divisions in Cabinet about fundamental issues have undermined its own authority and often made it impossible for permanent secretaries to know what to do. This has resulted in the sense that officials are resisting Ministers, when No 10, or the Treasury, or the Secretary of State are trying to achieve the opposite things. To return to this style of government would be an abject failure of leadership from the centre of government. Without attributing blame to any party or individuals, the delays inflicted by the 2010–15 Coalition Government on the renewal of the strategic nuclear deterrent, and then divisions about the Brexit negotiations are each a case in point, and underline the importance of strategic coherence, cabinet unity and collective responsibility. (Paragraph 76)
- 17. We have heard proposals for major restructuring, including the formation of new government departments, and also for more modest reforms such as establishing a new Office for Strategic Affairs within the existing Cabinet Office, or the creation of an Office of Budget Management separate from the Treasury, or of a separate department for the Civil Service. Whichever approach government decides to pursue, it must have at its heart the essential requirement that the centre of government leads by example in setting national strategic direction and holding other departments to account for the delivery of the government's national strategic priorities. (Paragraph 77)
- 18. We recommend that the next Government, with the input and engagement of the whole-of-society, sets out the UK's national strategy. This should then be underpinned

- by the five or six key national strategic priorities. Around which the cabinet and its committees must be fully united. It must be clear that the role of the centre of government, the Cabinet Office, is to set, direct and ensure delivery of cross-government national strategy in support of the Cabinet's priorities. (Paragraph 78)
- 19. Once the national strategy and key national strategic priorities are clarified, it will be necessary to implement, to monitor and to update them. This should be the task of the National Situation Centre. The existing National Situation Centre should be augmented to include coordination of current and future horizon scanning. When indicators show a need for action, it needs to be able to trigger reviews of existing strategies to check their viability and continued coherence with reality. With this function, it will be the coordination centre from which Cabinet decision-making can be subject to consistent challenge and updating. In addition, as the monitoring centre for the key national strategic priorities, the National Situation Centre should brief the Cabinet and its committees on these priorities as one collective body, so Ministers are not dependent on their departmental view and so Cabinet committees can work effectively with the collective responsibility that is expected of them. (Paragraph 79)
- 20. As these five or six key national strategic priorities will tend to necessitate cross-departmental working, they must be driven by the Cabinet Office (or a lead government department overseen by the Cabinet Office). However, the Cabinet Office must be conscious of its capacity. If it seeks to prioritise too much from the centre, it will not be able to deliver. The Cabinet Office official in charge of each national strategic priority should be seen as someone with executive authority to lead on the mandates of the Cabinet and its Committees. We also know from experience that it is possible for the strategic lead to be driven from outside the centre of government, where there is strong leadership and the necessary incentive or imperative. CONTEST and the Vaccine Taskforce are examples of this. Government must learn from these very positive examples, not just in reaction to threats or at times of crisis. (Paragraph 80)
- 21. To give the Cabinet Office the space to focus on its core tasks and these strategic priorities, the other policymaking and delivery functions it has acquired over the years must be handed back to departments, so that they do not become a distraction. The Cabinet Office has become far too big and complicated and should be slimmed down. We set out in Appendix 1 a list of functions we have identified which could be considered for reallocation to departments, and call on the Government to confirm its approach in response to this report. (Paragraph 81)
- 22. For strategy to be realistic and effective, it must be properly resourced. We have heard that the Treasury responds well when it is presented with clear and considered requests for funding. This demonstrates the positive role it could play in embedding a culture of strategic thinking within government, through which strategic goals and the ways in which they are pursued are aligned with the available resources—and are iteratively adjusted over time as circumstances change. (Paragraph 90)
- 23. The evidence suggests that the Treasury's role, culture and processes often prevent it from playing a positive role in strategy-making and delivery. It is expert in managing public expenditure very well and deserves high praise for consistently delivering this crucial function. However, it resists establishing cross-departmental budgets for the complex challenges faced by the UK, yet these key national challenges demand

cross-government responses which are fully resourced and sustained over the long term. Some have called for major reform of the Treasury—including its break-up—to improve its contribution to the government's strategic thinking. This would be disruptive, but may deserve deeper consideration which is beyond the remit of our inquiry. We are however convinced by those who argue that governments should harness the power of the Treasury and focus on making the current system work better, under the authority of Cabinet and its committees. We recommend that reviews, plans and other policies should only be published with the necessary resources committed by the Treasury. We recommend that reviews, plans and other policies should only be published with the necessary resources committed by the Treasury (Paragraph 91)

#### Governing for the future

- 24. Over the past quarter of a century there have been incremental improvements to the government's capacity for longer-term thinking. However, it is clear from the evidence we received that these are not coherent and the Minister thought there might be duplication of effort. (Paragraph 104)
- 25. There have been improvements to the UK's system of foresight, but it must continue to be developed and it is vital that resources for foresight are protected and enhanced. No matter how valuable, however, foresight will fail in its purpose if not connected to the decision-making apparatus. What is required is that a system is established, and it is clear that the different elements of foresight are working together to support decision-makers. This futures work needs to be connected to the implementation of strategy. Strategy demands plans which can be adjusted to reflect the experience and lessons of implementation, thereby keeping strategy coherent. We recommend that for the key national strategic priorities, the implementation, monitoring and reviewing to take account of foresight analysis be the responsibility of the National Situation Centre (see chapter 3). This is where futures work can be drawn together to have an impact on existing government plans and therefore to advise how government's national strategic priorities should be reviewed for their continued relevance and coherence. (Paragraph 105)
- 26. During this inquiry we have been struck by the alternative approaches taken in other jurisdictions, which embrace the need for longer term thinking and more consistent implementation of national strategic priorities. We note warnings that each approach is based on the context in that jurisdiction and may not be transferable. It would not be appropriate to impose models from other countries or to try to recreate past UK approaches on a system that has since developed. Nonetheless, key aspects of successful systems seem to include the following features:
  - a single cross-government trends report that looks at the long-term—the example from Finland of their 'Report on the Future' has been cited to us many times in evidence. We believe it would be replicable in the UK context, and therefore recommend that an annual paper be published which sets out long-term trends and policies vital for national wellbeing, perhaps to coincide with the Sovereign's

address to Parliament at State Opening. This would enable debates on the King's Speech to include more explicit reference to the government's national strategic priorities;

- a process for engaging citizens on upcoming issues and how they might be resolved—see paragraph 119;
- an institution at the centre of government for discussing the implications and consequences of change—see paragraph 79;
- consistent leadership and resources recognising the value of capability development in the realm of strategy, involving all civil servants and departments—see paragraph 44; and
- a way in which strategic-thinkers beyond government can be networked together, whether that be through Parliament or through the scrutiny of audit bodies—see paragraph 149 on a new Committee for the Future. (Paragraph 106)
- 27. We are concerned by the polling in recent years that young people are becoming detached from democracy, and more open to authoritarianism than previous generations. This no doubt reflects the real problems faced by young people such as housing, the looming burden of national debt, at a time when disposable income has been limited, and the challenges of climate change. The failure to address the long-term issues which affect future generations further undermines their engagement and trust in the political system. This was not a part of the terms of reference of our inquiry, but we received powerful evidence to support recommendations for action in this area. (Paragraph 118)
- 28. We have noted the Government's muted scepticism when we raised this in oral evidence, and recommend that, in response to this report, it sets out what action it is taking to address the issues of intergenerational fairness and engagement with young people on the UK's national strategic priorities. It is vital that more is done to engage with the public on decisions, in order to combat voter disillusion with mainstream politics, which is particularly prevalent amongst younger voters. In particular, we endorse the recommendation of the House of Lords Select Committee on Intergenerational Fairness and Provision, that "[t]he Government should create Intergenerational Impact Assessments for all draft legislation indicating how it will affect different generations". In order that consideration of these intergenerational issues is embedded into decision-making, there needs to be a procedural mechanism such as this to make it happen. An appropriate first step for the impact of proposed new legislation on future generations to have been considered and set out during its passage through Parliament. (Paragraph 119)

#### Scrutiny by Parliament and the role of select committees

- 29. We recommend that the Government sets out its key national strategic priorities in a clear way in an annual statement to Parliament, or in a document which is published at the same time at the King's Speech. (Paragraph 124)
- 30. We note the evidence we have received that more effective scrutiny of strategic thinking could be achieved by a change in culture and practice. This applies to the practice

of select committees. This should be at the front of their mind before they launch an inquiry. We recommend, rather than practising backward-looking accountability and trying to find who to blame, that committees should practice forward-looking accountability. This means searching through the facts behind success as wells as failure, to learn from what happened, and identifying who to hold to account in future for implementing the lessons learned from that experience. This can be done by a committee asking at the outset of an inquiry: how it wants to engage with the department and the rest of government; whether that is to collaborate on an issue to try to find a solution, or to keep them at arms-length during the process; how it sets its terms of reference, perhaps by asking what a good outcome in 10–20 years might look like to frame the inquiry in those terms; and whether it would be better to work jointly with another committee or committees, or to have a permanent or occasional guest member from another committee take part. (Paragraph 132)

- 31. We have benefitted from a wide range of evidence and ideas about what contributes to effective strategic thinking. If select committees seek evidence that these characteristics are present in the government's work, then it will have an information base from which to analyse whether that strategic thinking has been effective. These characteristics might include whether there has been a critical evaluation process, such as red-teaming, and whether there has been suitably extensive and effective public engagement. (Paragraph 136)
- 32. We recommend that, when select committees are scrutinising a published plan, roadmap, strategy or policy, they should assess whether it reflects comprehensive strategic thought. Committees should have a checklist, and ask: whether the government has provided a clear statement of what it intends to achieve, by when, how, and with what resources; how these elements are aligned with reality, and with the rest of government; and how it will be adapted over time. If not, this would clarify the need for review. (Paragraph 137)
- 33. A number of our recommendations pre-supposes that the Government will set out its strategic thinking and delivery in a clear form. There has historically been reluctance to do so. Therefore, in order to get effective democratic and political challenge into the formulation of strategy, we recommend that the Government share strategies and implementation plans with committees as a matter of course, in advance of publication and in confidence if possible. (Paragraph 139)
- 34. In 2019, the predecessor Liaison Committee recommended a new set of core tasks for select committees. However, these have not been endorsed by the House. We recommend that these be amended to include a specific reference to the scrutiny of strategic thinking. As we set out in this report, strategic thinking needs to be understood, appreciated and implemented by all departments, in order for select committees to be able to scrutinise it. It is therefore logical to recommend that it should be a core task of all select committees to play a part in scrutinising that work. Therefore, we recommend that revised core tasks based on those recommended by our predecessor committee in 2019 and set out in Annex 3, be put to the House in a motion to approve. (Paragraph 142)
- 35. We note the comments of the Cabinet Secretary, that there may be scenarios in which a commission, instigated by Parliament, would be a beneficial endeavour. We note

- that in the United States this was achieved by being included in legislation, and we therefore highlight this mechanism to committees and back-benchers for when appropriate legislation might be before the House. (Paragraph 145)
- 36. We recommend that a committee on national strategic priorities be established in the next Parliament. Its remit should specifically include the interests of future generations. The new committee should be time limited to the next Parliament, at which point its role, effectiveness and its need to continue should be reviewed. It is our hope that by then the recommendations of this report will be fully implemented, and strategic thinking will be mainstreamed across all government departments. (Paragraph 148)
- 37. The main task for the new Committee for the Future will be to ensure that the culture change that is required in Whitehall is achieved. Free of day-to-day departmental scrutiny, it could concentrate more on cross-departmental national strategy, with a positive emphasis on forward-looking accountability. As we say earlier in the report, we want to drive cultural change—changes in attitudes and behaviours—and these scrutiny changes are needed to support that. We have recommended new structures and other changes within government, but it is essential that a parliamentary structure is also created to hold Ministers and officials to account for government's national strategy, and to add the incentive for Whitehall as a whole to think strategically. (Paragraph 149)

## Formal minutes

#### Thursday 23 May 2024

#### **Members present:**

Sir Bernard Jenkin, in the Chair

Dame Karen Bradley

Sir Robert Buckland

Philip Dunne

Sir Robert Goodwill

Harriet Harman

Dame Diana Johnson

Iain Stewart

Sir Charles Walker

Mr Robin Walker

Draft report from the Sub-Committee (Promoting National Strategy: How Select Committee Scrutiny can improve strategic thinking in Whitehall) brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 149 read and agreed to.

Annex 1, Annex 2 and Annex 3 agreed to.

Papers were appended to the Report as Appendix 1 and Appendix 2.

*Resolved*, That the Report be the First Report of the Committee to the House.

*Ordered*, That the Chair make the Report to the House.

**Adjournment** 

[The Committee adjourned.

### Published written evidence

The following written evidence was received and can be viewed on the <u>inquiry publications</u> page of the Committee's website.

SSTG numbers are generated by the evidence processing system and so may not be complete.

- 1 Aldersgate Group (SSTG0040)
- 2 Apolitical (SSTG0038)
- 3 Beijing to Britain (SSTG0025)
- 4 Boff, Professor Jonathan (Professor of Military History, University of Birmingham) (SSTG0011)
- 5 Cabinet Office (SSTG0009), (SSTG0043)
- 6 Conveners Group of the Scottish Parliament (SSTG0014)
- 7 Day, Catherine; and Blick, Dr Andrew (SSTG0045)
- 8 Dear, Dr Keith (SSTG0010)
- 9 Dow, Ms Pamela (Chief Operating Officer, Civic Future) (SSTG0037)
- 10 E3G (SSTG0032)
- 11 Elliott, Dr Ian (Associate Professor of Public Leadership and Management, Northumbria University) (SSTG0015)
- 12 Farrell-Kingsley, Elle (SSTG0044)
- Featherstone, Dr Christopher (Associate Lecturer, Department of Politics and International Relations, University of York) (SSTG0019)
- 14 Flinders, Professor Matthew (SSTG0050), (SSTG0002)
- 15 Hall, Mr Robert (SSTG0003)
- Hashimoto, Dr Tom (Associate Professor, Vilnius University); and Burinskas, Dr Arunas (Associate Professor, Vilnius University) (SSTG0006)
- 17 Liaison Committee (SSTG0049)
- 18 Howe, Sophie (SSTG0041)
- 19 Hunt, Mr Neill (SSTG0005)
- 20 Institute for Government (SSTG0020)
- 21 International Affairs and National Security Hub, Select Committee Team, House of Commons (SSTG0052)
- 22 Involve Foundation (SSTG0034)
- 23 Leoni, Dr Zeno (Lecturer in Defence Studies, King's College London); Aboudouh, Mr Ahmed (Associate Fellow, Chatham House); and Tossini, Mr João Vitor (Visiting Researcher, King's College London) (SSTG0007)
- 24 Mulgan, Professor Geoff (Professor, UCL) (SSTG0001)
- 25 National Centre for Social Research (SSTG0039)
- Neal, Prof. Andrew (Professor of International Security, The University of Edinburgh) (SSTG0029)
- 27 Nympsfield, Lord Hennessy of (SSTG0024)
- 28 Hunter OBE, Professor Carl Stephen Patrick (SSTG0042)

- Omand, Professor Sir David (Visiting Professor, War Studies Department King's College London) (SSTG0026)
- 30 Rand Europe (SSTG0016)
- 31 Restless Development (SSTG0033)
- 32 Ricketts, Lord (SSTG0012)
- 33 Robertson, Dr Duncan (SSTG0021)
- 34 Robertson, Lord (SSTG0023)
- 35 Royal Academy of Engineering (SSTG0018)
- 36 Slater, Jonathan (SSTG0022)
- 37 Strachan, Professor Sir Hew (Bishop Wardlaw Professor of International Relations, University of St Andrews) (SSTG0031)
- 38 Stringer, Air Marshal (Retd) Edward (Director, iJ7 (Consultancy)) (SSTG0027)
- 39 Tan, Ms Anna (Doctoral Candidate, Lau China Institute, King's College London) (SSTG0004)
- 40 Climate & Environment Hub, Select Committee Team, House of Commons (SSTG0048), (SSTG0051)
- 41 The National Preparedness Commission (SSTG0030)
- 42 The University of Bristol (SSTG0017)
- Walker, Mr Derek (Future Generations Commissioner for Wales, Future Generations Commissioner for Wales) (SSTG0028)