

Institute for Public Policy Research



MISSION-DRIVEN GOVERNMENT

**DELIVERING FOR THE BRITISH
PUBLIC IN AN AGE OF DISTRUST
AND DISRUPTION**

Harry Quilter-Pinner

May 2024

ABOUT IPPR

IPPR, the Institute for Public Policy Research, is an independent charity working towards a fairer, greener, and more prosperous society. We are researchers, communicators, and policy experts creating tangible progressive change, and turning bold ideas into common sense realities. Working across the UK, IPPR, IPPR North, and IPPR Scotland are deeply connected to the people of our nations and regions, and the issues our communities face.

We have helped shape national conversations and progressive policy change for more than 30 years. From making the early case for the minimum wage and tackling regional inequality, to proposing a windfall tax on energy companies, IPPR's research and policy work has put forward practical solutions for the crises facing society.

IPPR

8 Storey's Gate

London

SW1P 3AY

E: info@ippr.org

www.ippr.org

Registered charity no: 800065 (England and Wales),
SC046557 (Scotland)

This paper was produced in May 2024. © IPPR 2024

The contents and opinions expressed in this paper are those of the author only.



CONTENTS

Summary	5
1. The challenge	7
2. A mission-driven centre	9
Step 1: Set missions (and success metrics) and embed in the governance and culture of central departments	9
Step 2: Establish mission councils and taskforces to set strategy and oversee delivery across Whitehall	9
Step 3: Embed the mission framework across Whitehall and local delivery partners.....	11
3. Mission-driven spending	14
Step 4: Create a new mission-based spending framework – and impact assessment – against which all spending and policy decisions are taken	14
Step 5: Reform the spending review and budgeting process to drive better policy	15
4. Mission driven government for long-term change	17
Step 6: Create long-term independent accountability for the missions ...	17
References	18
Annex A. Existing central functions	19

ABOUT THE AUTHOR

Harry Quilter-Pinner is the director of policy and politics at IPPR.

ACKNOWLEDGEMENTS

The author would like to thank George Dibb, Luke Murphy, Carys Roberts and Zoë Billingham for their intellectual input to this work as well as Abi Hynes, Richard Maclean and David Wastell for their contributions. He would also like to thank the wide range of senior stakeholders - politicians, advisors and civil servants past and present - who have contributed to the thinking which underpins this paper.

Download

This document is available to download as a free PDF and in other formats at:

<http://www.ippr.org/articles/mission-driven-government>

Citation

If you are using this document in your own writing, our preferred citation is:

Quilter-Pinner H (2024) *Mission-driven government: Delivering for the British public in an age of distrust and disruption*, IPPR. <http://www.ippr.org/articles/mission-driven-government>

Permission to share

This document is published under a creative commons licence:

Attribution-NonCommercial-NoDerivs 2.0 UK

<http://creativecommons.org/licenses/by-nc-nd/2.0/uk/>

For commercial use, please contact info@ippr.org



SUMMARY

Successive government in previous decades – especially the Labour Party in 1997 – have radically reformed Whitehall. These changes have included the introduction of the comprehensive spending reviews, public service agreements (more recently in the form of outcome delivery plans) and the creation of delivery units in Cabinet Office (and in departments) to push forward reform. In addition, governments have pursued radical devolution from Whitehall to the nations and regions, and mechanisms to open up decision-making such as freedom of information.

The next government will need to be just as innovative in seeking to renew government for the 2020s. Any incoming government will inherit a profound set of challenges including low and unequal growth, a cost-of-living crisis, and failing public services. Within government, civil service morale is low, trust in politics has been eroded and delivery chains have proven ineffective. In addition, the more activist approach to government increasingly pursued (such as industrial strategy or levelling up) will require the civil service to build up new and different capabilities which have not been drawn on as much by recent governments.

This should focus on the creation of mission-driven government as IPPR has previously recommended (Dibb 2023). This is already being championed by the Labour Party which has set out five missions that will define any future Labour government (Labour Party 2023), while the Conservative Party have also drawn on this framework in setting out their plans for levelling up (DLUHC 2022). These missions should not just be about *what* government wants to achieve but *how* it seeks to do this. This paper aims to establish what this means in practice based on an extensive literature review and interviews with over 30 leading experts.

RECOMMENDATIONS

In order to deliver on mission-driven government we propose the following for No10 and the Cabinet Office.

- Outline two sets of metrics – core (outcome) and comprehensive (output and input) measures – by which missions will be measured in government to form a mission framework.
- Embed core metrics in the governance of central government departments (Cabinet Office and HMT) and embed the wider mission framework across national and local government.
- The prime minister (PM) should also embed the missions and mission metrics in mandate letters sent from the PM to cabinet ministers when he appoints his cabinet.
- Replace existing cabinet committees with mission councils – built on National Security Council model – which bring together the PM, Cabinet Office, HMT and relevant departments to drive strategy and delivery.
- Create high-powered mission taskforces in Cabinet Office of officials and advisors to service mission councils and drive forward delivery drawing from policy unit, strategy unit, delivery unit as well as HMT and departments.

In order to deliver on mission-driven spending we propose the following for HMT.

- Reform the business case process for spending submissions to elevate and create parity between mission metrics/goals and invest in the analytical capabilities to model the benefits of policies/spending against these.

- Create a new ‘golden rule for spending’ which centres the missions and overcomes “sticking plaster politics” in spending with three criteria: affordability, mission alignment and long-term impact.
- HMT should allocate more funding to cross-cutting outcomes (missions) rather than to Departments via a new Mission Fund in HMT (or by outlining a process which gives favour to shared business cases).
- HMT should commit to longer term spending cycles (four–five years) and ideally also publish longer term (10 year) indicative capital spending plans to give the private sector certainty.
- HMT should create a new category of spending – prevention investment expenditure (PIE) – to ensure prevention spend is prioritised and protected.

These steps are summarised in table 1 below and set out in more detail in the main body of the paper.

TABLE 1: OVERVIEW OF NEW MISSION ARCHITECTURE PROPOSED IN THIS PAPER

New mission architecture	Purpose	Details
Missions	To set the goals of government (prioritisation)	Core (for central depts and spending) – key mission outcome metrics (one per mission) Comprehensive (for Whitehall and delivery partners) – wider mission metrics (outcomes, inputs)
Mission councils	To coordinate policymaking across government and hold departments accountable	Strategy council to set goals and develop/coordinate policy Delivery taskforce to plan and monitor implementation
Mission framework	To embed the missions in the DNA of Whitehall and delivery partners	Mission framework Departmental dashboard and check-ins (Whitehall) Mandate letters and check-ins (Whitehall) Review of targets/payment mechanisms (delivery partners)
Spending framework and tests	To ensure spending decisions deliver on the missions	Embed core mission metrics in HMT governance Create a new set of ‘spending tests’ Incentivise joint planning, policy and spending
Reformed spending review and budget process	To enable long-term and effective planning and spending	3–4-year spending cycle Trigger tests to review this based on changing circumstances Elongated spending review process Publish impacts on core mission metrics
Independent mission accountability bodies	To ensure government is held accountable for missions	Independent body per mission reporting to parliament

Source: Author’s analysis

1. THE CHALLENGE

Over the last decade, there has been a gradual but real breakdown in the functioning of the state. This is in part due to the pressures that the system of government has been put under from Brexit, Covid-19 and the war in Ukraine, a decade of austerity reducing state capacity, increasingly fractious and unproductive relations between ministers and the Civil Service, and a series of events that have undermined public confidence in the ethical standards of those in public life.

This failure to deliver effectively for citizens and weakening of standards in public life is contributing to a profound ‘legitimacy challenge’ in government. Public trust in politicians, policy makers and the institutions of government is at an all-time low (Quilter-Pinner et al 2021). This is undermining the legitimacy of government action. Put simply, people do not believe that government can help solve the challenges they face, make their lives better and be trusted to make decisions on their behalf.

There is an urgent need and opportunity for another 1997 moment: to renew a sense of integrity in public office, while also undertaking the next iteration of modernisation of the state.

All governments face a number of challenges.

- **Power:** The centre is relatively small and underpowered, while departments have budgets, powers to act and large teams of civil servants. One of the primary challenges faced by leaders at the centre is therefore how to set up the centre to effectively drive through the change despite this imbalance.
- **Coordination:** Government is organised into departments focussing on specific policy areas with relatively weak accountability to the centre. Spending allocations from HMT also usually follow departmental silos (often creating a competitive relationship with other departments). This leaves the (relatively weak) centre as the ‘glue’ that holds the system together making delivering cross-cutting priorities challenging.
- **Delivery:** Making decisions and announcing them is not enough. The test of any government is whether anything changes as a result. Successive governments have found the task of marshalling the government machine to deliver on priorities a challenge. This is felt most keenly by the prime minister who often is held accountable without having many direct levers themselves.
- **Accountability:** There are competing layers of accountability across Whitehall (and beyond), including to Parliament, Ministers and Civil Service Permanent Secretaries. Creating strong accountability structures which align diverse and conflicting incentives has historically been difficult to achieve.
- **Innovation:** Government, as a large bureaucracy, is prone to inertia and conservatism. This can be healthy – for instance, defending previous gains and ensuring changes are likely to be effective. But it can also protect ways of working or solutions which are no longer fit for purpose. The centre has sometimes managed to challenge the status quo and push secretaries of state and civil servants to innovate.

Alongside these challenges within government there are also a set of wider changes in the world which governments will have to manage and harness.

- **Complexity:** There are increasingly complex social problems. This is driven by globalisation, ageing populations, technology and the climate crisis. This demands that governments seek out and utilise new tools and approaches to driving improvements in the lives of citizens.
- **Devolution:** Government in the UK is increasingly devolved with more power passed down to nations and regions. This is likely to be accelerated in the next parliament. This demands that we reimagine the centre of government, historically an inherently centralising force, for a more devolved world.
- **Technology:** Technology and data means that we can understand much more about performance across government and identify what is and isn't working. However, government is still lagging behind in applying new data science and technologies to public service problems. This will have to change if government is going to keep up with other sectors.
- **Instability:** We are living through an age of profound political instability. This is being driven by a decline in party loyalty amongst voters and a (potential) political realignment around cultural over materialist issues. This is resulting in significant political volatility at the ballot box but also within political parties during parliamentary terms. This makes governing and delivering harder.

In addition to these factors, which any government will face, there are a set of challenges faced by a possible new incoming government, which at the time of writing seems to be the most likely outcome of the next election, with the Labour Party consistently in the lead in the polls.

The most pressing of these is the issue of preparedness. Incoming governments have spent a number of years in opposition, largely focussed on campaigning. There is almost never enough time devoted to preparing for governing, including having detailed plans and objectives for each department. This is compounded by a lack of government experience amongst both incoming Ministers and advisors which should make preparation even more important. This is vitally important: a lack of preparation can risk wasting the early years of a new government 'playing catch up'.

Another significant challenge for an incoming Labour (or Labour led) government is that they are likely to be asking the state to achieve more than the Conservatives. The Labour Party have talked about the need for a more active state particularly on economic policy where Labour are pursuing a more active industrial policy under the banner of 'securonomics' in response to 'Bidenomics' in the US (Reeves, 2023). Whilst the Conservatives have, at various points, sought to deliver industrial policy (or indeed, levelling up), these have been relatively underpowered attempts compared to that undertaken in the US under Biden or proposed by Labour. There will be a need to modernise and rebuild the states capacity to do industrial policy if this agenda is taken forward.

Within this context, this paper seeks to set out how future governments should approach modernising the state to deliver effectively for, and rebuild trust with, citizens. This work is based on a literature review of relevant research and over 30 interviews with experts from across government (national and) including current and previous civil servants and advisors. It highlights a number of lessons from previous administrations in response to these challenges and sets out some clear recommendations.

2. A MISSION-DRIVEN CENTRE

STEP 1: SET MISSIONS (AND SUCCESS METRICS) AND EMBED IN THE GOVERNANCE AND CULTURE OF CENTRAL DEPARTMENTS

A future government should outline a set of ambitious missions to reshape the nation. Each of these missions should be set alongside a set of metrics by which they will be measured (see table 2). Each of these missions – and the metrics – should be set through a process of consultation and debate which brings together politicians, civil servants, frontline staff, businesses and citizens. But it will also act as an effective way of creating buy-in and trust across government: there is significant evidence that public servants perform better when they have helped set the goal of policy (IFG 2021a).

TABLE 2: CORE AND COMPREHENSIVE MISSION METRICS

Core metrics	Outcome measures such as economic growth, carbon emissions, healthy life expectancy and attainment gap.
Comprehensive metrics	This should include input and output measures that contribute to the wider outcomes.

Source: Author's analysis

These metrics – both core and comprehensive – should form a dashboard of measures that give an overview of government performance. Together this should be known as the ‘mission framework’. The **core metrics should be embedded in the governance of all central departments, including Cabinet Office and HMT**. Equally important will be the political leadership which goes along with this: strong alignment between the PM and Chancellor on these missions will be vital. This will help to ensure that all actors in Whitehall are prioritising the same set of outcomes.

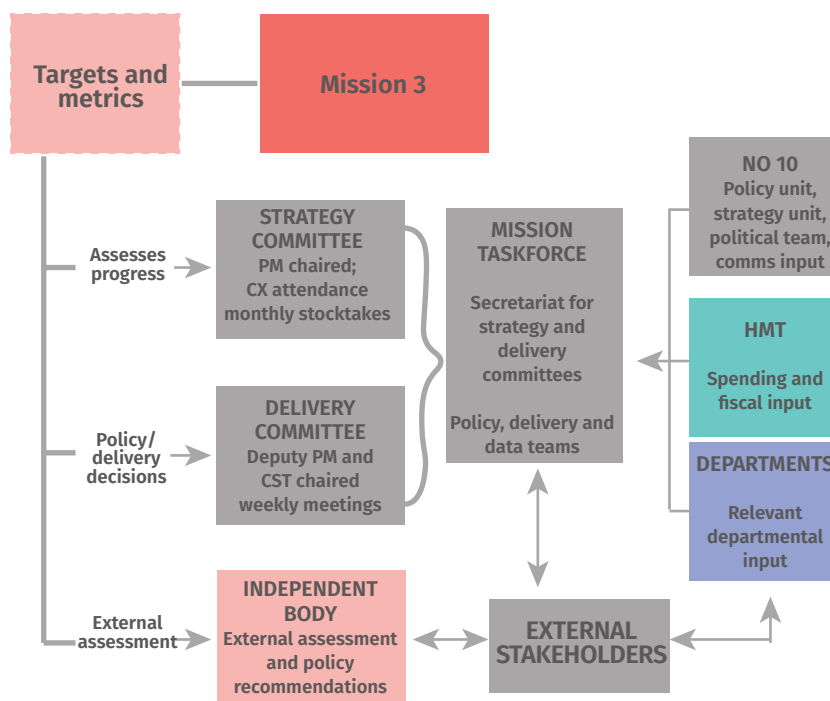
STEP 2: ESTABLISH MISSION COUNCILS AND TASKFORCES TO SET STRATEGY AND OVERSEE DELIVERY ACROSS WHITEHALL

The centre of government should be strengthened and needs to be redesigned around the delivery of missions. Existing functions in No10 and Cabinet Office should be re-established (see annex 1 for a summary of existing central functions) alongside new mission architecture, including the following.

- **Existing cabinet committee structures should be replaced with mission councils with both a strategy and delivery function.** These new councils should build on models that have worked historically such as the National Security Council (NSC) and Brexit committees (see information box). These should be chaired by the PM with senior attendance from HMT and relevant departments. In a more devolved policy landscape **mayoral and local government representation should be included on these councils**.
- These **mission councils should each be staffed and supported by mission taskforces sat in the Cabinet Office**. These taskforces would draw expertise/ people from the policy unit, strategy unit, delivery unit etc and allow the integration of different disciplines within a single thematic team.

This approach is set out in figure 1 below.

FIGURE 1: HIGH LEVEL STRUCTURE OF MISSION COUNCIL AND TASKFORCE MODEL



Source: Author's analysis

This mission architecture should be driven by strong alignment at, and senior attendance from, the centre of government. Without this alignment and investment of political capital these changes will fail, and pre-existing department silos will overcome any impetus for cross-Whitehall working. This has been demonstrated historically: when Brown and Blair or Cameron and Osborne were aligned the centre was consistently able to drive through change.

INFORMATION BOX: LEARNING FROM THE NATIONAL SECURITY COUNCIL (NSC) AND BREXIT COMMITTEES

While many of the existing cabinet sub-committees are not particularly effective in delivering change through Whitehall, there are models in government that we can learn from or replicate in establishing mission councils. These include the following.

- The NSC, which was introduced in 2010 by Cameron, and briefly disbanded by Truss. Led by the national security advisor, it provides foreign policy and security advice to the PM, bringing together the various relevant departments and agencies.
- In the Brexit era, a dual committee model was introduced with EU exit 'strategy' (XS) and EU exit 'operations' (XO) committees. The former consisted of a core group of around six ministers close to the prime minister the chancellor of the Duchy of Lancaster, who led on no deal planning and the more technocratic requirements around borders that needed to be tracked and delivered.

Those who have been involved in these bodies highlighted a number of lessons on what makes them effective in driving change through Whitehall.

Prime ministerial commitment: These cabinet committees tend only to be successful if there is sufficient PM attention and political capital invested. If attendees know that they need to show up prepared and with results, they can be effective.

High-level senior attendance: Committees should bring together all of the relevant departments represented at SOS level, including HMT. This is largely a product of PM involvement. Without this they stop being meaningful decision-making bodies.

Participation of officials in discussions: Some previous decision making 'bodies' have failed to include officials (e.g. 'the Quad' under Cameron or 'sofa government' under Blair). This may drive political consensus, but senior civil servants are needed to drive delivery and sense check decisions.

Shared ownership of policy issues: These committees work best where there is genuine shared sovereignty over the policy issues between the centre of government and key Whitehall departments – where they have a shared problem definition and a 'team mentality' to solving them.

High-powered, activist and well-resourced secretariats: These committees work best when extensive work is undertaken around them to ensure they have clear agendas, high quality decision-making material and teams to take on actions that result from them.

STEP 3: EMBED THE MISSION FRAMEWORK ACROSS WHITEHALL AND LOCAL DELIVERY PARTNERS

It is vital that the missions are embedded across Whitehall and also local government and delivery partners, for example, including national bodies such as NHS England and Ofsted, and integrated care organisations (ICOs) and schools locally. This can be achieved by embedding the mission framework – meaning the missions and the mission metrics – through a few key mechanisms across Whitehall.

- **Departmental governance:** This means using the mission framework as a mechanism to set the goals of departments and measure their success or failure. The **centre of government (No10, Cabinet Office and HMT) should clearly set out which outcomes departments are expected to contribute to and deliver on.**
- **Departmental accountability:** The mission framework should then be used to **hold departments accountable via regular check-ins and progress meetings with the relevant mission council.** This builds on the process pioneered by New Labour under Tony Blair.
- **Ministerial accountability:** The **PM should embed the missions and mission metrics in mandate letters sent from the PM when he appoints his cabinet.** Progress against these outcomes should be reviewed at a political level on an annual basis.

This framework should also be passed down to delivery bodies across the country.

- **Review existing accountability mechanisms: Ask all departments to review and rationalise the objectives, targets and frameworks that shape local delivery to align with the missions.**
- **Replace existing mechanisms with the missions: Embed the missions and mission metrics in accountability frameworks and payment mechanisms.** This is important to ensure that all bodies are aligned on the same goals.

INFORMATION BOX: OUTCOMES DELIVERY PLANS VS THE MISSION FRAMEWORK

The mission framework would build on similar structures currently in place, notably the public value framework and outcome delivery plan (IFG 2021b). Under this system a small number of four-year 'priority outcomes' were agreed and then updated for each department at the 2020 and 2021 spending reviews. Departments then set annual outcome delivery plans (ODPs) to explain how they would achieve those outcomes with the resources allocated to them and agreed how their performance would be measured. Departmental progress towards those outcomes is reported regularly to the centre of government.

This innovation has largely been welcomed as an improvement. The mission framework should therefore build on this mechanism rather than completely replace it. However, in doing this, the following shifts should be put in place.

There are still too many outcomes – around 80 in total – though this is lower than the previous mechanism (Single Departmental Plans) which had over 350.

The outcomes in the current framework are not publicly known or talked about (either by voters or the media). This reduces focus on them and accountability for delivering on them.

These outcomes have not been adequately filtered through to sub-national bodies and delivery partners through delivery frameworks, contracts and funding mechanisms.

There has not been enough focus on these outcomes at the centre including by the PM and the chancellor. This in turn has undermined engagement by ministers.

The degree to which these outcomes have shifted funding flows – including into shared outcomes (eg joint work between departments) – has been limited.

EXAMPLE: DHSC, NHS ENGLAND AND LOCAL GOVERNMENT

Currently we have numerous sets of outcomes and metrics for success that do not perfectly align. This can be illustrated through the example of health and the NHS. At present there are several existing sets of success metrics embedded across the system including:

- the metrics used by the Delivery Unit and the PM's priorities [set by the centre for DHSC]
- outcome delivery plans (described above) [set by the centre for DHSC]
- the metrics set out in the NHS mandate [set by DHSC for NHSE]

- the metrics and targets set out in the NHS Long-Term Plan [set by NHSE for NHSE].
- the ICS outcomes framework [set by NHSE for ICSs]
- the metrics set out in the tariff and payment mechanism (eg quality outcome framework in primary care) [Set by NHSE for delivery partners]
- the metrics embedded in contracts by the NHS and local government [set by NHS and local government commissioners for delivery partners].

Ideally these would be rationalised and aligned so that the same set of metrics - set out in the mission framework - are embedded (where appropriate) at all levels of the system, including in governance, contracts, and payment mechanisms.

3. MISSION-DRIVEN SPENDING

STEP 4: CREATE A NEW MISSION-BASED SPENDING FRAMEWORK – AND IMPACT ASSESSMENT – AGAINST WHICH ALL SPENDING AND POLICY DECISIONS ARE TAKEN

Key spending decisions are currently made via a business case submitted by spending departments to HMT (eg usually around the budget or spending review). The case for these spending requests is usually informed by a cost benefit analysis drawing on the Green Book. The Green Book provides guidance to officials about how to evaluate a policy and spending decision – weighing up the costs and benefits – to help ministers take decisions.

In theory the Green Book allows for policy makers to evaluate policy decisions against a holistic set of metrics that could include the mission metrics rather than focussing on costs and economic benefits (eg GDP) as well as considering long-term as well as short term benefits. However, in practice these wider benefits are not fully – or more importantly quantitatively – considered.

We recommend that the chancellor is clear that the business case – and in particular the strategic case element of this – should put a greater emphasis on measuring the wider benefits and the long-term benefits of spending decisions. This reform would involve a few changes.

1. **Reform the business case process to elevate and create parity between mission goals.**
2. **Invest in the analytical capabilities of departments to model the benefits of policies against a wider set of metrics** and insist this is done for all major spending decisions over a certain threshold.
3. **Create a new ‘political test’ which determines spending decisions** (equivalent to Brown’s golden rules but for spending):
 - **affordability:** does this spending ensure the government can meet its fiscal rules and departmental spending limits?
 - **mission critical:** does this spending help deliver the government’s missions (eg impact on core mission metrics)?
 - **‘10 year test’:** what is the impact of this policy over the longer term?

CASE STUDY: NEW ZEALAND AND CANADA

A number of other countries have taken a different approach to undertaking spending reviews and budgeting. The most obvious examples of this are New Zealand and Canada which have both pursued wellbeing budgets (What Works Wellbeing 2021). These approaches have sought to go beyond measuring national economic success through GDP and focussed instead on wellbeing. Even if the UK didn’t want to do this – there is much debate on the validity of wellbeing as a concept and measure – we could learn from their budgeting processes.

For example, New Zealand agreed five crosscutting goals – including improving mental health, reducing poverty and reduction in emissions – and then asked departments to collaborate on funding proposals

that fit these criteria. Canada has done something similar. They are now monitoring and reporting on a broader set of measurements, rather than just on standard economic ones and using them to ensure that government actions are coordinated and that decisions are evidence-based, with investments focussed on areas that have the greatest impact on Canadians' quality of life.

This process could also encourage greater cross-government working and joined up spending. This will be crucial to delivering on the missions which require coordinated action from multiple government departments. This should be achieved through two mechanisms.

1. **System design: HMT should allocate more funding to missions/outcomes rather than to departments. This could involve creating a mission fund in HMT** as part of the budget or spending review process or simply outline a process which gives favour to shared business cases across departments. This mechanism already exists through the Shared Outcomes Fund but should be scaled up.
2. **Politically:** This should be reinforced by a clear statement by the chancellor that shared business cases across departments based on delivering the missions are both expected and will be favoured in terms of allocating future funding.

STEP 5: REFORM THE SPENDING REVIEW AND BUDGETING PROCESS TO DRIVE BETTER POLICY

The recommendations in this paper will require a different spending review and budgeting process. Notably, it will need to be a more formalised, collegiate and less rushed process in order to ensure spending is effective and collectively planned. As it stands funding decisions are agreed bilaterally between HMT and departments with limited debate, external input or time for collaboration. As organisations like IFG have evidenced this increases the chance of policy gimmicks being pursued and policy mistakes (eg Osborne's Omnishambles budget) (IFG 2022).

Going forward, **spending reviews should be undertaken over a longer period of time, should be based around the mission-based strategies led by the mission councils and all spending proposals should be modelled against the core mission metrics (as well as the three political tests)**. This process would have a number of benefits including allowing departments to collaborate more (to ensure spending is more coordinated) and enabling greater analysis and debate (meaning policy is more evidence-led).

In addition, we argue that spending decisions should be subject to increased transparency. This can be achieved by:

- **ensuring that HMT and departments model and publish the impact of fiscal events on all the main goals of government (eg emissions, HLE etc).**
- **mandating the publication of successful spending appraisals over a certain value**
- ensuring all tax proposals follow the same process – currently tax decisions are significantly less transparent and open (as HMT and No10 alone takes decision on taxation).

This transparency will help drive better evaluation and better decision-making.

INFORMATION BOX: PIVOTING TO PREVENTION

As it stands different types of spending are categorised differently by the Treasury. Notably, there is a division between departmental expenditure limits (DEL) which are the budgets set for departments at the spending review and annual managed expenditure which are not capped but demand led (eg social security). There is also a divide between resource spending (for staff and programmes) and capital expenditure on buildings, IT and other investment that “creates growth in the future”. These distinctions often feed through into wider economic policy (eg fiscal rules).

These categorisations help ensure budgeting is effective and that spending rules reflect the nature of the spending. However, the current distinction between resource and capital expenditure fails to recognise that not all resource spending is the same. Significant amounts of resource spending are an investment in that they have a future return both in terms of growth but also by reducing future spending. The fact that this is not recognised disincentivises some forms of spending (eg prevention).

As such, **we recommend that HMT creates a new category of spending - Prevention Investment Expenditure (PIE) - to ensure prevention spend is prioritised and protected.** This will require **HMT to commission experts to define and categorise prevention spending across government** and then allocate funding to each department to prevention. Properly policing this boundary - ensuring that only real prevention spend is included - will be vitally important. However, over time **the government should seek to shift the balance of funding from non-preventative to preventative spend.**

INFORMATION BOX: REFORMING THE SPENDING REVIEW AND BUDGET PROCESS

Spending reviews were introduced to bring longer term planning into the process of making spending decisions. Spending reviews usually set out a spending trajectory of between three and five years – however in recent years they have tended to be shorter (one-year cycles). This is the result of economic volatility (Covid-19, Truss budget) and shifts in political leadership. This has prevented long term policy making and investments.

Budgets – which should be annual – are then an opportunity for small course corrections based on changing conditions but which should fundamentally sit within the spending review envelope.

HMT should commit to longer term spending cycles (4–5 years) and ideally also publish longer-term (10-year) indicative capital spending plans to give the private sector certainty. There are a number of benefits of this:

- limits the time and resource spent in planning cycles
- allows for long term investments and planning (key to efficiency)
- gives flexibility (in theory could allow invest to save).

There are challenges with longer spending review cycles. Notably, in theory, they limit flexibility to respond to changing circumstances. However, politicians can always decide to bring forward a spending review on a longer cycle (but cannot push one back if they are on a shorter cycle). Indeed, one potential solution would be to build in ‘trigger events’ that would result in a review of a spending review cycle (eg an economic crisis, a shift in fiscal space etc). Another alternative would be to commit to a three-year spending cycle with the final two years set out as indicative.

Any lengthened spending review cycles should be passed down to arms-length bodies and sub-national bodies otherwise the benefits from these longer planning cycles are not accessed.

4.

MISSION DRIVEN GOVERNMENT FOR LONG-TERM CHANGE

STEP 6: CREATE LONG-TERM INDEPENDENT ACCOUNTABILITY FOR THE MISSIONS

We need to pivot accountability towards these long-term goals rather than shorter term targets. **Missions should be put into law to ensure that they are long lasting, and that government is accountable to parliament for delivering on them.** Government should also **establish independent bodies – modelled on organisations like the Office for Budget Responsibility or Climate Change Committee** – to hold them to account. These bodies should have a clear statutory mandate, a high-profile chair, sufficient resources and skills, and be firmly independent. They should be accountable to parliament and not the departments that their remit relates to.

INFORMATION BOX: LEARNING FROM PROGRESS ON CLIMATE CHANGE

Climate change offers an interesting model that could be replicated for each of the missions set by government. This has included:

- the UK set a big mission in legislation, originally as part of the Climate Change Act 2008 and more recently in the form of net zero by 2050.
- progress against this is broken down into shorter term and sector-based plans (so-called carbon budgets)
- the creation of an independent Climate Change Committee (CCC) to hold politicians to account against this.

Evaluation of these mechanisms have shown that they have had strong influence on UK climate policy since its inception (Averchenkova et al 2021).

This approach is in contrast to:

- the Child Poverty Act: a 1999 commitment to halve child poverty by 2010 and eradicate it by 2020
- the English Health Inequalities strategy: a target to make progress on health inequalities, through cross-government efforts, reformed NHS funding flows and action on the social determinants of health
- the Healthy Ageing Grand Challenge: a 2018 target to ensure people can “enjoy at least five extra healthy, independent years of life by 2035”.

As we have noted previously, these missions above were not embedded in law – at least, not to the same extent and with the same clarity as net zero. Few were combined with a bespoke institutional infrastructure – with legislative function and clear independence – as per the CCC. Few were institutionalised as ‘common sense’ within the Treasury, in the way enabled by the Stern review preceding the 2008 act. And none had as clear a process for delivery (and maintaining progress on delivery) as enabled by carbon budgets.

REFERENCES

- Averchenkova A et al (2021) 'The influence of climate change advisory bodies on political debates: evidence from the UK Committee on Climate Change', *Climate Policy*, Issue 9, Pages 1218-1233. <https://www.tandfonline.com/doi/abs/10.1080/14693062.2021.1878008>
- Dibb G (2023) 'Why we need mission to drive the UK's economic renewal', blog post, IPPR. <https://www.ippr.org/articles/why-we-need-missions-to-drive-economic-renewal>
- DLUCH (2022) *Levelling Up the United Kingdom*, DLUCh. <https://www.gov.uk/government/publications/levelling-up-the-united-kingdom>
- IFG (2021a) *Using targets to improve public services*, Institute for Government. <https://www.instituteforgovernment.org.uk/publication/report/using-targets-improve-public-services>
- IFG (2021b) *Government transparency - Departmental releases: ministers and officials*, Institute for Government. <https://www.instituteforgovernment.org.uk/publication/report/government-transparency>
- IFG (2022) *Better policy making*, Institute for Government. <https://www.instituteforgovernment.org.uk/publication/better-policy-making>
- Labour Party (2023) *A mission-driven government to end sticking plaster politics*. <https://labour.org.uk/wp-content/uploads/2023/02/5-Missions-for-a-Better-Britain.pdf>
- Quilter-Pinner H et al (2021) *Trust issues: dealing with distrust in politics*, IPPR. <https://www.ippr.org/articles/trust-issues>
- Reeves R (2023) 'Time for securonomics', *Progressive Review*, 30:3. <https://onlinelibrary.wiley.com/doi/abs/10.1111/newe.12365>
- What Works Wellbeing (2021) *Towards a wellbeing budget – examples from Canada and New Zealand*. <https://whatworkswellbeing.org/practice-examples/towards-a-wellbeing-budget-examples-from-canada-and-new-zealand/>

ANNEX A. EXISTING CENTRAL FUNCTIONS

Function	Description
Private Office	Managing day-to-day for PM (briefing, diary, communications)
Policy Unit	Manages immediate policy needs of PM
Strategy Unit	Develops long-term policy and strategy for PM
Delivery or Implementation Unit	Oversees delivery of policy priorities for PM
Major Projects Unit	Oversees delivery of large-scale projects
Analytics Unit	Undertakes analysis of policy and delivery for centre
Press Office	Manages day-to-day comms of PM and govt
Strategic Comms Unit	Develops longer term communications strategy for PM
Parliamentary liaison	To build and maintain links with parliament and MPs
Cabinet Office and Cabinet Committees	To coordinate activity across government

GET IN TOUCH

For more information about the Institute for
Public Policy Research, please go to www.ippr.org

You can also email info@ippr.org or find us on X @IPPR

Institute for Public Policy Research

Registered Charity no. 800065 (England & Wales),
SC046557 (Scotland), Company no, 2292601 (England & Wales)