WHAT POWERS WHERE?   
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ABOUT REFORM REFORM   
WHAT POWERS WHERE?   
Achieving the ‘devolution revolution’   
   
 Dr Simon Kaye August 2024   
India Woodward   
Giorgia Vittorino

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 Reform is established as the leading Westminster think tank for public service reform. We   
believe that the State has a fundamental role to play in enabling individuals, families, and   
communities to thrive. But our vision is one in which the State delivers only the services that   
it is best placed to deliver, within sound public finances, and where both decision-making and   
delivery is devolved to the most appropriate level. We are committed to driving systemic   
change that will deliver better outcomes for all.      
We are determinedly independent and strictly non-party in our approach. This is reflected in   
our cross-party Advisory Board and our events programme which seeks to convene   
likeminded reformers from across the political spectrum.        
Reform is a registered charity, the Reform Research Trust, charity no. 1103739.      
   
ABOUT REIMAGINING THE STATE   
After a decade of disruption, the country faces a moment of national reflection. For too long,   
Britain has been papering over the cracks in an outdated social and economic model, but while   
this may bring temporary respite, it doesn’t fix the foundations. In 1942 Beveridge stated: “a   
revolutionary moment in the world’s history is a time for revolutions, not for patching.” 80 years   
on, and in the wake of a devastating national crisis, that statement once again rings true. Now   
is the time to fix Britain’s foundations.   
Reform’s new programme, Reimagining the State , will put forward a bold new vision for the   
role and shape of the State. One that can create the conditions for strong, confident   
communities, dynamic, innovative markets, and transformative, sustainable public services.   
Reimagining the Local State is one of the major work streams within this programme.

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 ABOUT REIMAGINING THE LOCAL STATE   
This paper is part of the Reimagining the Local State work stream. English local and regional   
government stands at a turning point. There are signal opportunities for local innovation, close   
community engagement, and ambitious devolution of powers and responsibilities from the   
centre. There are also unprecedented challenges, driven by years of fiscal retrenchment and   
rocketing service demand. This programme will develop policy ideas for the future of   
devolution, the role of communities, and the structures, practices, and leadership of local   
government itself. This paper explores the structural challenges and gaps present across the   
English local government system in order to set out principles and priorities for foundational   
reform.   
   
Reimagining the Local State Advisory Group   
Reform is grateful to the expert members of the Reimagining the Local State Advisory Group   
who provide invaluable insight and advise on the programme. Their involvement does not   
imply endorsement of every argument or recommendation put forward.   
   
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 Recommendations   
Recommendation 1: Expand the scope of mandatory ‘local growth plans’ to become   
ambitious and strategic ‘Regional Plans’, coproduced with all tiers of governance and the   
community-led actors within a region. These should encompass economic growth and   
the integration and improvement of all local services as well as plans for the best use of   
local assets and resources.   
They should explicitly reflect a set of foundational design principles such as those set out   
in this report, and an initial mapping process showing how devolved powers will be   
distributed through every tier of the regional system, enabling wider support for   
devolution. Joint governance groups, operating semi-independently from the Combined   
and Constituent Authorities, should operate a schedule of regular reviews at the regional   
scale to support and monitor delivery against Plans and recommend updates to them.   
Recommendation 2 : As part of the adoption of Regional Plans, all tiers of governance   
within a region should also adopt a formal framework that explicitly entitles all tiers of   
government to propose the ‘drawing-down’ or 'drawing up' of specific powers when this   
would allow them to better fulfil the objectives agreed in the Regional Plans. These   
proposals must demonstrate feasibility and close consultation with relevant communities   
and community groups. Each tier of governance, including central government, must   
consider and respond to these subsidiarity requests from other tiers in a timely way.   
Recommendation 3 : Replace deal-based devolution at lower 'tiers' of the devolution   
framework with a ‘by default' system based on demonstrated institutional maturity in line   
with a clear set of criteria (as proposed in Devolve by Default (2024)). Implement   
intergovernmental systems to oversee and support this process, and complement with a   
comprehensive peer learning and accountability function for continuous improvement,   
supported by an operationally independent Office for Local Government (Oflog).   
Recommendation 4 : Ensure that subsidiarity and effective power-sharing is embedded   
as a key metric within the monitoring and evaluation framework as this is developed   
around England's regional authorities.   
Recommendation 5 : Establish ‘one-stop’ regional coordination points to streamline   
interactions with central government. These should be reinforced by embedding   
seconded central government officials. These officials should provide on-the-ground   
support to engage with and advocate for local actors within Whitehall, navigate central   
systems, access grants, implement policies effectively, and support the production of   
Regional Plans.

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 1. Introduction   
   
A consensus is emerging in British politics around the merits of devolution in England, based   
on growing recognition of the ways in which overcentralisation has contributed to declining   
public services and collapsing trust in the institutions of the State. The ‘levelling up’ agenda   
that dominated regional policy between 2019 and 2024 set an ambitious target that “by 2030,   
every part of England that wants one will have a devolution deal”,1 and now the new   
Government has promised to extend and deepen that programme of devolution as part of a   
“revolution” for local government.2   
This programme of devolution, however, is rife with complexity. It has so far been dominated   
by Whitehall-brokered deals and the allocation of administrative functions to Combined   
Authorities (CAs) in a way that, with some exceptions, has not greatly affected central control.3   
Local authorities often find themselves trapped, unable to build their capacity to satisfy the   
conditions for devolution without first realising some of the capacity-building that is itself made   
possible by devolution: a ‘catch-22’ scenario that holds back the wider programme.4 Moreover,   
there is as yet little scope for lower tiers of local government to make the case for greater   
direct control over particular powers.   
The development of regional governance across England has been patchy, incremental, and   
narrowly focused. Local communities face significant obstacles in navigating this system or   
accessing public services or other kinds of support as they face an increasingly complex and   
varied local government landscape with an unpredictable distribution of powers.5   
Meanwhile, there are parallel calls for subsidiarity — devolving powers to more local levels —   
in order to create the conditions for a dynamic and active community sector.6 Devolving power   
from national to local government is not in itself usually considered to be enough to unlock   
community empowerment, but doing so with an explicit aim to then share power with   
communities themselves in a process of ‘double’ or ‘triple’ devolution could be.7 Thus, there is   
a growing agreement that devolution in England should be “built from local communities and   
councils, rather than imposed from the centre…[and] not simply combined authorities, and   
mayors.”8   
   
 1.1 Asking the right questions   
   
1 Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities &   
Local Government, ‘Levelling Up the United Kingdom: Executive Summary’, 2022.   
2 Prime Minister’s Office, The King’s Speech 2024: Background Briefing Notes , 2024.   
3 Simon Kaye and Rachael Powell, Devolve by Default: Decentralisation and a Redefined Whitehall   
(Reform, 2024).   
4 Charlotte Hoole, Simon Collinson, and Jack Newman, ‘England’s Catch-22: Institutional Limitations   
to Achieving Balanced Growth through Devolution’, Journal of the Academy of Social Sciences 18,   
no. 3–4 (April 2023).   
5 Public Administration and Constitutional Affairs Committee, Governing England, Third Report of   
Session 2022-23 , HC 463 (London: The Stationary Office, 2022).   
6 Local Trust, Manifesto for Community and Neighbourhood Governance Reform , 2023.   
7 Jenevieve Treadwell et al., Double Devo: The Case for Empowering Neighbourhoods as Well as   
Regions (Onward, 2021).   
8 Treadwell et al., 2.

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With further devolution promised in the years ahead, and an evident need for reform in the   
wider system of local government, many questions arise. What responsibilities and decisions   
should be held by different levels of governance in England? By what principles and   
procedures should such ‘ownership’ of different powers be decided? How might this benefit   
local places and help to create the conditions for community-led activity?   
Ideas for the redistribution of various powers are already emerging from the policy debate   
raised by these questions – ideas such as devolving the administration of jobcentres, major   
moves on fiscal autonomy, and regionalised adult skills strategies.9   
This report addresses the challenge differently. Instead of asking which specific powers should   
be devolved to which particular places as part of an issue-specific policy debate, it sets out   
the design principles for a process that would identify the best scale of administration for   
different kinds of decisions and services. These principles provide a set of rules to guide a   
reimagined local government structure, and to inform the continuing devolution of powers   
through the current one. These are accompanied by a set of recommendations that are   
intended to decisively shift official behaviours and promote power-distribution through the   
whole local government system.   
The paper ends with a guideline proposal for a more optimal distribution of powers in a   
reformed system, inspired by how these powers are often organised in other countries, the   
emerging case from the policy literature and the experience of community groups. It provides   
a guide for immediate action, and a basis for more radical structural change in the future.   
   
 1.2 About this report   
   
Section two of this report sets out the features of current local and regional systems in   
England: the variability of experience in different parts of the country, and the kinds of powers   
that tend to be held by different tiers of local government at present.   
Section three categorises the main benefits of an approach that seeks to situate ‘ownership’   
of different powers and responsibilities at the most appropriate scales of local or regional   
governance, and design principles to guide policy in this area.   
Section four sets out the report’s core recommendations, including the idea of wide-ranging   
regional planning as an intrinsic component in the process of devolution.   
Section five offers an indicative plan for the kinds of powers that could be placed at hyper-  
local, local, and regional scales respectively.   
   
9 Anthony Breach, Stuart Bridgett, and Olivia Vera, In Place of Centralisation A Devolution Deal for   
London, Greater Manchester, and the West Midlands (Resolution Foundation, 2023); Katy Shaw, A   
New Britain: Renewing Our Democracy and Rebuilding Our Economy: Report of the Commission on   
the UK’s Future (Labour Party, 2022).

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2. The lay of the land   
   
Local governance structures in England are complex, with upper and lower-tier, single and   
two-tier councils, and parish and town councils layered through the system alongside an   
emerging “intermediate” level of government in the form of combined authorities.10 This has   
resulted in varying and asymmetrically devolved powers across England, and a patchwork of   
powers and overlapping jurisdictions which have led to responsibility for specific functions   
becoming less clear over time.11   
   
 2.1 Causes for concern   
   
As this section shall explore, local systems in England, though at times well-adapted to serve   
the needs of local people, produce a series of unintended consequences, all of which   
undermine the prospects for further devolution or realising the potential benefits of better-  
empowered local systems.   
 Inconsistency and opacity. Local systems are highly variable, so that different parts   
of England have very different governance arrangements. This undermines public   
engagement.   
 Lack of hyper-local governance and direct community facilitation. For most of   
England’s population, the smallest unit of governance is some form of unitary local   
authority, with an average population size of just under 170,000. In contrast the average   
population size of local governments in Italy, Germany Spain and France is 5,667.12   
Denmark, which recently consolidated its local government system into larger   
municipalities, still has a basic unit of local government that is around a third the size   
of that in England.   
 Lack of strategic regional governance. England is introducing a tier of combined   
authorities with highly variable sizes and powers, and these are not yet present   
everywhere. Most countries have a regional or ‘meso’ tier of government with direct   
responsibilities across a broad range of policy areas and decisions. This allows for a   
more strategically focused central government, as well as coordination of activities and   
decisions taken over functional economic geographies.   
 Unfunded mandates . English local government has very limited ability to raise its own   
revenues, and much of the available resources are consumed by highly costly statutory   
duties (e.g. adult social care). Beyond core statutory responsibilities, local authorities   
have many other mandates and responsibilities, and in many places these are   
underfunded.   
   
   
10 PACAC, Governing England, 3.   
11 David Torrance, Introduction to Devolution in the United Kingdom (House of Commons Library,   
2022).   
12 Colin Talbot, ‘Local Government: Too Big and Too Small?’, The MJ, 26 January 2022.

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 2.2 Mapping complexity   
   
In England, most strategy, policy formulation, and financial decision-making is managed   
directly by central government. Local government, meanwhile, features a complexity of   
overlapping systems, often tasked with implementation of policies but seldom empowered to   
act strategically or autonomously in the interests of local residents. The map of English   
governance is therefore marked by two particularly important features: it is overcentralised,   
and it is a highly layered patchwork.   
By contrast, many other countries have simpler or rationalised arrangements, with different   
degrees of granularity. France, for example, has much more granular arrangements, with   
36,000 basic units of local government in operation (compared to the UK figure of around 380),   
some of which involve very small population sizes. This system is consistently arranged into   
a three-tier system comprised of hyper-local communes , larger departments , and strategic   
regions.13   
In England, a person living in the city of Bedford14 is within the jurisdiction of just two distinct   
tiers of government.15 Their local authority is the Borough of Bedford, a unitary authority with   
responsibility for the full range of services and functions statutorily held by local government   
in England, including delivery of social care, administration of local housing and planning,   
waste disposal, registry functions, public health, and highway management. Above this local   
authority, there is only central government.   
By contrast, a person living in Stratford-upon-Avon, some 50 miles away, is within the   
jurisdiction of five layers of government. A civil parish Town Council takes responsibility for   
areas including aspects of crime prevention, green spaces, and cemeteries. Stratford-on-Avon   
District Council is responsible, among other things, for housing, planning, and waste collection.   
Warwickshire County Council is responsible for services such as social care, highways,   
libraries, waste disposal, and public health. West Midlands Combined Authority – of which the   
County and District councils are constituent members with reduced voting rights – directly   
manages a growing range of strategic objectives for the area, including net zero policies,   
house building, public transport, adult skills, and strategic economic development. And then   
there is central government.   
As things stand, England has the following layers of local governance (see Figure 1, below):   
 A hyper-local tier, which does not cover most of the population of England and is highly   
variable in terms of use of powers and level of activity.   
 A mid-size tier of local authorities – universally present, though at times split across   
multiple institutions – which reaches across the gamut of local government roles:   
hyper-local activities, major public service delivery and statutory duties, and even (at   
upper-tier/county level) strategic oversight of quasi-regional issues such as strategic   
economic planning.   
   
13 Tony Travers, ‘Tony Travers: 1974 Reform Heralded a near Permanent Revolution’, Local   
Government Chronicle , 2 April 2024.   
14 With the sole exception of the Brickhill area, which has had a parish council since 2004.   
15 Setting aside the more specialised administrative structures that cover the area, e.g. the   
Bedfordshire, Luton, and Milton Keynes Integrated Care System (NHS).

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  A regional tier, which is not universally present and has highly variable powers – which   
takes on strategic, convening, and co-ordinating activities.   
Some public services are split between different tiers of government, and effort is replicated,   
and efficiencies missed, as a result. This is, in part, the result of the large diversity of structures   
in different parts of England. Some areas experience governance arrangements that are   
simple and streamlined, while other areas experience simultaneous governance at the ultra-  
local, hyper-local, local, regional, and national scales, with functions and services   
unpredictably shared between these different tiers.   
   
 2.2.1 The hyper-local tier (Town and Parish Councils)   
   
Where they exist, Parish and Town Councils represent the most grassroots level of local   
governance in England, typically presiding over villages, small towns, and sometimes urban   
districts. Historically rooted in the ecclesiastical parishes of the Church of England, their   
evolution into civil institutions during the 19th and early 20th centuries marked a significant   
shift towards local democratic governance. These councils are entrusted with addressing very   
localised concerns. Responsibilities typically encompass the management of community   
assets and services such as allotments, burial grounds, public conveniences, and litter bins.   
Under the Localism Act 2011, these hyperlocal councils are entitled — if most members are   
elected and the Clerk is appropriately qualified — to the same ‘general power of competence’   
as that enjoyed by larger local authorities.16 As with local authorities, this opens the door to a   
variety of council activities beyond core statutory duties (of which Parishes have few). This   
has also led to some Parishes taking on aspects of services as local authorities reduce their   
own provision.   
Parish councils are present across more than 90 per cent of England’s geography. However,   
because they are less frequently present in urban areas with higher population density, they   
cover only around a third of the population (for example, they are extremely rare within Greater   
London, Birmingham, and Manchester).17 When local authority consolidation occurs   
(converting a two-tier county/district area into a unitary authority — see below), new parish or   
town councils are sometimes introduced as a part of the process. This reflects the idea that   
the presence of a hyper-local tier of governance becomes more important if smaller district-  
level authorities disappear. Notably, however, this ‘tier’ of governance also experiences an   
effective democratic deficit. Parish and town councils are sometimes organised and managed   
opaquely, with little direct engagement with the public.   
   
   
   
16 Local Government Association, The General Power of Competence: Empowering Councils to Make   
a Difference , 2013.   
17 Mark Sandford, Why Do Parish Councils Only Exist in Some Parts of England? (House of   
Commons Library, 2022).

12   
 Figure 1: The delivery and administrative powers of local government in England

13   
 The ability to establish new parish and town councils, or to organise to take control of inactive   
ones, has led to the emergence of community-led efforts to use their capabilities in innovative   
ways.18 There are calls for the empowerment of town and parish councils, for example by   
allocating large parts of Infrastructure Levies to boost their funding, or expanding their access   
to the ‘general power of competence’, or putting these systems into parity with local authorities   
for service provision, depending on their capacity.19   
In the absence of consistent hyper-local governance — which, even when present, is not   
always very active in England — community-led organisations in many places are required to   
navigate a variety of divergent systems. They tend to encounter significant bureaucracy and   
administrative ‘friction’ from their interactions with the larger structures that are present.20   
   
 2.2.2 The lower tier (District Councils)   
   
There are 164 ‘lower tier’ District Councils in England, all of which operate within the   
jurisdiction of one of the 21 'upper tier’ County Councils (see below). Districts primarily manage   
a variety of services within their jurisdictions, excluding those areas governed by unitary   
authorities.   
Emerging from the Local Government Act of 1972, which sought to create a more efficient and   
understandable system of local government by establishing the two-tier system across most   
of the country, these entities were originally designed to ensure populations of more than   
40,000 and focus on the administration of services directly affecting residents' quality of life.21   
In 1994, before a wave of ‘unitarising’ reorganisations began, there were more than 300 district   
councils.   
Today, their key areas of responsibility include processing local planning applications,   
operating leisure and recreation facilities, managing council housing, and overseeing   
environmental health and waste collection. District Authorities often handle more localised   
services, leaving significant statutory responsibilities in the hands of Counties. And, when   
present, they are responsible for producing ‘local plans’, which can have an important bearing   
on progress toward social, environmental, and economic goals. Arguably, because of their   
relatively localised scale of operation, Districts are poorly positioned to deliver on the local   
plans that they produce.   
   
 2.2.3 The upper tier (County Councils)   
   
The 21 remaining County Councils in England are responsible for provision of statutory, high-  
cost public services (such as Adult Social Care), as well as playing a more strategic role   
(particularly in places that do not yet have a regional authority present). They serve   
populations of, on average, around one million residents. Kent County Council’s population of   
   
18 Public Square, ‘Flatpack Democracy: Reclaiming Local Politics’, Webpage, n.d.   
19 Treadwell et al., Double Devo: The Case for Empowering Neighbourhoods as Well as Regions .   
20 For example, interviewees from two Leicester-based community organisations, operating within   
different local government jurisdictions and therefore structures, experienced very similar setbacks in   
their attempts to navigate or collaborate with the local state.   
21 Mark Sandford, Long Shadows: 50 Years of the Local Government Act 1972 (House of Commons   
Library, 2022).

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 around 1.6 million makes it the largest council in England (larger than several regional   
authorities).   
Their evolution, deeply rooted in the administrative counties established in the 19th century,   
reflects ongoing reforms aimed at improving the delivery of public services on a larger scale.   
These councils are often responsible for significant aspects of regional infrastructure and   
welfare, including the administration of social care, public libraries, and the maintenance of   
major road networks.   
Today, much of the upper tier’s ability to deliver on its priorities and statutory duties is   
undermined by the fact that many of the relevant ‘levers’ are held centrally or by subnational   
institutions over which local authorities generally have little influence, such as Integrated Care   
Systems.22 This also holds true for ‘single tier’ or unitarised authorities, where there is no   
district/county distinction.   
   
 2.2.4 Unitary Authorities (including Metropolitan Districts and   
 London Boroughs)   
   
More than 60 new Unitary Authorities have been created through the consolidation of District   
and County Councils in a sequence of reorganisations since 1995. Such ‘unitarisation’ is   
intended to streamline local governance, reduce administrative duplication, and provide a   
clearer and more transparent accountability structure. Unitary Authorities represent a   
consolidated form of local governance, wherein the functions of both District and County   
Councils are amalgamated into a single administrative body, offering opportunities for more   
efficiencies and integration of services.   
This effect does at times play out in practice. Despite feeling concern at the process of   
unitarisation — and therefore the disappearance of smaller-scale District Authority   
governance which might be expected to offer more granular enablement and support for third-  
sector and neighbourhood-scale projects — some community-led organisations have found   
that working with a new unitary can lead to an improvement in the quality of relationships with   
local government.23   
Unitary Authorities created in this way join the pre-existing ‘Metropolitan Districts’ and London   
boroughs which, to all intents and purposes, have the same powers and structural role within   
their jurisdictions. They deliver a comprehensive suite of local government services, ranging   
from local planning and development to social care, education, and environmental   
management. By consolidating responsibilities, these authorities aim to enhance service   
delivery efficiency and responsiveness to local needs.   
   
   
   
   
22 Skeena Williamson, ‘Integrated Care Boards: What Do They Look Like?’, The Health Foundation   
(blog), 24 January 2023.   
23 Interviewees from community-led projects, including one Somerset-based social enterprise,   
reported that the transition to Unitary governance paradoxically led to more attention being paid to   
smaller towns and places within the jurisdiction, as the now-larger authority felt the need to   
demonstrate its capacity to work granularly. For some interviewees, this suggested that ultimately the   
internal culture and leadership of local government tends to be more important for successful   
collaboration than structure itself.

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 2.2.5 The regional tier (Combined Authorities and the GLA)   
   
English devolution is occurring at a greater pace now than at any previous modern point. Yet   
it remains a narrowly defined project, particularly focused on the creation of what has   
previously been a ‘missing’ aspect of governance: regional authorities.   
The current model of devolution revolves around deal-making between self-selected groups   
of local authorities coming together to form quasi-regional bodies: combined authorities.   
These regional institutions draw ‘up’ certain powers from their constituent councils, and   
otherwise draw ‘down’ capabilities from Whitehall through a process of tiered, iterative   
agreements. Regional governance, long the ‘missing piece’ from England’s complex   
patchwork, remains highly uneven. It has not yet arrived everywhere (only around half of the   
English population is currently covered by a combined or regional authority).24 In the places   
where it does exist, regional governance has wildly variable powers, budgets, and levels of   
institutional stability.25   
The two extant forms of regional authority are Combined Authorities (of which there are now   
11, with a further four awaiting parliamentary approval) and the older Greater London Authority   
(GLA). These both oversee broader geographical areas and tackle strategic issues   
transcending individual local government boundaries, and are particularly aimed at fostering   
economic development, improving transport infrastructure, and strategic coordination. The   
GLA possesses a broader range of powers and a more complex governance structure than   
most Combined Authorities.   
   
 2.3 Regionalism reviewed   
   
The emergence, and growing power, of regional authorities in England has been the area of   
greatest recent change for local governance.   
Most large, complex countries have a regional tier of government. The USA has fifty states   
that vary greatly in size and population (mean average population of a little over six million);   
as does Germany (mean average population of a little over five million). Even smaller unitary   
states, such as Denmark, have regional governance at a smaller population size (one to two   
million). This is sometimes referred to as a ‘meso’-governance layer. Neither the home for   
hyperlocal self-government and local area coordination, nor for the nation-scale strategic   
functions expected of a nation-state. Meso-governance is a consistent feature within   
developed countries.26   
Between 1994 and 2010, Regional Development Agencies played a partial governance role   
at something resembling the larger ‘meso’ scale of operation. Once abolished, some of these   
   
24 Duncan Henderson et al., ‘English Devolution’, Institute for Government, June 2024.   
25 A future Reimagining the Local State report will set out detailed proposals for the future of regional   
authorities in England.   
26 Philip McCann, The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution (National   
Institute of Economic and Social Research, 2022).

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 economic planning functions were redirected to Local Enterprise Partnerships, which have   
now in their turn been discarded.27   
   
 2.3.1 London’s example   
   
London has long been treated differently to the other parts of England: a site for metropolitan   
quasi-autonomy and experimentation in municipal governance. Between 1965 and 1984, the   
Greater London Council played a strategic governance role similar to that seen in regional   
governance in other countries. Then, in 2000, a major precedent was established with the re-  
introduction of regional governance for London. The Greater London Authority (GLA) was and   
is unique, combining a directly-elected mayor with a full assembly of representatives, mirroring   
the executive/legislative balance found in most presidential systems.   
The establishment of the GLA presaged the emergence of a much deeper shift. The first   
attempt to roll out regionalism more widely in England would have seen the introduction of   
large-geography regions across England, each with an elected assembly. The first step —   
setting up indirectly-elected regional ‘chambers’ with few direct powers — was accomplished   
in 1998.   
The first elected regional assembly, planned for England’s North-East, was put to a local   
referendum having been selected on the basis that it was the most likely to meet with public   
approval. Instead, it was firmly rejected, with only 22 per cent of people voting in favour.28   
Unlike in Wales, this defeat was too emphatic for any second attempt, and there was little   
indication of any significant public warmth to the idea of regionalism in other parts of the   
country. The Conservative party, then in opposition, argued that this made clear that the public   
had no interest in having “more politicians”.29 All of this left the New Labour devolution project   
unfinished, generating a governance asymmetry between England, Scotland, and Wales that   
persists to this day.30 The last regional chamber was abolished in 2010.   
   
 2.3.2 Regionalism by the back door?   
   
2004 saw the end of the last concerted effort for the creation of consistent regional governance   
in England. In 2009, an alternative approach began to emerge, with legislation enabling the   
creation of something new: a combined authority, where geographically contiguous groups of   
local authorities voluntarily come together to establish a regional tier of governance. By   
definition these new systems would be varied, the product of specific local agreements (and   
deals with central government). Since 2016, these combined authorities have been able to   
add the role of a directly-elected mayor; of the eleven currently operational combined   
authorities, ten have now done so.31   
   
27 Kwame Boakye, ‘Government Will End Support for LEPs’, Local Government Chronicle , 4 August   
2023.   
28 House of Lords Select Committee on the Constitution, Referendums in the United Kingdom, Twelfth   
Report of Session 2009-10 , HL Paper 99, 2010.   
29 Caroline Spelman, ‘Abolition of Regional Assemblies, 2005-06’ (2005).   
30 Gary Wilson, ‘Constitutional Reform in the UK: A Note on the Legacy of the Kilbrandon   
Commission’, Liverpool Law Review 38 (September 2017).   
31 OECD, Education Policy in Japan: Building Bridges towards 2030 , Reviews of National Policies for   
Education (OECD, 2018).

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 As regional devolution has evolved, the ‘menu’ of policy areas and administrative   
responsibilities under negotiation for Combined Authority control has changed. Greater   
emphasis is now placed on the regionalisation of housing policy, as well as public transport   
policy and major ‘missions’ such as the drive toward net zero. At the same time, areas such   
as place-based development and the promotion of growth, while still crucial, are no longer the   
dominant focus of all regional authorities.32   
While few would advocate for regional government as the primary relationship-holder with   
communities, regional governance can be organised to operate alongside highly democratised   
or ‘bottom-up’ policy processes. Japan is often considered to be a highly centralised example   
of a unitary state, though an estimated two-thirds of decisions are taken at a local or regional   
level.33 In an explicit programme of “regional revitalisation”, Japan’s 47 regional prefectures   
are themselves becoming more open and responsive to approaches to urban planning and   
development that are driven by small municipalities and the residents within them: the   
strengthening of the regional tier in turn making smaller scales of governance more active and   
vital by reducing dependence on the national government as their default interlocutor.34   
Extant combined authorities are also questioned in terms of their emphasis on big cities, and   
whether they are appropriate for governance in more rural areas and can adequately support   
neighbouring areas outside city centres.35 In response, county-scale devolution deal making   
and a new model of County Combined Authorities — which can be established without direct   
involvement from any lower-tier Districts within their jurisdiction — are now emerging.   
   
 2.3.3 Inventing the regions?   
   
The emergence of England’s regional tier is occurring in an incremental way, with all the   
advantages and disadvantages that such an approach entails. The voluntary nature of   
combined authority agreements helps to ensure that they are the product of ‘bottom-up’   
processes. However, the resulting unevenness (and indeed absence) of regional governance   
in some places presents a major challenge when seeking to realise the benefits of devolution   
and decentralisation, particularly when there is evidence to suggest that this ‘patchwork’   
actively contributes to the reservations that Whitehall departments sometimes feel about giving   
up power through devolution.36   
Other countries have undertaken structural change to achieve regional governance in a more   
direct way. In 2007, Denmark undertook a radical reform programme, which saw 271 small   
local authorities consolidated into 98 larger municipalities, while 14 counties were replaced by   
five larger regions.37 This was an explicit attempt to create a layer of strong governance,   
capable of dealing with complex tasks at subnational levels, but at the larger strategic scale —   
   
32 Mark Sandford, Devolution to Local Government in England (House of Commons Library, 2024).   
33 OECD, Education Policy in Japan: Building Bridges towards 2030 .   
34 Martina Rotolo, ‘The Japanese Way of Urban Planning: The Machizukuri Approach’, The Urban   
Media Lab , 7 November 2019.   
35 Dan Turner et al., ‘Why Hasn’t UK Regional Policy Worked? The Views of Leading Practitioners’,   
M-RCBG Associate Working Paper Series 216 (October 2023); Patrick Diamond et al., ‘Levelling Up   
the UK: If Not the Conservatives, Will Labour Learn the Lessons from Past Policy Failings?’, The   
Political Quarterly 94, no. 3 (September 2023).   
36 Kaye and Powell, Devolve by Default: Decentralisation and a Redefined Whitehall .   
37 European Committee of the Regions, ‘Denmark’, Webpage, Division of Powers, 2023.

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 more conducive to economic development — than was achievable with the old counties.38   
Other formally county-level responsibilities were absorbed by the new municipalities, partially   
in response to a subsidiarity principal where “what can be dealt with on a local basis is dealt   
with on a local basis”.39 This left the regional authorities to manage healthcare, economic   
development, and some aspects of the education system.40   
These reforms have been broadly deemed a success. A 2013 review found that the new   
structures had the effect of strengthening the professionalism and budgetary discipline of   
most public services.41 Meanwhile, the now mid-sized ‘municipal’ tier, with an average   
population size of just over 60,000 (considerably smaller than the average English local   
authority), has become associated with a tendency to work closely with communities. They   
are encouraged to identify productive place-based strategies and partnerships and to foster   
community development, playing a role in the population’s high levels of institutional trust   
and social responsibility.42 A significant degree of direct community input is expected in   
policy decisions ranging from the school system and climate action plans to the maintenance   
of pavements.43   
There are no inherent reasons why English local systems should not also realise the benefits   
of proximity devolution. However reform is achieved, a nuanced framework for how to design   
and distribute powers through the evolving local government system will be required.   
   
38 Danske Regioner, ‘Regional Denmark’, Webpage, 2024.   
39 Kommunernes Landsforening, ‘Municipal Responsibilities’’, Webpage, 2024.   
40 OECD, ‘Denmark EUROPe’, Webpage, 2016.   
41 The Congress of Local and Regional Authorities of the Council of Europe, Local and Regional   
Democracy in Denmark , CG(12)12FINAL, October 2013.   
42 Maja Neergaard and Rikke Skovgaard Nielsen, ‘Cohesion on the Ground: Perspectives and   
Experiences’, Institut for Byggeri, By Og Miljø (BUILD) , June 2021.   
43 Stephanie Gidigbi Jenkins, ‘3 Lessons from Denmark for Investing in People and Places’, NDRC   
Blog, 16 August 2017.

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3. Design principles for effective   
devolution   
   
England is often criticised for its highly centralised nature, especially in comparison to other,   
similarly populous and complex countries. Much policy debate revolves around the potential   
benefits to be derived from a more decentralised system.   
There are three main categories of benefit from a model of this sort, particularly from the   
perspective of community-led organisations whose progress and ability to achieve outcomes   
is often strongly dependent on their relationship with various tiers of local government.44   
Crucially, while regional authorities provide the right scale of operation to achieve these   
benefits in some instances, in many cases a far smaller scale of state operation will be needed.   
   
Figure 2: Three local advantages from devolution   
   
   
   
 3.1 Context tailoring and join-up   
   
Decisions and powers placed at a sufficiently localised scale can enable closer adaptation of   
public services to local needs, improved efficiency in public service delivery, and close   
information gaps so that locally designed policies can boost economic growth and enhance   
regional development.45 At such scales, it is easier to foster strategic alignment between public   
   
44 Interviewees from community-led projects   
45 OECD, ‘Decentralisation: Its Benefits and Challenges’, in Making Decentralisation Work: A   
Handbook for Policy-Makers (Paris: OECD Publishing, 2019).   
1. Context tailoring and join-up is the benefit that arises when local authorities are   
equipped to identify local assets, needs, and priorities, and specifically design their   
approach in a way that suits such contextual factors.   
   
2. Local accountability and partnership is the benefit that can emerge when   
devolution has enabled conditions where the users of services and communities   
themselves can have direct input about the quality of the governance that effects   
them, and contribute to much more rapid cycles of learning and iteration to help bring   
about improvements in the local state.   
   
3. Systemic coproduction is a benefit that can only be realised at sufficiently small   
scales of operation, where the local authority convenes and partners with local   
businesses, institutions, and communities themselves in order to deliver services   
and decisions that might involve markedly different behaviours from both citizens   
and the State.

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 services which would be siloed at the larger scales – a capability that local government   
structures can be specifically designed to support.   
Sufficiently granular governance systems can also enable more dynamic and innovative   
behaviours. Public service delivery improvements are often observed as systems   
decentralise, as they help foster experimentation – as long as this decentralisation is matched   
by appropriately scaled local capacity and adequate funding.46 This effect can also be seen in   
reverse. In Canadian healthcare, where recent trends have been towards increased   
centralisation, the relationship between decentralised approaches and innovation becomes   
clear: in the words of one study, “centralised organisational structures stifle rather than foster   
innovation, specifically during the idea-generation phase of innovation.”47   
Local tailoring also means that decisions are made on a scale with a better chance of benefit   
from locally distributed or tacitly-held knowledge. Centrally designed policy in England often   
fails to incorporate the expertise of communities and other local players with a nuanced grasp   
of the context within which policy will be implemented and brought into contact with the   
public.48   
Overall, then, there is potential for many areas of policy to benefit from a more devolved   
approach.   
   
 3.1.1 Is the right scale always the smallest scale?   
   
There are many potential benefits to working in a smaller scale way, and there are evidently   
many opportunities to realise these benefits by reforming a strongly overcentralised system.   
However, it is important to note that some decisions and powers might also be best held at   
larger scales. For example, it seems self evident that some major decisions, missions, and   
international representation functions should be held by central government by default.   
The same holds true for different scales within local government, where some powers should   
arguably move ‘up’ a tier as England’s regional tier emerges. Decisions on major infrastructure   
or planning are sometimes too closely entwined with interest groups or politics at the scale of   
local authorities at present. By contrast, a regionalised decision might be able to cut through   
these voices, when necessary, to serve the higher-level needs of a wider community.   
The point here is not to attempt to concretely establish the ‘right’ scale for everything, but to   
accept that at different times and in different contexts the most appropriate tier of governance   
might vary. A planning decision might be unlocked by hyperlocal approaches if there is enough   
flexibility and community mobilisation to allow the people involved to trade off their   
preferences; equally, it could be resolved through the establishment of a strong regional plan   
that allows the authorities involved to consider overriding community objections on the basis   
of broader public interest arguments.   
   
46 Mousse Sow and Ivohasina F. Razafimahefa, ‘Fiscal Decentralization and the Efficiency of Public   
Service Delivery’, IMF Working Paper 15, no. 59 (March 2015).   
47 Andrew D. Scarffe et al., ‘Centralization and Innovation: Competing Priorities for Health Systems?’,   
The International Journal of Health Planning and Management 37, no. 5 (September 2022), 2538.   
48 Michael Hallsworth and Jill Rutter, Making Policy Better: Improving Whitehall’s Core Business   
(Institute for Government, 2011).

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 The key, then, is a process for developing plans that can be accepted as legitimate to all of   
the relevant stakeholders in a jurisdiction, whether or not they might ultimately ‘get their way’   
when decisions are made. This pursuit of ‘meta-agreement’, founded upon the exchange of   
reasons for and against the distribution of powers across a place, is missing from our system   
at present.   
   
 3.1.2 A race to the bottom?   
   
Some critics argue that more granular decentralisation risks a ‘race to the bottom’ as local   
authorities at different scales use their autonomy to reduce spending, for example by cutting   
welfare provision or using any amount of fiscal devolution to radically reduce or increase   
taxes.49 This is not supported by the available international evidence. In Germany, an analysis   
of prisons, care home regulation and public sector pay — all managed through a combination   
of regional and municipal-scale authorities — found evidence of “different degrees of   
innovation, reform [and] collaboration” rather than the telltale signs of a race to the bottom.50   
The hard task of achieving a suitable system of local government finance — combining fiscal   
devolution, smart investment strategies, long-term settlements, and rigorous audit systems —   
will also help to ensure that increased autonomy over multiple scales does not simply   
incentivise rapid cuts.51   
More fundamentally, highly decentralised countries — even in non-federal systems — must   
ultimately recognise that local autonomy will involve different approaches being taken in   
different places. Such difference is not by definition undesirable, but represents a potential   
source of systemic benefit as innovative and more place-specific approaches are tried in   
particular areas, promoting learning across the whole system or setting up dynamics of   
comparative advantage between places.   
   
 3.2 Local accountability   
   
Decentralisation can also improve delivery by establishing firmer and more immediate lines of   
accountability between citizens and the decision-making that affects their lives. This has the   
effect of transforming the incentives of the authorities that serve local populations.52   
For example, if residents can directly connect the performance of local services with their   
payment of local taxes, there are stronger incentives to scrutinise local government.53 Such   
scrutiny and oversight could take a variety of forms, and might in some cases need   
   
49 Paul E. Peterson and Mark C. Rom, Welfare Magnets: A New Case for A National Standard   
(Washington: Brookings Institution, 1990); Ed Turner and Carolyn Rowe, A Race to the Top, Middle or   
Bottom? The Consequences of Decentralisation in Germany (IPPR North, 2015), 1.   
50 Ed Cox, Graeme Henderson, and Luke Raikes, Decentralisation Decade: A Plan for Economic   
Prosperity, Public Service Transformation and Democratic Renewal in England (IPPR North, 2014),   
30.   
51 A future Reimagining the Local State report will set out detailed proposals for sustainable finance   
and audit in the English local and regional government system.   
52 OECD, ‘Decentralisation: Its Benefits and Challenges’, 2019.   
53 Ibid.

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 reinforcement by a concerted effort to promote the transparency of the role and working of   
local authorities.   
Organic accountability can emerge rapidly in response to specific issues at local scales. When   
sufficiently motivated, citizens galvanise community responses to the local state that can lead   
to direct lobbying of politicians and officials, the establishment of new organisations, pooling   
of resources to pay for legal action, citizen-driven information campaigns and petitions, and   
freedom of information requests. Such efforts tend to be more effective when citizens are   
scrutinising institutions at smaller scales and where they have ‘skin in the game’, whereas   
successful influence is far less likely when dealing with national governments.54   
A more formal, systematic model could involve public authorities going beyond routine   
consultation exercises. In England, some local authorities are experimenting with the use of   
citizens’ juries or assemblies, on a temporary or standing basis, to help develop policy   
decisions or to enhance local accountability.55   
Finally, at a more localised level, a significant policy decision or bureaucratic failure could very   
well lead to electoral consequences for the controlling party in a local election, whereas the   
particularities of local issues are less likely to be relevant in a national campaign to elect MPs.   
This enhanced local accountability could in turn lead to greater levels of direct participation   
and coproduction of services, as well as a richer engagement with the trade-offs and   
rationalisations involved in local government decision-making. The experiences of citizens and   
service users could be rapidly used to make improvements by small, nimble councils.56   
Such a scenario would contrast markedly with the current situation, where the complex and   
unclear arrangement of responsibilities across different tiers of government across England   
means citizens are often unsure of who to hold to account for their dissatisfactions with   
services.57   
   
3.3 Systemic coproduction   
   
Beyond accountability, a sufficiently localised system can bring citizens directly into matters   
of decision-making, the design of policy approaches, and direct participation or co-ownership   
of the delivery or management of services.   
Local approaches that are designed specifically for specific places, with citizens as direct   
participants, can improve policymaking, reduce costs, and strengthen the local social fabric.58   
The COVID-19 pandemic cast a unique light on the capacity and potential of councils and   
local communities, contributing to a growing body of evidence that localism can help to drive   
   
54 Tate Ryan-Mosley and Jennifer Strong, ‘The Activist Dismantling Racist Police Algorithms’, MIT   
Technology Review , 5 June 2020.   
55 Democratic Society, ‘“I Feel Connected for the First Time in a Long While”: What We Learnt From   
the First Citizens’ Assembly in Newham’, Medium (blog), 26 November 2021.   
56 Toni Lennox, ‘Share Your Opinion on East Ayrshire Care Services’, In Your Area , 7 April 2022.   
57 Benoit Guerin, Julian McCrae, and Marcus Shepheard, Accountability in Modern Government:   
What Are the Issues? A Discussion Paper (Institute for Government, 2018), 24.   
58 For example, Local Government Association, ‘#CouncilsCan: A Local Response to a Global   
Pandemic’, Webpage, 2023.

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 participatory approaches that help to engineer more prevention and demand-diversion into   
public services.59 The rapid success of mutual aid groups — whose involvement often made   
the lockdown ‘sheltering’ policies possible in many places — was decisively affected by their   
relationship with local authorities.60   
A specific population of service users with deep understanding of the local context could be   
brought into strategic and spending decisions, helping public authorities to avoid costly   
projects that don’t meet community needs, and redirect resources toward something more   
useful. Meanwhile, the simple fact of deep citizen participation can help to build confidence,   
stakeholdership, and personal contribution.61   
Greater local autonomy can give local government leaders flexibility to, as academic experts   
have put it, “innovate, take informed risks and operate outside pre-ordained parameters”, as   
well as forge “horizontal structures to promote accountability lines between local leaders and   
the communities they serve” rather than the “vertical accountability structures [of] ministerial   
responsibility.”62   
Such structures will make more sense, and be more successful, if they are promoted by the   
correct tier of local government. Organising a coproduction project, or close partnership with   
a coalition of businesses, to help deliver on local net zero ambitions may make sense at a   
regional scale; but a similar effort on tackling litter in a particular neighbourhood should surely   
be held by a smaller local authority.   
   
 3.4 Design principles for English localism   
   
To capture the potential benefits set out above and help to convert them to tangible outcomes,   
an alternative system of local government would require a set of design principles. These are   
garnered from the community projects, international examples, and policy experts who have   
contributed to the research process for this report.   
   
59 Grace Pollard, Jessica Studdert, and Luca Tiratelli, Community Power: The Evidence (New Local,   
2021).   
60 Luca Tiratelli and Simon Kaye, Communities vs Coronavirus: The Rise of Mutual Aid (New Local,   
n.d.).   
61 Simon Kaye, Think Big, Act Small: Elinor Ostrom’s Radical Vision for Community Power (New   
Local, 2020).   
62 Sam Warner et al., ‘English Devolution and the Covid-19 Pandemic: Governing Dilemmas in the   
Shadow of the Treasury’, The Political Quarterly 92, no. 2 (April 2021), 322.

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 Overarching objectives:   
1. Subsidiarity. All other things being equal, powers should always be held at the   
lowest/smallest scale of organisation compatible with excellent outcomes. This   
increases the ease of direct community participation, can make systems more readily   
transparent, and therefore accountable, to citizens, and promotes more context-  
specific and contextually efficient approaches.   
2. Sustainability. The system must be structurally conducive to financial sustainability –   
not so large as to be unaffordable or to deplete public confidence in how costly the   
system is. It should also be sustainable in terms of the other kinds of resources it   
consumes.   
Scales of operation:   
3. Regionalism. Powers and decisions that depend upon economies of scale, have   
implications across functional economic geographies, and require more context-  
specificity than is possible from central government should be held by empowered and   
autonomous regional authorities.   
4. Hyper-localism. Services that particularly benefit from community participation and   
coproduction will tend to benefit from more localised, informal, collaborative, and   
facilitative governance.   
Enabling principles:   
5. Flexibility. Public authorities at any scale should be capable of adapting practices to   
suit local conditions and community needs, rather than adopting a rigidly bureaucratic   
or hierarchical approach that inevitably positions residents as passive service users.   
6. Specialisation. Much of the challenge faced by communities and third sector   
organisations (and by central government) are created by the fact that the different   
tiers of local governance have unclear, blurred, or duplicated remits. Powers should   
therefore be rearranged in a way that sees specialisation attached to different scales   
of governance: a collaborative and facilitative hyperlocal tier, a delivery-focused mid-  
tier, and a strategic and co-ordinating regional tier.   
7. Consistency. Alongside the principle that public authorities should have the operational   
flexibility to adapt their practices to local conditions, there is a strong case for ensuring   
consistency of the broader pattern of the distribution of powers through a predictable   
structure. This would build local accountability, strengthen the case for decentralisation   
out of central government, and makes some aspects of localism, including fiscal   
devolution, more viable.   
8. Join-up. Localism allows for alignment between service areas, as well as connections   
and collaborations within organisations and between strategic partners. Closely   
aligned powers should be organised at a single tier wherever possible, rather than   
spread across two or more tiers. Powers should also be scaled to enable the best   
chance of collaborative approaches and supportively designed policymaking.

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 4. How to redistribute power   
   
The design principles in the previous section offer the parameters for a very different system   
of English local government. Adhering to these would ensure far better engagement with the   
communities that are served by local government, and which are so often forgotten by the   
current, overcentralised system. Putting such principles into practice would involve some   
radical departures from the way that regional and local policy is currently organised, as well   
as significant shifts in how central government makes use of devolution policy.   
Some of the necessary changes have already been discussed in Reform’s earlier report,   
Devolve by default: Decentralisation and a redefined Whitehall. The recommendations in this   
section build directly upon the proposals in that paper, which includes a framework for   
evaluating the aspects of policy that should be decentralised and tools for evaluating the   
‘maturity’ of different local systems.63   
   
 4.1 Regional plans and power distribution   
   
For the principles set out above to be realised, and for an alternative power-distribution like   
the one sketched out in the next section to start to emerge, a commitment to subsidiarity must   
be fully embedded in the process of devolution as devolved powers are spread and deepened.   
This would provide clarity for central and local actors about not only the role of regional   
authorities, but those taken on by constituent local authorities and hyper-local actors within   
the jurisdiction. To work, the devolution process should establish the incentives required for   
what will at times be highly complex changes to the practice and powers of governance   
systems.   
The key mechanism for achieving this change should be the expansion of centrally-mandated   
‘local growth plans’ to become wide-ranging Regional Plans. These strategic documents   
should become the necessary first step for further devolution, and incorporate the various   
‘plan’ documents that are currently produced, in patchwork fashion, by many different tiers of   
local government. In order to be acceptable for this purpose, they must demonstrably reflect   
the consensus position of all the relevant actors within a region, across all scales of active   
governance – in other words, signalling the existence of a coherent and agreed plan for the   
use of devolved power. This would mean that would-be constituent councils with incompatible   
visions for the future of regional governance in their area would have to establish firm grounds   
for agreement before proceeding with further devolution. These Plans should explicitly reflect   
a set of design principles such as those set out in Section 3.   
   
   
63 Kaye and Powell, Devolve by Default: Decentralisation and a Redefined Whitehall .

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A crucial aspect of this approach is the adoption of a framework where all tiers of governance   
have both the right to propose ‘drawing up’ or ‘drawing down’ powers, and the responsibility   
to take such proposals seriously and respond to them properly.   
Any such proposed changes should be unequivocally founded upon a comprehensive   
evaluation of local systems’ readiness and ‘maturity’, based on standardised criteria.64 At the   
same time, currently power-holding institutions must demonstrate that they have rigorously   
evaluated the proposing local tier before taking any decision to devolve further. If disputes   
emerge within local systems about this process or the appropriate tier for a given power, cases   
may ultimately be referred to the newly established Council of Regions and Nations for a   
decision.65   
   
   
   
 4.2 Getting past deal-making   
   
Moving beyond deal-making — particularly for the most commonly devolved powers within   
government’s devolution policy framework — could also help support the wider distribution of   
powers and the establishment of regionalism everywhere.66 While forging agreements or deals   
is a way to ensure local system buy-in as regional structures are spread across the country, it   
   
64 Kaye and Powell.   
65 The importance of dispute resolution processes, and clarity about the source of final decisions   
when absolutely necessary, is clearly established by research into self-governing systems by Elinor   
Ostrom, Governing the Commons: The Evolution of Institutions for Collective Action , 1st ed.   
(Cambridge University Press, 2015).   
66 UK 2070 Commission, Make No Little Plans: Acting at Scale for a Fairer and Stronger Future , 2020.   
Recommendation 1: Expand the scope of mandatory ‘local growth plans’ to become   
ambitious and strategic ‘Regional Plans’, coproduced with all tiers of governance and the   
community-led actors within a region. These should encompass economic growth and the   
integration and improvement of all local services as well as plans for the best use of local   
assets and resources.   
They should explicitly reflect a set of foundational design principles such as those set out   
in this report, and an initial mapping process showing how devolved powers will be   
distributed through every tier of the regional system, enabling wider support for   
devolution. Joint governance groups, operating semi-independently from the Combined   
and Constituent Authorities, should operate a schedule of regular reviews at the regional   
scale to support and monitor delivery against Plans and recommend updates to them.   
Recommendation 2 : As part of the adoption of Regional Plans, all tiers of governance   
within a region should also adopt a formal framework that explicitly entitles all tiers of   
government to propose the ‘drawing-down’ or 'drawing up' of specific powers when this   
would allow them to better fulfil the objectives agreed in the Plans. These proposals must   
demonstrate feasibility and close consultation with relevant communities and community   
groups. Each tier of governance, including central government, must consider and   
respond to these subsidiarity requests from other tiers in a timely way.

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 also means that establishing a consistent tier is unlikely to happen. Moving beyond deal-  
making should therefore be an early ambition for central government devolution policy (one   
already present in published plans for the upcoming English Devolution Bill67).   
   
   
   
Overcoming the barriers to both deeper and wider devolution will require the adoption of new   
frameworks, normalising Whitehall’s continuous assessment of policy for partial or complete   
devolution to the control of local systems, and evaluating the capacity, capability, and broader   
institutional maturity of the local systems that would assume those powers. The Regional   
Plans set out in earlier recommendations represent one clear way of developing and   
demonstrating these aspects of systemic maturity. These could be supplemented by a wide   
array of accountability systems and learning networks. The kernels of these already exist in   
the monitoring capabilities of the Office for Local Government that is still being incubated at   
the Ministry of Housing, Communities, and Local Government, as well as the peer-learning   
and peer-challenge networks such as those organised via the LGA.68   
   
67 Prime Minister’s Office, The King’s Speech 2024: Background Briefing Notes .   
68 For a comprehensive exploration of these ideas, see Devolve by Default (Reform, 2024)   
Recommendation 3 : Replace deal-based devolution at lower 'tiers' of the devolution   
framework with a ‘by default' system based on demonstrated institutional maturity in line   
with a clear set of criteria (as proposed in Devolve by Default (2024)). Implement   
intergovernmental systems to oversee and support this process, and complement with a   
comprehensive peer learning and accountability function for continuous improvement,   
supported by an operationally independent Office for Local Government (Oflog).

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5. What powers where?   
   
The proposals detailed in the previous section give a sense of the practicalities of shifting how   
powers are distributed in our current system. In this section, an alternative ‘map’ of tiered   
governance across England, aligned with the design principles identified in Chapter 3, is set   
out.   
The below model sets out a simplified three-tier structure and the powers that might be best   
placed at each scale of control. Of course, the distribution set out below is not the only way to   
arrange these powers, and part of the value of increasing regional and local autonomy is the   
potential for variation, meaning a slightly different distribution may be preferred to realise the   
best outcomes for that area. But ensuring a broad consistency of structure would allow for a   
more efficient ‘specialisation’ of different organisational scales.   
Realising such a structure in practice will require reform of the way that institutions themselves   
are currently organised (which is addressed section 5.4).   
   
Figure 3: A simplified three-tier distribution of power for regional and local   
government in England   
   
   
   
The ‘hyperlocal’ tier is currently not present at all for much of England, and when present is   
usually split across Parishes, Districts, and those Upper Tier or Unitary authorities that   
specifically aim to work in a community-engaged way. This tier should be home to a more

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 informal, connected, and directly co-productive model of governance, with responsibility for   
community infrastructure.   
   
 5.1 Regional authorities (the ‘meso-tier’)   
   
Figure 4: Powers of the regional tier   
   
   
   
A considerable academic literature exists that sets out the consistent need for a ‘meso tier’ of   
governance, with jurisdiction over mixed-geography areas populated by three to seven million   
people.69 This scale lends itself to strategic functions, coordination between different local   
players, liaison with central government, and development plans over coherent economic   
geographies.   
The strategic ‘regional’ tier – as well as taking on more powers directly from central   
government – should ultimately be positioned to ‘own’ all aspects of the housing and planning   
system (drawing these powers ‘up’ from local authorities), employment and skills, and regional   
transport (including management of both public transport and highways – again, currently held   
by local authorities). All of these areas of activity could stand to benefit from significant   
economies of scale while not being appropriate for purely centralised control, while   
consistency across regional geographies would be likely to help produce better outcomes.   
For example, if positioned as the ‘default’ scale for management of housing, planning, and   
economic development, these regional authorities could themselves work together on a super-  
regional basis in order to deliver major infrastructure or improvement projects (e.g. a major   
   
69 McCann, The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution .

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 new public transport programme across the entire North of England), establishing new   
centres, outside Whitehall, for driving forward major projects.70   
Policing oversight also makes sense at this tier, in part because it represents a compromise   
scale between the highly localised approaches associated with effective community   
engagement and the scale of operation needed to address organised and cross-border   
criminality.71   
There is also a strong case for the devolution of other powers to this regional scale, including   
some of the budgets that are currently centrally managed by Whitehall’s Department for Work   
and Pensions, such as the operation of employment agencies and back to work programmes,   
which could be effectively coordinated with adult skills and strategic economic planning if   
managed directly at the regional scale.72   
This strategic layer of organisation also lends itself, in many other countries, to the   
management of the majority of the health care system. Again, this would allow for strategic   
redeployment of budgets which, in the current reactive and centralised model, tend to be   
overwhelmingly consumed by acute care and hospitals.73   
Inspections frameworks, though obviously benefiting from centrally-set overall frameworks of   
standards, may also be better situated at a regional scale rather than being dependent on   
increasingly challenged arms-length national bodies such as Ofsted or the CQC. For example,   
the existing structure of Regional Department for Education Directors (which replaced   
Regional Schools Commissioners) could be strengthened and more specifically connected   
within the framework of emerging regional authorities to take over the inspection and   
standards oversight functions within that jurisdiction, helping to shift incentives for teams   
working within local government.   
Many of the challenges faced by existing local government structures suggest an urgent need   
to review real economic geographies and to ensure the willingness, as regional authorities   
emerge, to redefine the boundaries of their constituent authorities and directly petition central   
government to reform local public service geographies to make them more coterminous.   
A possible risk factor that emerged in interviews with both community groups and local   
authority officers is the concern that highly empowered and autonomous regional authorities   
could ultimately start to mirror the power-hoarding behaviours and incentives that are currently   
observed within central government departments.   
This risk of creating ‘mini-Whitehalls’ could be mitigated by ensuring that each devolution deal   
(or devolution-deepening deal as Combined Authorities assume more powers) should also   
include explicit requirements for the regional actors to further devolve appropriate powers and   
   
70 Nyasha Weinberg et al., ‘A Growth Policy to Close Britain’s Regional Divides: What Needs to Be   
Done’, M-RCBG Associate Working Paper Series 255 (February 2024).   
71 Barry Loveday, ‘Police and Crime Commissioners: Developing and Sustaining a New Model of   
Police Governance in England and Wales’, International Journal of Police Science & Management 20,   
no. 1 (March 2018).   
72 Alexander Hitchcock, Maisie Borrows, and Eleonora Harwich, Vive La Devolution: Devolved Public-  
Services Commissioning (Reform, 2017).   
73 Rosie Beacon, Close Enough to Care: A New Structure for the English Health and Care System   
(Reform, 2024).

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 resources, including to constituent local authorities, hyper-local actors, and communities   
themselves.   
In addition to establishing this clear expectation in specific terms in regional authority   
devolution agreements, there is also a case for ensuring that the various efforts to monitor,   
audit, and evaluate the performance of regional authorities take the extent of their ‘power-  
sharing’ into account, alongside other key indicators of overall performance. In practice, this   
would require various institutions – for example, the LGA as it facilitates peer challenge and   
learning, or MHCLG’s Office for Local Government – to establish clear metrics for each region   
that allow them to track whether the combined authority in question is sharing power   
effectively.   
If worse outcomes are shown to be occurring, or regional systems are failing to share power   
effectively, then this would provide grounds for triggering an audit of the overall performance   
of the system and/or the issuing of a Best Value Notice by the MHCLG Secretary of State.   
   
   
   
As regional authorities mature and grow in power, they should continue to support the   
development and success of constituent councils and hyper-local actors within their   
jurisdiction. It will also be crucial to ensure that the relationships between local systems and   
central government function well, with rapid information exchange to minimise confusion and   
maximise the efficiency of interactions and collaborations that operate across different scales.   
To help achieve this, regional authorities should establish powerful ‘hubs’ designed to support   
all tiers of local government to engage effectively with their interlocutors in central government,   
with the ultimate objective of creating the conditions for effective distribution of power through   
the whole system. They would help to establish regional systems as conveners and facilitators   
with strategic leadership obligations over an entire jurisdiction. These hubs should also provide   
a learning conduit back to central government to help inform ongoing efforts to extend and   
strengthen the process of devolution outward from Whitehall. One effective way to achieve   
this would be to emulate practice in some parts of the USA and introduce a programme where   
Whitehall officials are seconded into these hubs with the specific purpose of supporting   
relations between national and sub-national tiers and enabling effective navigation of the   
machinery of government.74   
   
   
   
74 Santi Ruiz, ‘How to Present Decisions to POTUS’, Statecraft , 19 June 2024.   
Recommendation 4 : Ensure that subsidiarity and effective power-sharing is embedded   
as a key metric within the monitoring and evaluation framework for Regional Plans as this   
is developed around England's regional authorities.   
Recommendation 5 : Establish ‘one-stop’ regional coordination points to streamline   
interactions with central government. These should be reinforced by embedding   
seconded central government officials. These officials should provide on-the-ground   
support to engage with and advocate for local actors within Whitehall, navigate central   
systems, access grants, implement policies effectively, and support the production of   
Regional Plans.

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 Finally, inspections frameworks, though obviously benefiting from centrally-set overall   
frameworks of standards, may also be better situated at a regional scale rather than being   
dependent on Increasingly challenged arms-length national bodies such as Ofsted or the   
CQC. For example, the existing structure of Regional Department for Education Directors   
(which replaced Regional Schools Commissioners) could be strengthened and more   
specifically connected within the framework of emerging regional authorities to take over the   
inspection and standards oversight functions within that jurisdiction, helping to shift incentives   
for teams working within local government. This idea will form the basis for future research in   
this programme.   
   
 5.2 Local authorities   
   
Figure 5: Powers of the local authority tier   
   
   
   
Mid-sized local governance structures exist in almost every country, though with somewhat   
variable scales of operation, and are often operationally blurred with hyper-local structures   
(see below). There is a strong case for consolidation of the two-tier systems that currently   
subdivide the local authority level in some places, not least on grounds of financial   
sustainability (see section 5.4, below).   
In England, the size of these local authorities, in terms of population, will likely always be quite   
variable, even in a notional future system where a form of unitarisation has played out across

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 the country. Some of these local authorities will have populations of over a million; others   
significantly less. This has a bearing on the kinds of powers that might consistently be best   
‘owned’ at this scale.   
This mid-sized ‘borough’ tier would be well served by a process of specialisation, leading to a   
tight focus on any areas of core statutory public service delivery that are less amenable to   
strategic join-up over larger regions.   
Other powers suited to this scale include public services where significant demand arises from   
populations that do not always exist in meaningful numbers at the hyper-local level, and where   
coordination of state activity can achieve significant efficiencies while still benefiting from a   
significant degree of local tailoring. Adult social care services are a signature policy   
responsibility for authorities at this scale; waste collection and disposal should also be   
organised at this level, alongside children’s services, overarching emergency and resilience   
planning, and health-creation responsibilities such as public health.   
While schools themselves are no longer operated by local authorities, local government at this   
scale is still well positioned to facilitate the planning and coordination activities that can benefit   
the wider education system within a place.   
None of this rules out the possibility that collaboration with hyper-local tiers or communities   
themselves could yield potential benefits for each of these service areas, such a promoting   
preventative practices. This is another reason to sustain these activities at local authority   
rather than regional scales, and to ensure close collaboration between this tier and the hyper-  
local systems that should, preferably, always be present alongside them.

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 5.3 Hyper-local authorities   
   
Figure 6: Powers of the hyper-local tier   
   
   
   
There is in most contexts a clear role for some kind of hyper-local structure. Borough-scale   
governance of up to a million residents lacks the geographic specificity to be a particularly   
effective convenor of partnerships or facilitator of community activity.   
At present, in England, this role can be fulfilled by two kinds of organisation. District councils,   
where they exist, can be deeply enmeshed with their communities, even at the scale of   
neighbourhoods. Parish and town councils, meanwhile, do not have the standing of Districts   
or other ‘Principal Authorities’ but do in some cases deliver a crucial community coordination   
and coproduction role.75   
In some cases, beyond these two formal types of structure, community-led organisations or   
institutions already provide effective hyper-local governance and services at the   
neighbourhood level. Integrating effectively with these examples of social mobilisation, where   
they are present, will be an important feature in any new tier of hyper-local authorities.   
   
75 National Association of Local Councils, Devo Local: A White Paper for Empowering and   
Strengthening Local Democracy , 2015.

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 Without a major structural shake-up, hyper-local governance is unlikely to be present for every   
part of England in the coming years. When introduced, it should be quite different in terms of   
structure to the highly formal systems at the local and regional tiers.   
The primary role of coproduction and facilitation of community activity would benefit from the   
blurred boundaries between citizens and state currently enjoyed by parishes, but with the   
firmer statutory footing of Districts. Effectively ‘merging’ these two kinds of institutions to   
produce a new hyper-local tier that is transparent, accessible, not overly formal, and highly   
responsive to the wishes and needs of local communities, should be a focus for future policy.   
Ensuring sufficient systemic accountability and capacity to take on significant policy   
responsibilities will be a varied challenge in different places, so the distribution of powers to   
this tier should be arranged in response primarily to the capability and ‘readiness’ of the hyper-  
local tier. As such the powers suggested here for this tier should all be seen as conditional   
upon the presence and readiness of each hyper-local system in question.   
Powers that may best be exercised at this scale include some that are conventionally ‘held’   
today by local authorities. Some aspects of local resilience are a natural fit for close   
coordination with neighbourhoods and communities, such as watercourse management, flood   
defence, and immediate emergency resilience (all of which should be effectively mapped and   
coordinated with borough-scale authorities too).76   
Community mobilisation, engagement, and facilitation efforts should be organised at this scale   
by default, wherever possible. This would allow for a highly granular responsiveness to local   
priorities. Hyper-local authorities should also work to establish neighbourhood plans, founded   
upon decisions taken by neighbourhoods themselves, and feed these up to other scales of   
local governance to help inform strategic decisions which will impact specific places in new   
Regional Plans. Plans of this sort should also allow for meaningful consultation processes   
about reform and devolution of powers.   
While it is possible that local social and community infrastructure could benefit from economies   
of scale if managed at a local or regional scale, interviews with leaders of community   
organisations suggest that by placing these important assets in the hands of hyperlocal   
systems there is an opportunity to build participation and stakeholdership around them.   
Moreover, more sustainable operating models for these assets – such as direct community   
ownership, integration with voluntary efforts, or co-location of locally important functions –   
could also become possible.77   
In the context of an emphasis on overarching national ‘missions’, as well as this report’s   
proposal for ambitious Regional Plans in every place with a regional authority, the importance   
of the input – and overall agreement – from this hyper-local tier is magnified. This tier of   
governance would be the main conduit for community contributions, and overall consent, to   
the revised regional ‘social contract’ that each of these Regional Plans would ultimately   
represent. Similarly, wide-ranging missions would be difficult to achieve without direct   
collaboration with the communities affected by them and the local implementers that will bring   
the plans to fruition.   
   
   
76 Kaye, Think Big, Act Small: Elinor Ostrom’s Radical Vision for Community Power .   
77 The British Academy and Power to Change, Space for Community: Strengthening Our Social   
Infrastructure , 2022.

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 5.4 What this implies about the structure of local systems   
   
The above model requires foundational shifts to the pattern of institutions across England.   
Each of the below implications will be explored in detail in future Reimagining the Local State   
papers.   
Fewer, larger regions. Whether in the form of combined authorities, or an evolution of this   
model, the strategic, convening, and co-ordination role of regional authorities suggest that   
many of the current Combined Authorities in England are effectively too small.78 A functional   
regional or meso-tier of government in England should have a population of at least 2.5 million   
people.79 This tier also needs to be confident of an institutional standing and authority – in   
terms of internal structure, constitution, and decision-making processes – that is   
commensurate with the new powers it will be expected to absorb.   
Nationally consistent structures. While local government may behave differently or fine-  
tune its approaches in line with local expectations and contextual features, an overall   
consistency and uniformity to the system is required. This will be pivotal for unlocking   
devolution policies that cover more policy areas and evolve beyond deal-making. This means   
that the current situation – where some places have two-tier local authorities, while others   
don’t; some places have regional governance, while others don’t; some places have active,   
hyper-local parishes, while others don’t – must be rationalised.   
Hyper-local presence. Just as the average size of England’s regional authorities is currently   
too small, the average size of England’s local authorities is slightly too large. This is partially   
compensated by the existence of districts and parishes – but neither of these smaller   
structures is present in every part of England. Ensuring state capacity and presence at a size   
compatible with neighbourhood-scale working should be factored into future plans for   
structural reform of the system. Moreover, a different kind of governance would be necessary   
for this tier to function properly, with enough informality and flexibility to have a far more porous   
boundary with the communities that they serve. This new model would enable and maximise   
the impact of the community-led efforts in a place, but also require an approach to institutional   
design that is largely untested in England.   
   
   
78 Philip McCann, Levelling Up: The Need for an Institutionally Coordinated Approach to National and   
Regional Productivity (The Productivity Institute, 2022).   
79 Only a handful of current regional authorities in England are this size or larger. The German   
Bundeslander have an average size of approximately 5.3 million: Statistisches Bundesamt,   
‘Population by Area’, Webpage, 2023.

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 6. Conclusion   
   
Alongside an ever-deepening programme of devolution, urgent action will also be required to   
ensure that powers – old and new – are appropriately scaled through England’s complex   
system of local government. The prize would be mobilised and enabled communities   
alongside powerfully strategic and capable governance at the regional scale.   
The present patchwork of responsibilities, distributed across an array of local, regional, and   
national bodies, has led to inefficiencies and a disconnection from the communities that these   
systems are meant to serve. Yet compelling models of decentralisation exist beyond England.   
These models highlight the advantages of placing power closer to the people it affects,   
suggesting a more engaged and responsive form of governance is possible.   
Strategically, the creation of more empowered regional tiers stands as a crucial step toward   
addressing the disparities that have long characterised England’s political and economic   
landscape. A revised approach to regional governance could facilitate better coordination   
across various levels of government and the onward distribution of powers to constituent local   
authorities at the local and hyper local scales. By enhancing the autonomy of regions while   
ensuring they are adequately resourced and aligned with local government tiers, we can foster   
a more balanced and equitable distribution of power and resources across the country.   
There is also significant need for local and hyper-local governance in England, with clear   
responsibilities and ways to effectively propose the drawing-down of powers from higher tiers   
when appropriate.   
Reflecting on the best distribution of powers, and the design principles above, naturally carries   
implications for the structure of the system itself. The Reimagining the Local State programme   
will provide detailed recommendations for a new model in future publications.

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WHAT POWERS WHERE?   
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Making the grade   
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ABOUT REFORM REFORM   
Making the grade   
Prioritising performance in Whitehall   
Joe Hill May 2024   
Charlotte Pickles   
Sean Eke

Making the grade   
2   
 Reform is established as the leading Westminster think tank for public service reform. We   
believe that the State has a fundamental role to play in enabling individuals, families and   
communities to thrive. But our vision is one in which the State delivers only the services that   
it is best placed to deliver, within sound public finances, and w here both decision- making and   
delivery is devolved to the most appropriate level. We are committed to driving systemic   
change that will deliver better outcomes for all.       
We are determinedly independent and strictly non- party in our approach. This is reflected in   
our cross -party Advisory Board and our events programme which seeks to convene   
likeminded reformers from across the political spectrum.         
Reform is a registered charity, the Reform Research Trust, charity no. 1103739.      
   
ABOUT REIMAGINING THE STATE   
After a decade of disruption, the country faces a moment of national reflection. For too long,   
Britain has been papering over the cracks in an outdated social and economic model, but while   
this may bring temporary respite, it doesn’t fix the foundations. In 1942 Beveridge stated: “a   
revolutionary moment in the world’s history is a time for revolutions, not for patching.” 80 years   
on, and in the wake of a devastating national crisis, that statement once again rings true. Now   
is the time to fix Britain’s foundations.   
Reform’s new programme, Reimagining the State , will put forward a bold new vision for the   
role and shape of the State. One that can create the conditions for strong, confident communities, dynamic, innovative markets, and transformative, sustainable public services.   
Reimagining Whitehall is one of the major work streams within this programme.

Making the grade   
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 ABOUT REIMAGINING WHITEHALL   
This paper is part of the Reimagining Whitehall work stream. To effectively reimagine the State,   
major change must occur in the behaviours, processes, and structures of central government.   
This paper examines Whitehall’s approach to people management, with a specific focus on exceptional talent and poor performance. It provides a comprehensive set of recommendations for radically overhauling how talent is brought in and managed up through   
Whitehall, and how poor performance is addressed.   
   
Reimagining Whitehall Steering group   
Reform is grateful to the expert members of the Reimagining Whitehall Steering Group who   
provide invaluable insight and advise on the programme. Their involvement does not equal endorsement of every argument or recommendation put forward.   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
 Pamela Dow , COO, Civic Future ;   
former Executive Director of the   
Government Curriculum and Skills Unit   
 Dr Henry Kippin , Chief Executive,   
North of Tyne Combined Authority   
   
Sir Geoff Mulgan CBE , Former Head   
of Policy, Prime Minister’s Office; former Director of the No.10 Strategy   
Unit   
   
Philip Rycroft CB , Former Permanent   
Secretary, Department for Exiting the European Union   
   
Professor Jonathan Slater , Former   
Permanent Secretary, Department for Education   
 Rt Hon Jacqui Smith , Former Home   
Secretary   
 Martin Stanley , Author of   
‘Understanding the Civil Service’ and ‘How to be a Civil Servant’   
   
Professor Tony Travers, Associate   
Dean, School of Public Policy at the London School of Economics   
 Rachel Wolf , Founding Partner, Public   
First; Co-Author, 2019 Conservative   
Manifesto

Making the grade   
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 ACKNOWLEDGEMENTS   
   
   
External reviewers   
We would like to express our gratitude to Pamela Dow , Chief Operating Officer, Civic Future,   
and Philip Rycroft, former P ermanent Secretary , for their helpful comments on an earlier draft   
of this paper.   
The arguments and any errors that remain are the authors ’ and the authors ’ alone.   
   
Interviewees   
We would like to thank all 31 interviewees for giving their time and candid insights to support   
this research paper.   
   
The list of interviewees is as follows:   
• Pamela Dow , Chief Operating Officer, Civic Future and former Executive Director of   
the Government Curriculum and Skills Unit   
• Keith Joughin, Partner, PA Consulting   
• Rupert McNeil, Former Government Chief People Officer   
• Philip Rycroft, Former Permanent Secretary, Department for Exiting the European   
Union   
• Professor Jonathan Slater , Former Permanent Secretary, Department for Education   
• Tom Shinner, COO, Entrepreneur First and former Director for Policy and Delivery   
Coordination at the Department for Exiting the European Union   
• Liz Tolcher, Associate Partner, PA Consulting   
 and 24 interviewees , the majority of whom are current civil servants, who wished to remain   
anonymous.   
   
We would also like to thank Civil Service World (CSW) for partnering on a survey of current   
civil servants, and the 771 civil servants who responded.

Making the grade   
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 METHODOLOGY    
   
In addition to semi -structured interviews and desk research, this paper draws on the findings   
from a survey conducted in partnership with Civil Service World (CSW) and responses to 65   
Freedom of Information ( FOI) requests.   
   
FOI requests   
   
Four FOI requests were sent to each of the 16 departments and one executive non-  
departmental public body listed below . These were:   
   
• Cabinet Office   
• Department for Business and Trade   
• Department for Culture, Media and Sport   
• Department for Education   
• Department for Energy Security and Net Zero   
• Department for Environment, Food & Rural Affairs   
• Department for Levelling Up, Housing and Communities   
• Department for Science, Innovation and Technology   
• Department for Transport   
• Department for Work and Pensions   
• Department of Health and Social Care   
• Foreign, Commonwealth & Development Office   
• HM Treasury   
• Home Office   
• Ministry of Defence   
• Ministry of Justice   
• NHS England   
   
The four requests can be found in Appendix 1 , published separately on Reform ’s website   
(reform.uk ).   
   
The Cabinet Office was sent a fifth FOI as the host department for the Government People   
Group, which can also be found in Appendix 1 , published separately on Reform ’s website .   
   
Reform’s analysis is based on analysis of all responses Reform received up until 19 April   
2024.   
   
Reform /CSW survey   
   
To reach a wider audience and gain a better understanding of the views and experiences of   
current civil servants, Reform published a short survey with CSW. The survey questions and   
findings can be found in Appendix 2, published separately on Reform ’s website.   
   
The survey was live between 7 and 22 March 2024, and was promoted by both CSW and   
Reform via newsletters and social media channels.   
   
771 civil servants responded. It is important to note that while the survey provides a powerful   
indicator of civil servant s’ views, it is not representative and should not be treated as such.

Making the grade   
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 Respondents largely came from grades which are likely to have line management   
responsibilities, mostly have at least three years in the civil service and are fairly evenly split   
on gender. The policy profession is the profession most represented amongst respondents ,   
and London the geography most represented – befitting the paper’s focus on Whitehall, rather   
than the broader civil service.   
   
• Two thirds of respondents are from the grades SEO, Grade 7 and Grade 6. EO and   
HEO made up around 10 per cent of respondents each, and Senior Civil Servants   
(SCS) accounted for just over 7 per cent of respondents.   
• 58 per cent of respondents are line managers.   
• Around a third of respondents are from the policy profession, followed by ‘operational   
delivery’ (20 per cent), ‘project management and delivery’ (10 per cent), ‘human   
resources’ (10 per cent) and ‘digital, data and technology’ (9 per cent).   
• Almost 90 per cent of respondents have been in the civil service for three years or more, with 51 per cent having been in the civil service at least 10 years.   
• 44 per cent of respondents are London -based.   
• 42 per cent of respondents are male and 48 per cent are female.

Making the grade   
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 Recommendations   
 Recommendation 1: A Chief Talent Officer position should be created as a separate role   
to the Government Chief People Officer (GCPO) , reporting directly to the Cabinet   
Secretary. They should have a small team , initially built from the GCPO ’s existing Senior   
Talent and Resourcing Team. This should include dedicated Talent Partners for each   
department . The Chief Talent Officer should have overall responsibility for the recruitment   
and development of exceptional talent. They should maintain a ‘live’ database of senior   
talent from within the UK and abroad.   
Recommendation 2: Every department should have a named Non- Executive Director   
focused on exceptional talent, working closely with the departmental executive leadership   
team, along with the Chief Talent Officer and Talent Partner. They should be involved in succession planning and the recruitment of critical and senior leadership roles.   
Recommendation 3: The Chief Talent Officer should have full discretion to negotiate   
compensation necessary to attract highly talented external applicants into the civil service.   
The CTO should hold a budget for this.   
Where significantly more generous salaries are offered, candidates should be hired on   
different terms and conditions, including the use of fixed- term contracts and different   
pension offers.   
Recommendation 4: The C hief Talent Officer and their team should run succession   
planning exercises for key roles, and keep regularly updated shortlists ready for a   
recruitment exercise.   
The recruitment process should be significantly streamlined, with expedited vetting initiated   
by the CTO for priority appointments.   
'Behaviours’ within the Success Profiles should be scrapped in recruitment of external talent. Assessment of candidates should prioritise skills -based tests and actual experience.   
Recommendation 5: A Mid -Career Fast Stream (MCFS) should be created, modelled on   
the Fast Stream but overseen by the Chief Talent Officer. The scheme should be small ,   
initially no more than fifty individuals hired each year, and recruited at Grade 6.   
The MCFS should include a curated onboarding process and ongoing training offer, with   
an end- point assessment and evaluation at two years.   
Recommendation 6: Existing talent schemes should be discontinued and phased out.   
Exceptionally talented individuals should instead be part of a new ongoing Leadership   
Development Scheme (LDS), managed by the Chief Talent Officer and their team in the Cabinet Office.   
Recommendation 7: Talent Partners should work closely with their allocated department   
to ensure they are benefiting from the Leadership Development Scheme ( LDS), and   
making the most of any LDS participants they have. Annual talent reviews should be conducted jointly with departmental line managers and the C hief Talent Officer team.   
External secondments should be a mandatory part of the LDS to ensure participants are   
developing different insights, skills and experiences.

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 Recommendation 8: A Specialist Development Scheme should be established by the   
Policy Profession, managed on a department -by-department basis by the Head of the   
Policy Profession in each department, targeted at expectational individuals with specialist   
knowledge and skills.   
Recommendation 9: Renumeration for participants on the Leadership Development   
Scheme should be reviewed annually with uplifts made based on advice from the Chief   
Talent Officer ’s team and exempt from the Treasury’s approvals process. For those on   
existing terms and conditions (not external hires on revised terms) this should focus on non-consolidated performance-  
related payments. They should also be offered the   
opportunity to reduce their pension in return for higher base pay.   
Recommendation 10: Participants on the Specialist Development Scheme should be   
eligible for in -post pay progression, with an annual pay review run by the relevant Head of   
Profession in their department.   
Recommendation 11: The Chief Talent Officer should have the budget available to tailor   
a bespoke development offer for members of the Leadership Development Scheme, initially repurposing the current budgets of the Future Leaders Scheme and Senior Leaders   
Scheme.   
Recommendation 12 : All individuals on the Leadership Development Scheme should be   
assigned a senior mentor to support them in their career. As a rule of thumb, mentors   
should be three grades more senior than the mentee – i.e. for Fast Stream graduates in   
the Scheme the mentor should be Director level, and for Mid- Career Fast Stream   
graduates they should be Director -General level .   
Recommendation 13: The Government Chief People Officer should oversee a   
comprehensive benchmarking exercise of objectives set at different grades — in different   
professions and business areas — across all government departments. They should   
publish anonymised examples of good and bad objectives to provide guidance to line   
managers on how to improve the quality of objectives.   
Recommendation 14: Whilst departments should retain flexibility in setting their   
performance management processes, at a minimum, formal performance reviews should   
happen twice a year after an individual has successfully completed their probation period. Individuals should receive a rating indicating whether they are performing below, at, or   
above expectations. This rating should be based on standardised criteria agreed by the   
Civil Service People Board. Receiving a ‘below’ or equivalent rating should automa tically   
trigger a performance improvement plan.   
Recommendation 15: ‘360 feedback’ should be extended across all Grade 7 and Grade   
6 roles in the civil service.   
Recommendation 16: Training developed by the Line Management Capability   
Programme should be mandatory for all staff moving into management roles, or taking on   
management in a role which did not previously require it. It should be provided centrally by   
the Government People G roup.   
Formal training should be supplemented by a ‘mentor’ system whereby the department   
allocates new line managers an individual mentor, who has at least three years of   
management experience, in order to provide ongoing informal advice and support.

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 Recommendation 17: A formal performance improvement plan should be triggered a   
maximum of six months after the first concerns about an individual’s performance have   
been raised, unless these concerns have been addressed in that time period.   
Recommendation 18: Every department should set up a dedicated Performance Unit   
within their HR function, to support line managers in initiating and delivering performance   
improvement processes. This should involve directly supporting the line manager by   
putting in place the right measures, completing paperwork, and scheduling key milestones.   
These units can be staffed by streamlining the Government People Group in the Cabinet   
Office, following a revi ew of the functions it delivers.   
Recommendation 19: When providing advice, the Government Legal Department should   
assess the likelihood that a tribunal case will be successful, not whether it is likely to go to   
tribunal.   
Recommendation 20: Any assessment of the value for money of potentially losing an   
employment tribunal should also consider the productivity costs to colleagues and the   
public of retaining a poor performer, along with the direct costs from paying their salary on   
an ongoing ba sis. The Government Economic Service should provide standard   
assumptions to legal teams for calculating these judgments.   
Recommendation 21: HM Treasury should make a dedicated fund available to   
departments to exit poor performers, to demonstrate it is prepared to fund severance payments and legal costs. It should be announced with a clear policy from the Chief Secretary to the Treasury on the level of severance payments which the government   
deems acceptable.   
Recommendation 22: All civil service promotion decisions should be conditional on a   
reference from the candidate’s current line manager. Transfers and promotions within and   
across departments should only be approved after reviewing the individuals’ latest   
performance report – shared by their manager.   
Recommendation 23: Departments should introduce mandatory internal promotion   
boards to assess the suitability of candidates for roles in the policy profession at Grade 6 and above. Passing a promotion board should be mandatory before applying to roles for   
promotion, or being moved into a new role via a ‘managed move’. For promotion into the   
Senior Civil Service specifically, promotion boards should require passing standardised   
examinations .   
Recommendation 24: The use of Behaviours in assessing candidates’ skills and   
experience for specific roles should be discontinued.   
Recommendation 25: The performance management of civil servants should be included   
within the responsibilities of Accounting Officers, with standardised reporting on the   
numbers performing at different levels provided to HM Treasury and the Cabinet Office,   
and included in publicly available departmental accounts. Accounting Officers should report   
on the performance of their staff, including hiring exceptional talent and managing poor   
performers, in their Outcome Delivery Plans.

Making the grade   
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 1. Introduction   
   
1.1 A people problem   
   
The quality of civil servants matters. Lee Kuan Yew, the first Prime Minister of Singapore, put   
it simply , “you need good people to have good government”.1   
There is growing acceptance in the private sector that people and talent matter more than the   
systems and structures – Steve Jobs said the secret of his success was going to “exceptional   
lengths to hire the best people in the world” .2 Sam Altman , the CEO of OpenAI, described   
hiring as “probably the most important thing a founder does” .3 In contrast to this focus,   
interviewees for this paper told us that talent and people are rarely, if ever, a topic discussed   
in departmental Executive Committee meetings by the most senior civil servants.   
The focus of this paper is Whitehall ,4 not public services more generally. The analysis is of   
the subset of public servants that are, on a daily basis, supporting the government of the day   
to govern. This group represents a small proportion of the overall civil service and a tiny   
proportion of those employed in the public sector, but it is within the Whitehall machine that   
priorities and budgets are set and policies impacting all public services are shaped.   
Unfortunately, among this group, Whitehall has a people problem. Careers in the civil service   
are not appealing to exceptionally talented people with experience from outside Whitehall.   
Talented people in the civil service, who are high- performing and could be future leaders, are   
frustrated by the system and more likely to leave than pursue promotion . And poor performers   
are routinely moved around the system rather than managed and dismissed, leaving others to   
pick up the slack.   
Applications to join the Civil Service Fast Stream have dropped three years in a row; the annual   
number of days lost to sickness has grown by 23.6 per cent over the past eight years; and the   
Civil Service People Plan published in January 2024 reiterates many long- standing   
commitments which have yet to be delivered – including the establi shment of a comprehensive   
industry secondment programme, capability -based pay and new entry routes for individuals   
from outside of government .5   
Talent and performance in the civil service directly impacts the quality of government policy   
and delivery . “Operational and organisational failing” at the Home Office contributed to the   
Windrush scandal .6 The civil service was underprepared for Brexit and had to “hunt for   
   
1 Lee Kuan Yew, From Third World to First: The Singapore Story 1965- 2000 (New York:   
HarperCollins, 2020).   
2 Gary Garfield, ‘What Happened to the “Best and Most Serious People”?’, The Hill , 5 April 2018.   
3 Sam Altman, ‘How to Hire’, Blog, 2024.   
4 Whitehall, while a geographic area, denotes a subset of civil servants. Increasing numbers of these   
are being moved out of SW1 to locations such as Darlington and Glasgow, but the role of these civil   
servants remains the same. Whitehall is used as a shorthand for civil servants who work on policy   
and analysis, not operations or frontline delivery.   
5 Tevye Markson, ‘“Very Worrying”: Interest in the Civil Service Fast Stream Plummets’, Civil Service   
World , 12 March 2024; Jim Dunton, ‘Does the Civil Service Really Have a Growing Problem With   
Long- Term Sickness?’, Civil Service World , 12 February 2024; Government People Group, Civil   
Service People Plan 2024- 2027 , 2024.   
6 Wendy Williams, Windrush Lessons Learned Review: Independent Review by Wendy Williams   
(Home Office, 2020).

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 external talent to fill gaps” and ill- prepared for a pandemic .78 In evidence on the role of   
government scientific advice in the C OVID -19 pandemic, Dame Angela McLean, the   
Government Chief Scientific Adviser, contrasted groupthink in the civil service with academic   
standards of challenge: “it is very frequent in a civil service meeting that as somebody stands   
up the very first thing they will say is ‘I agree with everything that has been said’ , and you are   
sat there thinking ‘well you can’t have been listening then’ .”9   
Ensuring that Whitehall is staffed by high- performing individuals is particularly important given   
how centralised governance is in the United Kingdom. Just as failures by a small number of   
officials can have an outsized negative impact on outcomes for the public , small improvements   
in the quality of individuals working in Whitehall could have a disproportionately positive   
impact .   
Whitehall should be characterised by a culture of excellence, prioritising high performance   
above everything else and acting swiftly to tackle poor performance . It should be seen as one   
of the most attractive place s to work – somewhere where talented individuals rise to the top   
and there is a strong sense of exciting career opportunities .   
   
1.2 A note on scope: extremes in performance   
 Research and commentary on civil service performance covers everything from pay and   
flexible working and training, to moving civil servants outside of London and targeting   
particular shortage skills . All of these merit analysis and debate, but the focus of this particular   
paper is threefold: the recruitment of exceptional talent, the progression of talented individuals ,   
and the drag of poor performance .   
This paper focus es on these areas for three reasons.   
Firstly, th ese are areas the civil service is particularly struggling with . The use of Success   
Profiles during the C ivil Service’s recruitment process has been criticised for privileging   
internal applicants.  
10 Routes to promotion are often unclear, shrouded by “an informal set of   
rules and norms ”, resulting in highly talented individuals leaving the civil service.11 The failure   
of the Civil Service to address poor performance is a consistent complaint ,12 yet few   
departments can even say what happens to their underperform ers13. Rather than pursuing   
excellence, poor performers appear to be rotated around jobs where they do not add value,   
and over -promotion is a source of frustration.   
Secondly, there is more scope for quickly improving the performance of the civil service – by   
‘creating space’ for exceptional talent , and removing repeat poor performers – than attempting   
   
7 UK in a Changing Europe, ‘The Civil Service and Brexit’, Web Page, 20 February 2021 .   
8 Aidan Shilson- Thomas, Sebastian Rees, and Charlotte Pickles, A State of Preparedness: How   
Government Can Build Resilience to Civil Emergencies (Reform, 2021).   
9 ‘Transcript of Module 2 Public Hearing on 23 November 2023’, 23 November 2023.   
10 The Commission for Smart Government, Instilling a High Performance Culture in the Civil Service,   
2021 .   
11 Sam Friedman, Navigating the Labyrinth: Socio- Economic Background and Career Progression in   
the Civil Service (Social Mobility Commission, 2021) .   
12 Amy Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence, 2023.   
13 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management ,   
2023 , and Amy Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and   
Political Turbulence, 2023.

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 to overhaul the entire civil service people model . According to one study 26 per cent of output   
derives from the top 5 per cent of workers and “slight percentage increases in the output of   
top performers far outweigh moderate increases of the many” .14 In addition, interviewees for   
this paper consistently commented on having to spend a disproportionate amount of time   
managing poor performers (which rarely ended in a departure), time not spent on executing   
for the public .   
Targeting these two extreme ends of the performance scale could unlock significant overall   
performance improvements , would be more efficient than trying to raise the standard of all civil   
servant s and would better align with the Civil Service People Plan’s overall ambition of   
shrinking civil service numbers .15   
Thirdly, measures aimed at these two ends of the performance scale would in fact be benefi cial   
to most civil servants , those who fall somewhere in between the two extremes. Line managers   
would have increased capacity to focus on supporting other members of their team if they   
were less busy addressing repeat poor performance by a handful of individuals, and the   
evidence that action is being taken may drive broader improvements in performance. And   
policies targeted at recruiting exceptionally talented individuals — particularly simplifications   
of the recruitment process and pay flexibility — could be applied to the wider civil service if   
they prove to add more value than they cost.   
   
1.2.1 Defining talent   
   
The Chartered Institute of Personnel and Development defines talent as “individuals who can   
make a significant difference to organisational performance, either through their immediate   
contribution or by reaching their potential .”16   
   
In the context of Whitehall, where the institutions of government take decisions which affect   
the fate of the country, focusing on ‘exceptional talent’ is crucial. Exceptional talent is   
deliberately a narrower definition than ‘high performing’, which is used to refer to the top 10 to   
20 per cent of civil servants assessed in performance appraisal processes.   
Tyler Cowen and Daniel Gross wrote their analysis of “talent with a creative spark”, with   
examples including “people who generate new ideas, start new institutions, develop new   
methods for executing on known products, lead intellectual or charitable movements, or inspire   
others by their very presence, leadership and charisma”.17   
These are exactly the type of exceptionally talented individuals that Whitehall must attract and   
use effectively. They are the type of people who can make that “significant difference ”.18   
   
   
   
   
14 Ernest O’Boyle Jr and Aguinis Herman, ‘The Best and the Rest: Revisiting the Norm of Normality of   
Individual Performance’, Personnel Psychology 65, no. 1 (2012).   
15 Government People Group, Civil Service People Plan 2024- 2027.   
16 CIPD, ‘Talent Management Factsheet’, Webp age, 2 October 2023.   
17 Tyler Cowen and Daniel Gross, Talent: How to Identify Energizers, Creatives, and Winners around   
the World, First edition (New York, NY: St. Martin’s Press, 2022).   
18 Ibid.

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 1.3 Slow progress   
   
The foundations of the modern civil service were established in the 1853 Northcote- Trevelyan   
Report . This grappled with the question of “what is the best method of providing [the C ivil   
Service] with a supply of good men, and of making the most of them after they have been   
admitted?” .19 Recommendations included requiring individuals to take an examination before   
admittance — influenced by the Chinese system of I mperial Examinations — and introducing   
promotion by merit.20   
Fast forward a century and a half and The Civil Service Reform Plan in 2012 noted that   
“exceptional performance is too rarely recognised and underperformance not rigorously   
addressed” .21 Proposed actions included the production of five- year capabilities plans   
identifying skills gaps and supporting and explicitly holding line managers to account for the   
management of poor performers.22   
A decade on, in 2021 the Declaration on Government Reform included “People” as one of the   
three areas requiring immediate action ( alongside performance and partnership)23. As well as   
setting out a commitment to move 22,000 roles out of London by 2030 , proposed measures   
included establishing new entry routes into the civil service for professionals from outside   
government and establishing a new curriculum and training campus for officials .24   
The Civil Service People Plan 2024- 2027 is explicitly structured around the importance of   
people. Building on the Declaration on Government Reform , actions include establishing a   
‘Skills Plan’ for the development and retention of key skills , establishing incentives to ensure   
that those with deep subject expertise stay in areas where they add value, developing the   
capability of line managers , and expanding entry routes.25   
These plans have had some success. There are a growing number of civil servants located   
outside London — for example in the new Darlington Economic Campus — and a new Senior   
Civil Service (SCS) performance management framework has been created.26   
Howeve r, progress has clearly been insufficient in some key indicators – hence the repeated   
citing of the need to address, for example, talent recruitment and retention. Indeed, a survey   
conducted by Reform and Civil Service World found that just 29 per cent of respondent s   
agreed with the statement “the civil service takes talent and performance management   
seriously” . 57 per cent disagreed that this was the case.   
   
   
   
   
   
   
19 S.H. Northcote and C.E. Trevelyan, Report on the Organisation of the Permanent Civil Service   
(House of Commons, 1854 ).   
20 Northcote and Trevelyan.   
21 Civil Service, The Civil Service Reform Plan, 2012.   
22 Ibid.   
23 Cabinet Office, Declaration on Government Reform, 2021.   
24 Ibid.   
25 Government People Group, Civil Service People Plan 2024- 2027.   
26 Government People Group, Senior Civil Service Performance Management Framework , 2024.

Making the grade   
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 Figure 1: To what extent do you agree with the statement that “the civil service takes   
talent and performance management seriously”?   
   
   
   
The situation is even more stark at the other end of the performance spectrum : 62 per cent of   
respondents to the survey strongly or somewhat agreed with the statement “I am aware of   
disciplinary issues where action should have been taken but has not”.   
   
Figure 2: To what extent do you agree with the statement that “I am aware of disciplinary   
issues where action should have been taken but has not” ?   
   
   
   
One reason why people plans struggle to be translated into impact is that responsibility for the   
civil service workforce is set by the Government People Group, based in the Cabinet Office,   
but government departments implement any actions independently , with scope for significant   
variation ( see Figure 3 below ). 3%26%  
13%30%  
27%  
1%  
0%5%10%15%20%25%30%35%  
Strongly agree Somewhat  
agreeNeither agree  
nor disagreeSomewhat  
disagreeStrongly  
disagreeDon`t know"The civil service takes talent and performance   
management seriously"  
34%  
28%  
13%  
10%  
7% 8%  
0%5%10%15%20%25%30%35%40%  
Strongly agree Somewhat  
agreeNeither agree  
nor disagreeSomewhat  
disagreeStrongly  
disagreeDon`t know"I am aware of disciplinary issues where action should   
have been taken but has not"

Making the grade   
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 Many interviewees for this paper raised concerns about the Cabinet Office being responsible   
for civil service policy but lacking the necessary levers to compel government departments to   
act.   
Making the grade examines the barriers to getting exceptional talent in, ensuring it rises up,   
and to removing p oor perform ers. It puts forward practical recommendations for addressing   
those barriers and putting in place the incentives, processes and infrastructure needed to   
create a much more effective talent and performance management model .   
   
Figure 3: Responsibilities for the civil service workforce across different organisations   
   
   
 Government departments – Individual departments are the employers of their staff. They   
are responsible for recruiting staff below senior civil service (SCS) level, setting their pay   
and managing their performance.   
Cabinet Office: Responsible for overall government policy on the civil service. Support and   
guidance for departments is provided by various bodies located within the Cabinet Office.   
Government People Group (GPG): Located within the Cabinet Office. Responsible for   
setting the overall civil service recruitment strategy, issuing guidance on annual pay   
increases for staff below SCS level and performance management policies and setting SCS   
performance management procedures. The GPG is led by the Government Chief People   
Officer, who reports directly to the Chief Operating Officer for the Civil Service.   
Government Recruitment Service (GRS): Located within the GPG. Provides central   
recruitment support to departments ranging from simply advertising vacancies through to   
end-to-end recruitment services. This is predominantly used for bulk recruitment processes.   
Departments use the GRS to varying extents.   
Civil Service Commission (CSC): Located within the Cabinet Office, but existing as a non -  
departmental public body. Responsible for ensuring that all recruitment into the Civil Service is based on merit following fair and open competition.   
Senior Talent and Resourcing Team: Located within the GPG. Manages recruitment into   
the SCS.   
Review Body on Senior Salaries (SSRB): Located within the Cabinet Office, but existing   
as a non -departmental public body. Advices the government on setting SCS pay.   
Professions: Civil servants belong to one of 28 civil service professions, sitting within four   
overarching groups: operational delivery, policy, functional professions or specialist   
professions. These work across government to develop the capability of particular skills and knowledge.

Making the grade   
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 2. Hiring exceptional talent   
   
Civil servants work on some of the most complex and challenging projects of any workforce –   
from how to achieve Net Zero to how to build a resilient State . Their endeavours have the   
potential to change lives, shape the economy and impact geopolitics. Attracting the best minds   
and most skilled individuals is essential to ensuring Whitehall is up to this task – people who   
are not simply good performers, but who can think differently, inspire and motivate, problem -  
solve in innovative ways, and build and deliver projects that are world- class. Securing such   
exceptional talent requires an effective recruitment system which can identif y and successfully   
hire such individuals.   
   
This chapter explores what it would take to achieve this : clear leadership and accountability ;   
a compelling offer to incentivise talent to join the civil service ; and clear entry points for early -  
career and mid- career individuals .   
   
2.1 Talent leadership   
   
Centralised talent leadership is crucial to the success of an organisation . Without a strategy   
aimed at maximising talent acquisition and talent development in pursuit of an organisation’s   
objectives such objectives are unlikely to be met.   
 The Civil Service People Board is a sub- board of the Civil Service Board, responsible for the   
strategic leadership of the whole civil service. The People Board’s leadership is made up of   
Permanent Secretaries from multiple departments, and oversees implementation of the civil   
service workforce plan – and by extension, talent recruitment and management .  
27   
   
Leaders in the private sector and the wider public sector also have centralised leadership   
bodies. Blackrock’s Human Capital Committe e (HCC) — tasked with setting and guiding   
Blackrock’s talent management policies — is comprised of 35 senior leaders from across the   
globe.28 And t he British Army has talent management as one of their central strategic   
functions , with a Brigadier — the fourth highest rank for an active officer — given an extended   
posting to oversee the delivery of Programme CASTLE, which aimed to improve talent   
management within the A rmy.29   
   
The difference between civil service talent leadership, and the structures used in other   
organisations, is focus. Talent management is just one part of the People Board’s remit, and   
day-to-day the responsible lead official is the Government Chief People Officer (GCPO) , who   
leads the Government People Group (GPG). The GCPO , and their supporting team, have a   
wide responsibility for all workforce policy across the civil service . In contrast, the HCC at   
Blackrock is focused exclusively on talent planning and recruitment – for exampl e, they assess   
   
27 Cabinet Office, ‘Our Governance’ . Webpage, 2024.   
28 Douglas Ready, Linda Hill, and Robert Thomas, ‘Building a Game- Changing Talent Strategy’,   
Harvard Business Review January -February (2014).   
29 The Commission for Smart Government, Instilling a High Performance Culture in the Civil Service;   
RUSI, ‘The Army’s Officer Career Structure Is Not Fit for Purpose’, 13 September 2021.

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 leaders across Blackrock on their approach to identifying and promoting high- potential talent .   
This recognises the fundamental importance of talent to the performance of an organisation.   
   
The Cabinet Office also, as noted by interviewees for this paper, lack s the authority to compel   
departments to develop exceptional talent in any particular way — with talent recruitment and   
development below SCS level the responsibility of departments to deliver, with the GPG   
providing advice and guidance. For example, government departments vary in the extent to   
which they use the Government Recruitment Services (GRS) — indeed the Department for   
Education, the Department for Levelling Up, Housing and Communities and HM Treasury have   
under taken the majority of their recruitment in- house.30   
 By lacking a n empowered centralised talent leadership body , the civil service lacks effective   
talent leadership. This was noted a decade ago in Lord Browne’s report on talent in the civil   
service , which called for the civil service to catch up with private sector practice.  
31   
   
Given the broad remit and importance of the GCPO’s role — responsible for leading the civil   
service’s HR Function and ensuring the right HR policies are in place for all civil servants — a   
separate , high- status post should be created specifically focused on exceptional talent. A Chief   
Talent Officer (CTO) , a post increasingly being used in the private sector,32 should be   
appointed located in the Cabinet Office but outside the GPG – this will ensure their focus   
remains on exceptional talent, with the GPG remaining focused upon the bulk of civil servants.   
   
The CTO should have previous experience identifying and recruiting exceptional talent (for   
example time spent working as a senior executive headhunter ) and/or developing exceptional   
talent (for example, a performance psychologist with experience supporting top executives ).   
They should not be an HR professional. This would provide the critical experience and skills   
required for talent identification, recruitment and management .33   
 The CTO should report directly to the Cabinet Secretary, clearly signalling the status and   
importance of the role . This level of senior ity is key to ensur ing the individual is sufficiently   
empowered to support and advise permanent secretaries directly on succession planning for   
senior roles in their departments, and to be accountable for deciding on more flexible pay   
scales for high- value external hires .   
 The CTO should have a small, crack team , initially built from the Senior Talent and Resourcing   
Team (STRT) currently located within the GPG. The STRT currently provides support to the   
Cabinet Secretary and the Senior Leadership Committee (SLC) on maintaining a pipeline of internal candidates prepared for future D irector General and P ermanent Secretary roles .  
34   
   
This work should be continued, but expanded to include much wider sourcing of exceptional   
external candidates, thus ensuring that the pipeline of exceptional talent is not limited to those   
already work ing in Whitehall , or even based in the UK . The CTO and their team should also   
take a cross- departmental view of critical roles, and in particular those requiring more   
specialist skills. They should maintain a ‘live’, regularly updated database of senior ‘top talent’   
candidates from the within the UK and abroad.   
   
30 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management .   
31 Lord Browne of Madingley, The Right People in the Right Place with the Right Skills , 2014.   
32 Chris Hayward, ‘The Rise of the Chief Talent Officer’, Web Page, 16 May 2018.   
33 The Commission for Smart Government, Instilling a High Performance Culture in the Civil Service.   
34 National Audit Office, Civil Service Leadership Capability , 2024.

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 Some people may argue that l ocating shared functions like a CTO in the Cabinet Office can   
create distance between the function and the departments in Whitehall which it is designed to   
support. Indeed, previous Reform research has discussed the issue that “any pan- government   
initiative tends to encounter resistance”.35 It is therefore vital that departments see, and indeed   
realise, the benefit s of this team.   
   
To this end, the central team should have dedicated Talent Partners responsible for each   
Whitehall department , whose job it is to work with the departmental executive leadership team   
to understand their talent requirements , support recruitment processes and identify potential   
internal and external candidates.   
   
Each department should also have a named Non-Executive Director (NED) focused on   
exceptional talent. As discussed above, talent recruitment and management are fundamental   
to the functioning of an organisation and board -level attention is key to its prioritisation. Having   
an appropriately qualified NED with responsibility for assessing a department’s use of , and   
plans for, exceptional talent helps ensure t his is the case in Whitehall. As well as working   
closely with the departmental P ermanent Secretary and D irector General responsible for   
people, they should also work with the CTO and Talent Partner. The NED should be involved   
in the recruitment process for senior leadership and critical departmental roles.   
   
   
   
   
   
2.2 Attracting talent   
   
The civil service currently struggles to attract exceptionally talented individuals. Only 20 per   
cent of new entrants to the S CS are external ,36 and the C ivil Service Commission (CSC)   
recognised in their annual report that “departments need to do more to sell and explain roles   
to potential candidates and better support external recruits ”.37   
   
There are several barriers to securing talent, discussed below, including the civil service brand,   
pay and recruitment process.   
   
   
35 Charlotte Pickles and James Sweetland, Breaking Down the Barriers: Why Whitehall Is so Hard to   
Reform (Reform, 2023   
36 Government People Group, Civil Service People Plan 2024- 2027.   
37 Civil Service Commission, Annual Report and Accounts 2022/23, 2023. Recommendation 1: A Chief Talent Officer position should be created as a separate role   
to the Government Chief People Officer , reporting directly to the Cabinet Secretary . They   
should have a small team , initially built from the GCPO ’s existing Senior Talent and   
Resourcing Team . This should includ e dedicated Talent Partners for each department . The   
Chief Talent Officer should have overall responsibility for the recruitment and development   
of exceptional talent. They should maintain a ‘live’ database of senior talent from within the   
UK and abroad.   
Recommendation 2: Every department should have a named Non -Executive Director   
focused on exceptional talent, working closely with the departmental executive leadership   
team, along with the Chief Talent Officer and Talent Partner. They should be involved in   
succession planning and the recruitment of critical and senior leadership roles.

Making the grade   
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 2.2.1 Brand   
   
In the face of an ongoing ‘ war for talent’ , curating a compelling brand is key.38 In this   
environment , organisations need to be seen as attractive employers in order to ensure that   
they can compete for the best talent.   
 Private sector companies typically invest significant time and resources into curating a brand   
in order to attract exceptional talent. This brand stretches beyond simply pay and employee   
benefits to encompass training opportunities, working environment, corporate culture and career progression.   
   
Parts of the civil service have been successful in developing such a brand. The Fas t Stream   
is consistently ranked as one of the best graduate employers in The Times’ annual report ,  
39   
and the Commercial Profession has succeeded in cultivating an external perception that it is   
a high- performing area of government , through which it has been able to attract capable   
people from the private sector .40   
   
However , this has not been replicated across the civil service , which has been described as   
“remarkably passive” in its attempts to attract talent,41 with its brand “battered”.42 The   
proposition really matters for exceptional individuals, who are likely to have competing   
opportunities available to them . Working in the civil service offers individuals the opportunity   
to develop their skills and build experience working in fast -paced environments on nationally -  
significant projects. This is not the unique offer which is presented to exceptional external   
applicants . Job adverts are frequently dry , with an emphasis placed upon job security and   
pension benefits .   
 As one interviewee for this paper put it , there is “not enough made of how exciting these jobs   
are”. Another interviewee told us that an offer based on security is the opposite of what attracts   
exceptional talent :   
   
“The civil service offers the opposite equilibrium of risk and reward to what is needed   
to attract talent – we market these jobs as having relatively low compensation but high   
job security . Many talented people join in spite of those terms, but none join because   
of them .”   
   
Given the constraints on pay , the brand is particularly important. In the words of one former   
senior civil servant, the civil service “cannot compete on pay alone” and therefore needs to   
think “about the total environment beyond just financial reward”.   
   
The failure to properly articulate and present a compelling civil service brand , comparable to   
those which exist in the private sector , is despite recommendations made, and actions taken,   
to curate such a brand. The 2014 Baxendale Report recommended that the civil service should   
   
38 Ed Michaels, Helen Handfield- Jones, and Beth Axelrod, The War for Talent (Harvard: Harvard   
Business Press, 2001).   
39 The Times, ‘The Times Top 100 Graduate Employers 2023- 2024'. Webpage, 2024.   
40 Jordan Urban and Alex Thomas, Opening Up: How to Strengthen the Civil Service Through   
External Recruitment ( for Government, 2022) ,   
41 Ibid.   
42 The Commission for Smart Government, Instilling a High Performance Culture in the Civil Service.

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 “develop the SCS as an employer brand with a view to becoming an employer of choice” ,43   
and the 2020 #HereForYou social media campaign sought to highlight the work o f civil   
servants across government in response to C OVID -19.44 This year’s People Plan has also   
pledged to “fully open up the Civil Service with a new brand” .45 Thus far no details have   
emerged as to how this will be achieved.   
   
2.2.2 Pay   
   
While, at least in the short term, Whitehall cannot generally compete for the very best talent   
on pay, far greater flexibility is needed when it comes to exceptional talen t in critical roles . As   
Sir John Kingman put it: “there is only so far you can stretch the elastic” .46 If the financial   
opportunity cost of joining the civil service becomes t oo great then talent will go elsewhere.   
 There is a wider piece of work to be done on pay bands for different levels within the civil   
service more generally , and the case has been made that some mid- level roles are over -paid   
for their level of responsibility, but that is out of scope for this paper.  
47 However there is now   
a significant pay gap between the SCS and the private sector . Base salaries for SCS roles in   
2022- 23 range d from 32 per cent to 96 per cent of the comparable private sector market   
median and permanent secretaries are paid roughly ten per cent of the median FTSE 250   
chief executive.48   
 The civil service’s pension offer , historically based on generous defined benefit schemes and   
seen a key attraction, no longer provides a strong incentive to work in Whitehall . Firstly, even   
accounting for the pension offer , total remuneration for SCS roles is still below the comparable   
private sector median .  
49 Secondly, the switch from calculating defined benefit pension   
entitlements from final salary to career -average has reduced the incentive for individuals to   
remain within the civil service — as multiple interviewees remarked upon. Thirdly, the balance   
of low -pay and high- pension is atypical across the wider economy . It is potentially unattractive   
to talented individuals compared to working in the private sector where they can access more   
remuneration at an earlier stage of their careers, in addition to greater employee benefits .   
   
This pay gap is beginning to be a significant impediment to the Civil Service’s ability to attract   
talent. This was recognised by Sir Alex Chisholm, until recently Chief Operating Officer for the   
Civil Service, in his evidence to the P ublic Accounts Committee last year .50 He acknow ledged   
that “paying less and less in real terms year on year… must be storing up increasing problems   
of competitiveness with the wider economy” and when recruitment campaigns fail to secure   
an appointable candidate “the most typical factor tends to be pay”.51   
   
43 Catherine Baxendale, How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil   
Service (Civil Service, 2014).   
44 Public Technology, ‘Government Social Campaign Reminds Public That Civil Servants Are   
#hereforyou’ . Webpage , 2020.   
45 Government People Group, Civil Service People Plan 2024- 2027.   
46 Sir John Kingman, ‘Why Is Civil Service Reform so Hard?’ (Institute for Government, 16 December   
2020).   
47 Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence.   
48 Review Body on Senior Salaries, Forty -Fifth Annual Report on Senior Salaries 2023, 2023.   
49 Ibid.   
50 Public Accounts Committee, Oral Evidence: Civil Service Workforce: Recruitment, Pay and   
Performance Management , HC 452 (London, 2024).   
51 Ibid.

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 This was also recognised by the Review Body on Senior Salaries ( SSRB ), which wrote th at   
“filling SCS posts is over -dependent on internal promotion as vacancies attract too few suitable   
candidates” .52 Interviewees for this paper frequently made this same point .   
   
To tackle this barrier to bringing in external talent, higher remuneration packages should be   
offered to top talent who would not otherwise join the civil service. As one interviewee told us,   
you “cannot run away from paying talent”.   
 There are several options already available to departments to pay more to recruit people with specific skills, within the current system . Departments have the flexibility to appoint candidates   
outside of normal pay bands subject to approval from a mixture of the hiring department, the   
Cabinet Office and the Treasury.  
53 To assess how often this is used, Reform used a F reedom   
of Information (FOI) request to ask departments how many appointments they had made   
requiring an exception or allowance.   
   
Seven departments provided information in response to this request.54 All seven of these   
departments, with the exception of the Cabinet Office,55 had employees who had been   
appointed with a salary which required an exception or allowance outside of normal pay rates.   
HM Treasury estimated that providing this information would exceed the FOI cost limit of £600   
for central government . The remaining nine departments did not respond to the FOI request   
despite the legal duty to do so.   
   
Departments can also apply to temporarily increase the pay of individuals working in highly   
specialised or business critical roles via the Pivotal Role Allowance (PRA), a non- pensionable   
allowance, the overall use of which is capped at 0.5 per cent of the total SCS pay bill.56   
   
   
   
52 Review Body on Senior Salaries.   
53 Cabinet Office, ‘Civil Service Pay Remit Guidance, 2023 to 2024’, Web Page, 2 June 2023.   
54 DHSC, FCDO and HO did not respond to the FOI request. MoD requested clarification and then did   
not respond to the FOI request. DEFRA, DLUHC, DSIT , DWP and HMT estimated that providing the   
information would exceed the FOI cost limit of £600.   
55 Cabinet Office, Freedom of Information Disclosure, 2024, 2024- 02248.   
56 Cabinet Office, ‘Practitioner Guidance on the 2023/24 Senior Civil Service Pay Framework’, Web   
Page, 19 July 2023.

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 Figure 4: Responses to FOI request: “ The total number of departmental employees   
appointed with a salary which required an exception or allowance outside of normal   
pay rates for each financial year since 2015- 16 (or the earliest data you hold if it is from   
a later year).”   
   
   
Notes: DBT and DESNZ were established in February 2023 and were therefore unable to provide information prior   
to this date. DCMS held additional responsibilities prior to February 2023. In addition , DfE utilises market   
supplement allowances, a non-pensionable award “used to support recruitment to specialist roles and those in   
labour markets which demand a premium, by adding a non-pensionable supplement to starting pay”.57   
   
In addition, the F unctions are permitted some pay flexibility to recruit individuals from the   
private sector with in- demand skills , again subject to the approval of the Treasury and   
departments .58 This pay flexibility has been u sed by the Commercial Function to introduce   
higher pay for senior commercial specialists in the Government Commercial Organisation, and   
by the Digital, Data and Technology Function, which has a separate pay framework for its six   
most critical roles.59   
   
These flexibilities have been crucial in attracting talented individuals into the Civil Servic e,   
however the process is still too rigid. Departments are required to submit a business case   
justifying any pay outside of the normal pay bands and applicants typically have to complete the entire recruitment process before knowing whether or not they could be provided with a   
realistic salary upon receipt of an offer .  
60 This is not conducive to attracting exceptionally   
talented individuals, who will likely have competing offers from other employers who can be   
more open and direct in compensation discussions.   
   
   
57 Department for Education, Freedom of Information Disclosure, 2024, 2024- 0005343.   
58 National Audit Office, Specialist Skills in the Civil Service , 2020.   
59 Ibid.   
60 Cabinet Office, ‘Civil Service Pay Remit Guidance, 2023 to 2024’.

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 Furthermore, PRAs have been deployed just 222 times since their introduction in 2013, and   
in 2020 the average PRA agreed was £20,000 . In ma ny cases, this will still be far too low to   
compensate for the higher remuneration packages exceptional talent and specialist skills can   
attract in the private sector.61   
   
The Civil Service People Plan pledged to develop a new reward strategy which would “act to   
attract talent to the Civil Service” and a new SCS pay framework .62 However, similar to the   
commitments on improving the civil service brand, no further details have b een made   
available.   
   
A more effective pay system would combine the multiple existing options through which higher   
pay can be offered into one single allowance pot , with authority residing in the CTO and their   
team to deploy this as they see fit. They should also work closely with functions that require   
competitive skills.   
   
The key advantage of this model is the speed and flexibility it allows in making timely decisions   
to secure talent . Pay for external candidates, recruited outside of normal bands , would be   
agreed solely by the CTO and their team, rather than the current system whereby approval   
needs to be granted from the Cabinet Office, the Treasury and the Civil Service Commission   
depending on the role and the level. To enable this freedom while ensuring the responsible   
use of public money , the CTO’s budget for external recruitment should be agreed annually   
with the Treasury , alongside high- level principles describing how the budget can be deployed.   
   
In exchange for a more generous pay deal than the rest of the C ivil Service , those exceptional   
external hires should be employed on different terms and conditions . This could include   
appointing such individuals on longer fixed -term contracts, for example five years like those   
agreed with Permanent Secretaries , and these fixed -term contracts could be linked to specific,   
time-limited projects, such as the delivery of one of the government’s large cross -cutting   
‘missions’.63 In this scenario, it would also be appropriate to swap the generous ‘defined   
benefit’ pension offer for a more standard ‘ defined contribution’ scheme which costs the   
taxpayer less in the long- term, offsetting some of the costs of higher pay .   
   
The CTO could also look at the “flexible benefits programme” offered by the Bank of England,   
which allows employees to exchange part of their guaranteed defined benefit pension of 1/95th   
of annual salary for every year worked, for a higher or lower salary . For example, an employee   
can choo se to have a higher annual salary, with a defined benefit pension of 1/ 120th salary . In   
particular, this should be trialled for a n ew Mid-Career Fast Stream (detailed in S ection 2.3).   
   
61 Urban and Thomas, Opening Up: How to Strengthen the Civil Service Through External   
Recruitment ; Sarah Nickson et al., Pay Reform for the Senior Civil Service (Institute for Government,   
2021).   
62 Government People Group, Civil Service People Plan 2024- 2027.   
63 Patrick King and Sean Eke, Mission Control: A How -To Guide to Delivering Mission- Led   
Government (Reform, 2024). Recommendation 3: The C hief Talent Officer should have full discretion to negotiate   
compensation necessary to attract highly talented external applicants into the civil service.   
The CTO should hold a budget for this.   
Where significantly more generous salaries are offered, candidates should be hired on different terms and conditions, including the use of fixed- term contracts and different   
pension offers.

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 2.2.3 The p rocess   
   
An exceptionally talented individual could be attracted to the Civil Service , be prepared to   
accept the pay offer, but still be deterred from joining by the cumbersome and often alien   
recruitment process – which is, in the words of one interviewee, “terrible … for hiring talented   
people”.   
   
Speed   
 A key issue is how slow the process is . A recent N ational Audit Office (N AO) report found that   
the average time to hire across departments, from job advertisement to basic pre- employer   
checks, is 100 days .  
64 The average time for completing Developed Vetting security clearance   
for new employees is even longer – 171 days .65 These hiring times are roughly double the   
time of the most effective private sector firms .66   
   
In the majority of cases, exceptional individuals are not going to wait months before being   
offered a job or onboarded. In the words of an interviewee for an Institute for Government   
report, “ for a busy and successful person investing that much time and energy into a really   
drawn- out process is very unattractive”.67 The government rightly has unique requirements   
around security clearance, and as with pay , it should not aspire to complete parity with the   
private secto r. But the administrative process is unacceptably slow and bureaucratic, risking   
Whitehall’s ability to have the best possible talent in critical posts .   
 Cases do exist of individuals being recruited into the C ivil Service at a faster pace. Participants   
at a Reform roundtable recalled how recent recruitment for the AI Safety Institute was   
conducted at a much faster pace than average . However, this is not widespread, and because   
departments have responsibility for recruitment there is significant variation.   
   
In order to speed up the process for recruiting exceptional talent the Chief Talent Officer and their team should conduct succession planning exercises, building upon the current work of the STRT, but also actively searching for external candidates and creating target shortlists .   
This would ensure that when vacancies become available potentially appropriate candidates can be approached and invited to apply quickly , reducing the time it can take to ultimately   
complete the recruitment process .   
   
When individuals are offered a position in a key role, the CTO should be able to expedite their   
vetting. This would ensure that such roles are filled as soon as possible and address the slow   
starts typically experienced by external hires.   
 Success Profiles   
   
Another issue is the use of success profiles for recruitment. The Civil Service uses Success   
Profiles comprised of five elements against which candidates can be assessed: Ability,   
Technical, Behaviours, Experience and Strengths. The Success Profile framework was   
   
64 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management .   
65 Ibid.   
66 House of Commons Committee of Public Accounts, Civil Service Workforce: Recruitment, Pay and   
Performance Management, Twenty -Third Report of Session 2023- 24.   
67 Urban and Thomas, Opening Up: How to Strengthen the Civil Service Through External   
Recruitment .

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 introduced to provide a “more flexible framework which assesses candidates against a range   
of elements”.68   
   
In practice, however, interview participants complained about ongoing reliance on Behaviours   
over other kinds of assessment , similar to the previous “ competency -based” recruitment   
system . Behaviours require candidates to demonstrate their experience against a   
standardised set of criteria, such as “Working together” . Whilst the sub -categories which   
underpin a Behaviour are published, they are an unusually high- level and, as one interviewee   
put it, “too abstract to be a meaningful test of experience” and “easy to game if you know the   
techniques” .   
   
Despite these well-rehearsed drawbacks , Behaviours remain the most popular Success   
Profile used for job adverts , listed as the primary mechanism for assessing applications in   
more than 70 per cent of Grade 6 jobs advertised publicly on Civil Service Jobs on 10 April   
2024.69   
   
Behaviours should be scrapped. A high- performing, high- expectations workforce needs to be   
clear and precise about the skills and knowledge required for any given role. The assessment   
process for candidates should be heavily skewed towards tests which are directly relevant to   
an individual’s ability to do the job, including profession- specific tests such as mock analytical   
exercises, writing tasks, and staff engagement exercises. An experienced statistician   
interviewed for the paper, for example, complained that traditionally roles advertised for   
government statisticians required multiple analytical tests at application and interview, to see   
if a potential hire had the skills to do the job. These had been deprioritised in favour o f the   
generic Behaviours used for other civil service roles, retaining only one analytical question per role advertised.   
   
   
2.3 Mid -Career Fast Stream   
   
Most efforts to recruit exceptional talent from outside the civil service focus on the Senior Civil   
Service, which would be improved by the measures outlined in Section 2 .2. And for early   
career hires, the Civil Service Fast Stream (FS) is an established route for bringing in and   
developing early -career talent. There is , however, no comparable route for mid -career talent   
– people with significantly more experience than those joining the Fast Stream, but not the   
kind of senior executive experience which gives access into the SCS.   
   
68 Cabinet Office, Success Profiles , 2019.   
69 Reform looked at the job postings for all Grade 6 level jobs on civilservicejobs.service. gov.uk on 10   
April 2024 and noted all those which assessed applicants against Behaviours as the lead criteria. Recommendation 4: The Chief Talent Officer and their team should run succession   
planning exercises for key roles , and keep regularly updated shortlists ready for a   
recruitment exercise.   
The recruitment process should be significantly streamlined, with expedited vetting initiated   
by the C TO for priority appointments .   
'Behaviours ’ within the Success Profiles should be scrapped in recruitment of external   
talent . Assessment of candidates should prioritise skills -based tests and actual experience.

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 The Fast Stream is an important case study of recruitment. Overseen by the GPG , it appointed   
1,084 individuals in 2023, an acceptance rate of just 4 per cent from a pool of 26,899   
applicants .70 Following an initial training camp, fast streamers are provided with ongoing   
training and career development advice. But whilst the acceptance rates suggest it is focused   
on high performers, recruiting around a thousand new joiners every year suggests it is not   
focussed on exceptional talent, and therefore it is out of scope for this paper.   
   
However, one of the clear benefits of the Fast Stream model which can be applied more widely   
is its recognisable brand as a route into public service for talented people not seeking a specific   
role in government.   
   
An equivalent Mid- Career Fast Stream (MCFS) – targeted at high- talent individuals who have   
gained years of experience in valuable roles outside of central government – would capitalise   
on the same ambition and sense of public service that drives talented people to join the   
existing Fast Stream. The MCFS should be small and highly competitive, applying a high bar   
to entry and accept ing only the best candidates. Entry should be assessed through robust   
standards, including the use of standardised tests and examinations of a similar kind to those   
which should be introduced for entry into the Senior Civil S ervice (see Section 4.4.1) – this will   
set a high standard for successful applicants.   
 The brand should be aimed at people who are already high achievers in their careers, and   
want to apply those traits in public service. And the promise should be of elite roles which will give successful applicants high levels of responsibility within Whitehall.   
 Similar to the Fast Stream, the MCFS should be centrally managed, however it should sit   
under the Chief Talent Officer rather than the GPG. A central scheme, like the Fast Stream,   
would provide an attractive offer to talented people who want to work for the civil service, but   
do not have a specific departmental role to apply to.   
   
As an exceptional talent scheme, the MCFS should be small, with a first annual cohort of no more than fifty recruits, recruited at Grade 6. Numerous interviewees commented upon the   
problem that the Fast Stream is too large, remarking that “bringing in a thousand people per   
year when the senior civil service is so small makes no sense” and questioning “if the Fast   
Stream is only for the top jobs why is it accepting a thousand plus people?” . The MCSF should   
not make this mistake.   
   
2.3.1 Overcoming “tissue rejection”   
 Such a scheme would not only provide a strong pipeline of talent, but help ensure that talent   
was properly used and retained. Currently, t alented people joining the civil service from outside   
can face difficulties assimilating into the civil service’s culture. This was stressed a decade   
ago in the Baxendale report ,  
71 which was launched at the request of then Minister for the   
Cabinet Office, Francis Maude, to investigate concerns with “tissue rejection” from external   
hires failing to integrate.72 It appears to remain an issue today. Interviewees for this paper   
commented upon the lack of support provided to new hires and previous Reform research has   
also found cultural barriers . 73 Problems with assimilating into the Civil Service’s culture can   
   
70 Cabinet Office, Civil Service Fast Stream: Recruitment Data 2022 and 2023, 2024.   
71 Baxendale, How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil Service.   
72 Cabinet Office, ‘Francis Maude Speech to Civil Service Live’, Web Page, 5 July 2011.   
73 Sean Eke and Simon Kaye, Thinking Differently to Learn What Works (Reform, 2024).

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 prevent talent being used effectively and can lead to individuals leaving the civil service: the   
turnover rate for senior civil servants recruited externally is 20 per cent higher than the turnover rate of peers hired internally.  
74   
 The risk of “tissue rejection” is compounded by the lack of a formalised onboarding process –   
something which the Fast Stream provides for early -career recruits, but is not standardised   
for mid -career recruits . This was also raised in the Baxendale Report, which commented that   
“many absolute basics were missing getting new recruits off to a bad start .  
75   
 External hires still receive no formal, standardised onboarding process .  
76 One interviewee for   
an Institute for Government paper compared “the comprehensive training offered to new Fast   
Streamers with the lack of accessible training for more senior outside entrants”.77 One   
interviewee for this paper , themselves an external mid- career hire, said he felt the expectations   
on exceptional people from outside of government were far too low, and lifelong civil servants   
were “surprised” that he had taken the time to research core legislative processes “off his own   
back” . The lack of a formalised onboarding process prevents talent being used effectively from   
the first day , but also sets a low bar of expectation on those talented individuals.   
 Individuals on the MCFS should receive a curated onboarding process and ongoing training   
similar to that which is provided to individuals on the FS. This training should be designed by   
the Government Skills and Curriculum Unit (GSCU) and include knowledge of p arliamentary   
and legislative processes; the fundamentals of public finances; the fundamentals of public law and regulation; the devolution settlement; and basic understanding of how different public   
services work . It should also include common standards for drafting policy advice, formatting   
government budgets, responding to correspondence and preparing public -facing   
communications.  
 This would address some of the key difficulties currently faced by external   
hires joining the C ivil Service – for whom operating in a complex, political environment is likely   
to be alien – thus ensuring that they can get up to speed as soon as possible.   
 Each cohort should be MCFS participants for two years, at which point there should be an   
end-point assessment and evaluation. The aim should be for cohort members who pass the   
final evaluation to progress directly into Deputy Director roles within the Senior Civil Service.   
Those who perform at the very highest level of this assessment , and were consistently the   
highest performers over the two years , should also move onto the Leadership Development   
Scheme run by the Chief Talent Officer’s team (see below for detail) . The rest should be   
mainstreamed into the Civil Service in Deputy Director roles , or be let go from the workforce if   
they do not meet the required standards .   
   
   
   
74 Review Body on Senior Salaries, Forty -Fifth Annual Report on Senior Salaries 2023, 2023.   
75 Baxendale, How to Best Attract, Induct and Retain Talent Recruited into the Senior Civil Service.   
76 Urban and Thomas, Opening Up: How to Strengthen the Civil Service Through External   
Recruitment .   
77 Ibid. Recommendation 5: A Mid -Career Fast Stream should be created, modelled on the Fast   
Stream but overseen by the Chief Talent Officer. The scheme should be small , initially no   
more than fifty individuals hired each year, and recruited at Grade 6.   
The MCFS should include a curated onboarding process and ongoing training offer, with   
an end- point assessment and evaluation at two years.

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 3. Promoting talent   
   
Convincing exceptionally talented individuals to join the civil service is not enough. The civil   
service needs to maximise their impact , and the impact of exceptionally talent ed people   
already working in Whitehall, through excellent ongoing talent management , to ensure they   
rise to the top . The importance of expert talent management is well understood in the private   
sector – a 2018 McKinsey survey found that 99 per cent of respondents who believed their   
company had effective talent management also believed they outperformed competitors,   
versus only 56 per cent of other respondents .78   
Cohorts hired through routes designed specifically to attract exceptional talent, for example   
the Fast Stream and the Mid- Career Fast Stream , need ongoing talent management to   
develop into future roles . However, it also applies to those who join via standard entry routes   
but are identified as exceptionally talented during the course of their career .   
Talented people are one of the biggest assets in Whitehall and must be deployed in the most   
effective way, for example by ensuring that they are best placed to use their skills and   
experience by promoting them into the right leadership roles; targeting their efforts at the   
government’s top priorities; and/or allowing them to move into specialist roles where they can add unique value.   
This is not currently the case. Just 2 per cent of respondents to the Reform /CSW survey   
strongly agreed with the statement that “talented people rise to the top of the civil service”,   
and 27 per cent somewhat agreed. In contrast, double that, 57 per cent , disagreed.   
   
Figure 5: To what extent do you agree with the statement that “talented people rise to   
the top of the civil service”?   
   
   
   
   
   
78 McKinsey & Company, ‘Winning with Your Talent -Management Strategy’, Webpage, 7 August 2018. 2%27%  
15%31%  
25%  
1%  
0%5%10%15%20%25%30%35%  
Strongly agree Somewhat  
agreeNeither agree  
nor disagreeSomewhat  
disagreeStrongly  
disagreeDon`t know"Talented people rise to the top of the civil service"

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 Three issues prevent talent consistently rising to the top of the C ivil Service. Firstly, large   
numbers of talented people are identified for talent management – this undermines the idea   
that such schemes are for exceptional individuals. There should be a high bar to entry , making   
talent schemes highly competitive . In addition, those on current schemes are not tracked and   
supported on an ongoing basis – talent is mostly supported through time -limited schemes, like   
the Fast Stream (for graduate recruits) and the Future Leaders Scheme (for internal   
candidates at Grade 7 and Grade 6).   
Secondly, exceptionally talented people need to be rewarded appropriately, so they are   
incentivised to stay in the Civil Service and rise or specialise. The status quo creates too strong   
an incentive for exceptional people to leave for better pay in the private sector, or to avoid   
specialising in a particular area and instead regularly move jobs to secure promotion and   
higher pay. As previously discussed , the compensation available to exceptional talent in   
Whitehall is much lower than that available in high -impact jo bs in the private sector.79   
Thirdly, exceptional talent needs appropriate support to develop, particularly with opportunities   
which they can uniquely benefit from.   
   
3.1 Managing talent   
 In response to Reform’s FOI request for all policies related to performance management and   
talent assessment , 12 of 16 departments provided information.  
80 Of these 12 , only 3 — the   
Department for E ducation,81 the Department for Transport,82 and the Depar tment for Work   
and Pensions83 — provided any guidance documents focused on how to manage talent   
among the delegated grades. This should be of serious concern.   
Rather than actively managing the careers of exceptionally talented people, Whitehall largely   
relies on them to forge their own paths in an internal civil service labour market with very high   
turnover between roles. Interview participants with experience in government and the private sector argued that the Civil Service’s approach to talent management compared poorly with   
the private sector, and that this often disincentivised officials from pursuing leadership roles .   
One comment ed that “the civil service pays far less attention to the careers of individuals in   
leadership positions , compared to the organisations it competes with .”   
   
A former civil servant, now working in professional services, told us that their current   
experience involved much more active conversations with their leaders about future career   
trajectories , and that everyone in the organisation had a dedicated “development manager”,   
separate to day -to-day line management on their projects.   
   
This is compounded by the incentivises for individuals t o move roles frequently to pursue   
meaningful salary increases, which are typically only available by moving departments or achieving promotion. Furthermore, the roles which are advertised at any given time may not   
be the best match for their skills or for their development. Indeed, high levels of churn   
   
79 Review Body on Senior Salaries, Forty -Fifth Annual Report on Senior Salaries 2023.   
80 DESNZ and MoD did not respond to the FOI request. DCMS stated that disclosing the information   
would prejudice the effective conduct of public affairs. FCDO estimated that providing the information   
would exceed the FOI cost limit of £600.   
81 Department for Education, Freedom of Information Disclosure, 2024, 2024- 0005373.   
82 Department for Transport, Freedom of Information Disclosure, 2024, 00009826.   
83 Department for Work and Pensions, Freedom of Information Disclosure, 2024, 2024- 13415.

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 discourage the kind of specialism which may be the best use of some exceptionally talented   
people’s skills.   
Dedicated talent management schemes exist in Whitehall. However, joining these talent   
schemes is based on a separate application process rather than being the logical result of   
existing performance appraisal processes .   
 At present, performance management processes result in the reward of non- consolidated   
financial bonuses and the direction of talented individuals towards talent schemes like the   
Future Leaders Scheme. They do not have a direct bearing on an individual’s career trajectory.   
 One interviewee told us that at the outcome of their annual performance appraisal, they were told they had been rated as “exceeding” (the top rating available in their department), and   
simply told “well done” – the performance process was treated as an end in itself by their   
manager, rather than a s a means to identify talented individuals for development.   
 The Civil Service should be able to identify exceptional talent based on good performance   
management processes, which accurately reflect the work they have delivered and the   
experience they have gained in the process. Based on good records, this should be given far   
greater weight in promotion and progression decisions within Whitehall .   
   
Even if an individual does find their way onto a talent scheme, while this may offer additional   
training and networking opportunities , it does not have a direct bearing on the roles which   
members have access to, or on their future promotion prospects. The Future Leaders Scheme   
is one such example operated by the G PG, aimed at future membe rs of the Senior Civil   
Service who are currently Grade 7 and Grade 6 (see Figure 6) , but this scheme does not   
provide proactive management for cohort participants .   
   
Figure 6: Outline of the Civil Service Future Leaders Scheme (FLS)   
   
Source: Cabinet Office, Freedom of Information Disclosure, 2024, 2024- 02579. The FL S is a talent scheme dedicated to identifying candidates at Grade 7 and Grade 6   
who should be moving into the S enior Civil Service. However the scheme does not provide   
talent management in any real sense, it is time -limited and does not actively assess   
individuals for particular roles – it only provides training and advice.   
 “The FLS provides a leadership curriculum that enables the participant to accelerate their   
learning and development and build their personal leadership effectiveness; maximises   
opportunities for participants to build their skills, knowledge and n etworks and profiles   
across the Civil Service; and supports the career trajectory of individuals to ensure   
participants are being challenged effectively and realising their potential.   
The FLS is delivered over 12 months and consists of four core residential workshops with   
inter-module activities including coaching and action learning sets and webinars. The   
following subjects are explored in four modules:   
● Leadership in context;   
● Working with and through others;   
● Leading projects and partnership working; and   
● Self management and personal effectiveness .”

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 3.1.1 Leadership Development Scheme   
   
Talent development programmes like t he Future Leaders Scheme ( FLS), and the Senior   
Leaders Scheme (a similar programme aimed at officials who are already in the SCS ), operate   
at too large a scale to be adequate talent management for exceptional individuals . The FLS   
had 441 successful applicants in 2023, having appointed around 400 people per year since   
2017.84 The Fast Str eam hires around a thousand officials a year .85 The scale of the schemes   
helps explain why they are not actively managing the careers of the high est performing   
individuals by identifying, and placing them in, specific roles.   
   
In practice the absence of a clear route for getting exceptionally talented people into the right   
jobs is filled by a ‘shadow talent system’ , whereby people who are perceived as talented are   
moved to posts where they are needed . Research has discussed how high- flying civil servants   
come from a “ homogenous block” of civil servants who fit a “cookie -cutter mould .” 86 Informal   
routes to promotion via networks , rather than based on objective assessment for talent   
potential, makes for a system that is neither effective nor fair.   
This haphazard approach to talent management needs to be addressed with a new   
Leadership Development Scheme (LDS) .   
Instead of looking to identify exceptional talent based on self -applications which are detached   
from the performance appraisal process, the Leadership Devel opment Scheme should   
proactively identify candidates from the Fast Stream and new Mid -Career Fast Stream (based   
on new formalised end-of-scheme assessments ) and candidates from within the existing civil   
service through scouting the highest performers from departmental performance appraisals. This would ensure that the Scheme is focused on ensuring exceptional talent rises to the top   
of Whitehall.   
Membership of the LDS should be ongoing, rather than time -limite d, with a small cohort   
recruited every year – initially this should be in the dozens, rather than the hundreds. This   
should provide the kind of intensive and long- term support needed for individuals at all stages   
of their career to rise through the ranks through planning their careers and succession into   
different roles . The Government People Group should continue to provide general   
development support for the rest of the C ivil Service, includi ng for high (but not exceptional)   
performers.   
   
   
   
Once the civil service has an established cohort of exceptionally talented people, identified   
through rigorous process es, then that cohort can be managed as an asset to Whitehall . By   
centrally identif ying exceptionally talented individuals , and including them in an (initially) small   
   
84 Cabinet Office, Freedom of Information Disclosure, 2024, 2024- 02579.   
85 Cabinet Office, Civil Service Fast Stream: Recruitment Data 2022 and 2023.   
86 Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence. Recommendation 6: Existing talent schemes should be discontinued and phased out .   
Exceptionally talented individuals should instead be part of a new ongoing Leadership   
Development Scheme (LDS) , managed by the Chief Talent Officer and their team in the   
Cabinet Office.

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 cohort with ongoing support from the Chief Talent Officer, Whitehall will have a dedicated pool   
of people to draw from when planning the succession for senior roles in the C ivil Service.   
   
To ensure the success of the scheme as an asset to the whole civil service, it is essential that   
department s value members of the scheme . They should be working in high- priority roles   
within departments which will give them the opportunities to have the greatest impact and to   
develop to reach their full potential . Departments must be bought in to the process and   
incentivised to use exceptional people from the LDS , along with invest ing time and resources   
into their development. Departmental Talent Partners will be key to building confidence in the   
scheme and working with departments to identify roles for LDS participants. Individuals on the   
LDS should have annual talent reviews — focused on career planning and capability   
development — conducted jointly with their departmental line manager and the CTO’s team.   
Secondments to organisations outside of the Civil Service – whether in other parts of the public   
sector, or in the private or third sector – should be a core part of the scheme, broadening the   
experience and insights of Whitehall’s most senior future leaders. Every LDS participant   
should be expected to undertake at least one secondment lasting at least six months.   
   
   
   
3.1.2 Specialist Development Scheme   
   
Some kinds of exceptional talent may not fit the criteria for the Leadership Development   
Scheme, namely because their talent applies in a narrow – or specialist – domain. The   
professionalisation of the Civil Service into 32 distinct professions provides a route for assessing the specialist skills of an individual within their profession as well as in the Whitehall   
department which they work. However, professionalisation can only support exceptional talent   
if it helps identify them and direct their efforts to the parts of Whitehall where they can have   
the most impact.   
   
The professions vary in the level of ‘professionalisation’ they have for categorising skills. The   
Capability Framework for the “ Digital and Data Profession” outlines a comprehensive list of   
capabili ties for different skill levels in “enterprise and business architecture” or “data   
standards” ,  
 87 whereas the Policy Profession, which numbers over 33,000 officials ,88 lacks   
similar standards .89 This is in some ways understandable, given the breadth of different policy   
areas which the government has responsibilities for, and the depth of understanding which   
officials working in relevant teams need .   
 However, it poses a challenge for how to identify and support exceptional specialised policy   
talent , and progress it. One interviewee gave an example of officials who could be “the world’s   
   
87 ‘Government Digital and Data Profession Capability Framework’, 28 February 2024.   
88 Cabinet Office, A Skilled Civil Service: The Policy Profession, 23 November 2023.   
89 Policy Profession, ‘Policy Profession Standards’ . Webpage, 12 April 2024. Recommendation 7: Talent Partners should work closely with their allocated department   
to ensure they are benefiting from the Leadership Development Scheme ( LDS), and   
making the most of any LDS participants they have. Annual talent reviews should be   
conducted jointly with departmental line managers and the CTO team.   
External secondments should be a mandatory part of the LDS to ensure participants are   
developing different insights, skills and experiences.

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 leading expert in [their domain] , but to get progression in their career they have to apply for   
promotion, often in a different department” . As this shows, g enuine specialists within the   
profession have limited avenues for development because promotion is typically dependent   
upon leaving their area of expertise or requiring an increased share of their time to be spen t   
on management responsibilities.90 This is a sub -optimal outcome for both the individual and   
for Whitehall as a whole.   
   
In the private sector, it is more common for high- performing organisations to allow progression   
without requiring promotion into management roles. Particularly in other areas which reward   
deep domain knowledge and skills, such as software. For example, Microsoft have separate   
career paths for engineers who want to develop their skills as “individual contributors ”, but not   
manage people. Employees can either progress into engineering management – or into more   
senior engineering roles through initiatives like the Microsoft Technical Leadership Development Programme.  
91   
The Civil Service Peo ple Plan states its desire to be an organisation where “specialist s are   
offered the tools and training to deepen their expertise” and “professionalisation of skills is   
celebrated” , however , again, no significant details are available on what this would look like.92   
Where senior specialist roles do exist , they are not accorded parity of esteem with senior   
policy officials .93   
 Instead, the Policy Profession should enable exceptionally talented policy officials to specialise   
in their career . A new distinct Specialist Development Scheme (SDS) , separate to the cross -  
Whitehall and cross -profession LDS, should provide a mechanism for departments to progress   
and retain specialists with deep policy expertise without requiring them to change policy areas   
or move into management.   
   
Unlike developing future leaders with widely applicable skills , the development of exceptional   
talent in deeply specialised areas is not a programme best led by the new Chief Talent Officer   
from Cabinet Office . Each department is better placed to evaluate the kind of specialist policy   
skills which it needs to develop internally, and then to find the people with those skills to invest   
in. The Head of the Policy Profession in each department should be responsible for identifying   
and supporting individuals to join the scheme in their department, and providing the ongoing talent leadership to structure their careers.   
   
Given the focus on truly exceptional talent, the intake each year should, again, be small, with   
the standards set by each department based on their policy workforce planning needs, and   
entrance to the scheme based on an exceptional level of knowledge and technical skill in the   
relevant policy area which the individual has specialised in.   
   
   
   
90 Urban and Thomas, Opening Up: How to Strengthen the Civil Service Through External   
Recruitment .   
91 Chris Walden, ‘How Individual Contributors Can Become Brilliant Technical Leaders’, 24 June 2020.   
92 Government People Group, Civil Service People Plan 2024- 2027.   
93 Urban and Thomas , Opening Up: How to Strengthen the Civil Service Through External   
Recruitment . Recommendation 8: A Specialist Development Scheme should be established by the   
Policy Profession, managed on a department -by-department basis by the Head of the   
Policy Profession in each department, targeted at expectational individuals with specialist   
knowledge and skills.

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 3.2 Rewarding talent   
   
3.2.1 Pay   
   
As previously discussed, exceptionally talented individuals need to be well compensated in   
order to recruit them. They also need to be appropriately compensated to ensure that they are   
retained within the civil service. The more that they develop their skills and experience the   
more valuable they will become, with such top talent expecting quicker advancement via   
access to better opportunities and compensation than their peers who perform to the expected   
standard (or even, as discussed in Chapter 4, those who do not even meet that standard) .   
To seek salary increases , most civil servants have to move roles to a department or team   
which pays more,94 or seek promotion by applying for an advertised vacancy. Such pay   
disparities between roles exist as a result of departments having delegated responsibility for   
staff pay below SCS level. One example of this is the £36,600 difference in salary between   
the tenth and ninetieth percentiles of digital professionals at deputy director level.95 These pay   
disparities can create ‘internal markets’ for specialists, with such specialists incentivised to   
move roles in order to attract a higher salary.96   
Permanent promotion is not available in post . Whilst civil servants can receive temporary   
promotions for time -limited roles or to cover vacancies whilst a full recruitment process is   
conducted, the Constitutional Reform and Governance Act 2010 requires the appointment of   
people to roles in the civil service , including promotions, to be “on merit on the basis of fair   
and open competition” .97 The Civil Service Commission publishes guidance98 on the   
application of these principles, which treats promotion opportunities as roles which should be   
advertised widely to ensure that the decision whether or not to promote an internal candidate   
or hire externally is based on merit and gives potential candidates a chance at fair competition.   
One interviewee we spoke to reported that they were now seeking a promotion — despite   
being highly skilled in and enjoying their current position — because they had reached the   
ceiling of their pay band . Furthermore, they expressed frustration tha t their current job — which   
had significantly expanded in scope since they first took up the position — could not be   
automatically uplifted to the next civil service grade without going through an entirely new   
recruitment process.   
Exceptionally talented individuals should be able to be rewarded on an ongoing basis with more flexibility and less friction than the current process of job applications and multiple   
approvals to increase compensation. This flexibility on reward should be provided only to the   
relatively small number of participants on the LDS or the departmental Specialist Development   
Scheme (SDS) . Such pay awards should be set on an annual basis at the discretion of the   
Chief Talent Officer’s team, or the relevant Head of the Profession in the department,   
respectively.   
For those on the SDS, this means enabling pay progression within post, ending the need for them to seek higher pay through promotion or moving to a different department. For   
participants on the LDS who have joined from within the civil service (not hired externally) and   
   
94 House of Commons Committee of Public Accounts, Civil Service Workforce: Recruitment, Pay and   
Performance Management, Twenty -Third Report of Session 2023- 24.   
95 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management .   
96 National Audit Office, Specialist Skills in the Civil Service .   
97 HM Government, ‘Constitutional Reform and Governance Act 2010’ (Chapter 10).   
98 Civil Service Commission, Recruitment Principles , 2018.

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 therefore are on standard terms and conditions, pay flexibility should focus on non-  
consolidated performance- related payments based on the delivery of key milestones . They   
should also be offered the opportunity to sacrifice some of the generosity of their pension in   
return for higher base pay (as discussed in S ection 2.2.2.)   
Interviewees raised the risk of legal claims under equal pay legislation as a reason for the   
government not embracing more ad -hoc pay flexibility based on specific skills and for the   
current lengthy process to acquire allowances. The Equalities Act (2010) defines the scope of   
equalities assessment of equal pay, along with supplementary guidance from the Equality and Human Rights Commission (ECHR). However, experience and qualifications are included in   
the ECHR guidance as a potential material factor defence for equal pay claims, which would   
be key tests for admission to either scheme.  
99   
   
   
   
   
   
3.3 Developing talent   
   
The civil service learning and development model is based on the majority of development   
coming from an individual’s day job and off their own back. The Civil Service People Plan ’s   
learning provision is based around enabling civil servants to “take ownership of their learning   
and proactively find their ways to develop their skills” , and there is no clear focus on identifying   
and providing training for exceptional talent.100   
Relying on exceptional individuals to plan their development for future roles, with no clear guidance, is ill-suited to the development needs of exceptionally talented individuals . The lack   
of a clear talent development offer undermines Whitehall’s ability to get the most value from   
this group. It relies on talented individuals to independently focus on skills the C ivil Service   
has identified as a priority , such as digital and data skills, or scientific expertise.   
Beyond informal development done on the job, the formal development opportunities available   
to exceptional talent vary significantly. Beyond the previously discussed talent schemes there is a patchwork of departmental provision and secondments . However, these also rely upon   
individuals navigating the options themselves and applying to the ones they are interested in.   
There have been welcome efforts in recent years to improve the skills of talented leaders in   
Whitehall. The Leadership College for Government , part of the Government Skills and   
Curriculum Unit, set out to integrate and replace the “ previously disconnected portfolio of   
   
99 Equality and Human Rights Commission, Equal Pay Statutory Code of Practice, 2010.   
100 Government People Group, Civil Service People Plan 2024- 2027. Recommendation 9: Renumeration for participants on the Leadership Development   
Scheme should be reviewed annually with uplifts made based on advice from the C hief   
Talent Officer ’s team and exempt from the Treasury’s approvals process. For those on   
existing terms and conditions (not external hires on revised terms) this should focus on   
non-consolidated performance- related payments. They should also be offered the   
opportunity to re duce their pension in return for higher base pay.   
Recommendation 10: Participants on the Specialist Development Scheme should be   
eligible for in -post pay progression, with an annual pay review run by the relevant Head of   
Profession in their department.

Making the grade   
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 training and schemes for leaders and managers” .101 It offers development programmes for   
Permanent Secretary, Director General and Director level SCS, as well as CEO and Deputy   
CEO -level leaders in the wider public secto r.102   
   
This provides a base level of standardised professional support for leadership, but the vision   
of a system where the career paths for senior leaders are being managed, they are provided   
with well- curated development, and development schemes are co -ordinated together needs   
to be delivered in full. Interviewees for this paper still talked about the confusion of what the   
Cabinet Office referred to as having to navigate the “disconnected portfolio of training and   
schemes for leaders and managers” .103 And this offer could be built on with much more   
specialist training for exceptional talent at a senior level, and consistent standardised support   
for exceptional talent at a more junior level (Grade 7 to Deputy Director).   
   
Interviewees mentioned the importance of being identified as ‘talented’ in their career by more   
senior ‘mentor’ figures, and the direct guidance they received from them which was   
instrumental in their development. Interviewees discussed the importance of mentors at very   
different grades, but in all cases these mentors were at least two grades more senior than   
them. One former senior civil servant , who had joined government after roles in the private   
sector, mentioned how the Permanent Secretary of their department took them aside and   
asked if they wanted to become a permanent secretary one day. The Permanent Secretary   
said “I needed to start an ‘apprenticeship’ with that goal in mind, and he started arranging   
development opportunities which would get me there. ”   
   
In comparison to this system of ad- hoc talent development, exceptional officials in other   
countries — for example France and Singapore — have access to enhanced formal   
development opportuniti es on a much more standardised basis (see Figures 8 and 9 below) .   
   
   
   
   
   
101 ‘Leading to Deliver: A Leadership and Management Prospectus’, 21 June 2022.   
102 Ibid.   
103 Cabinet Office, ‘Government Skills and Curriculum Unit’ . Webpage, 2024 . Recommendation 11: The Chief Talent Officer should have the budget available to tailor   
a bespoke development offer for members of the Leadership Development Scheme, initially repurposing the current budgets of the Future Leaders Scheme and Senior Leaders Scheme.   
Recommendation 1 2: All individuals on the Leadership Development Scheme should be   
assigned a senior mentor to support them in their career. As a rule of thumb, mentors   
should be three grades more senior than the mentee – i.e. for Fast Stream graduates in   
the Scheme the mentor should be Director level, and for Mid- Career Fast Stream graduates   
they should be Director -General level .

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 Figure 7: France’s Institut national du service public   
   
   
Source: Institut national du service public, ‘Transformation’, Webpage, 2024.   
   
Figure 8: Singapore’s public service central leadership programmes   
   
   
Source: Public Service Division, ‘Public Service Leadership Careers’, Webp age, 2024.   
   
   
   
 The Institut national du service public (INSP) is a French graduate school dedicated to the   
recruitment and training of French civil servants. It was created in January 2022 to replace   
the École Nationale d'Administratio n (ENA) , which was abolished by President Macron in   
December 2021.   
Five different entrance competitions are held. These are open to holders of a bac+3 level   
diploma, equivalent to an undergraduate degree. These are: the most deserving   
scholarship students and job seekers from one of the preparatory classes which are run to   
increase diversity in the civil service; holders of a PhD in a specific specialism which   
changes each year; public servants with at least four years of experience; and individuals   
with six years’ experience working outside of the public sector ; or being an elected member   
of a local authority.   
Having passed the initial entrance exams , students spend two years studying a curriculum   
designed for the “training of senior management and managers of the State”. This training   
involves in -depth courses, internships and short -term assignments within public or private   
sector organisations. Students are provided with an individualised programme designed to   
support them in their specific development.   
Upon completion of the course, students are moved to a position within the French public   
sector which matches their particular skills. The majority join the corps of state   
administrators, the French civil service.   
There are two central leadership development programmes in Singapore’s civil service:   
the Administrative Service (AS) and the Public Service Leadership Programme (PSLP).   
These aim to “systematically groom leadership talent for senior leadership roles across the   
public service”. Admission is competitive, with separate starting points for graduates, mid-  
career entrants and senior leadership roles, including in- service officers looking to advance   
their career s.   
Individuals can join these two programmes via different entry routes (for example   
graduates, current civil servants or mid- career entrants from the private sector ) and at   
different levels of seniority.   
The programme places individuals in a range of positions which match their skills and   
expose them to the workings of the civil service.

Making the grade   
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 4. Addressing poor performance   
   
All large organisations expect to see variation in the performance of staff. However, the C ivil   
Service appears to find addressing repeat poor performance, including removing poor   
performers from the organisation when necessary , particularly difficult.   
 In the Reform /CSW survey only 6 per cent of line managers somewhat or strongly agreed with   
the statement that “the civil service in general manages poor performance well” ; a full 87 per   
cent disagreed. Supporting this, a recent National Audit Office report found that “departments   
are not adequately following up underperformance to support both individuals and the teams they work with”.  
104 One interviewee put it bluntly: “p oor performance is endemic.”   
   
Figure 9: As a line manager, to what extent do you agree with the statement that “t he   
civil service in general manages poor performance well” ?   
   
   
   
The overall burden of poor performance could be much reduced by better selection of those coming in to the C ivil Service and by consistent and on- going training, but it is essential that   
once poor performance is detected, robust performance management systems are in place to   
act on problems quickly .   
 Tackling poor performance and removing those who do not improve with appropriate support,   
would both help with meeting headcount reductions and improve morale among higher   
performers who are frustrated by the failure to address the issue – in previous research, one   
civil servant remarked that some of their colleagues “can just consistently underperform and   
   
104 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management . 1%5%6%32%55%  
1%  
0%10%20%30%40%50%60%  
Strongly agree Somewhat agree Neither agree  
nor disagreeSomewhat  
disagreeStrongly  
disagreeDon't know"The civil service in general manages poor performance   
well"

Making the grade   
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 [they] will just get moved around. [They] will never get sacked, which is quite demotivating   
when you are hardwork ing and you see that happening”.105   
   
Most of our interviewees had never heard of anyone being managed out of the civil service   
because of poor performance. One told us this included someone who was hired into the civil   
service externally , who turned out to have another full -time j ob at the same time as their role   
in government . They were working remotely, and working sufficiently little in their civil service   
role that they could get away with having a separate job. As far as the interviewee knew, that   
official is still working in their department. This is an extreme case, but suggests that even   
extreme cases are not being dealt with.   
Only three departments – the Department for Energy Security and Net Zero (DESNZ), the   
Department for Transport (DfT) and HM Treasury (HMT) – provided information in response   
to Reform’s FOI request on the number of employees who have been dismissed for poor   
performance.106 It would be reasonable to assume that an organisation firmly gripping the   
issue of poor performance would be able to provide such basic data.   
DESNZ107 has dismissed no employees for poor performance since it was established in   
February 2023, while both DfT108 and HMT109 have each dismissed no more than five   
employees for poor performance in every year since 2018 (except 2022 when DfT dismissed   
six). Mapped against the total DfT and HMT headcount – which ranged respectively from 2,490   
and 1,360 in March 2018 to 3,830 and 2,070 in December 2023 – this equates to an average   
dismissal rate of less than 0.4 per cent per year .110   
For these figures to be appropriate , it must be the case that either 99.6 per cent of their   
employees performed at an acceptable level each year ; or that poor performance was almost   
universally addressed; or that large numbers of poor performers left of their own choice before   
it could be escalated. Based on interviews for the paper , this seems unlikely , indeed one   
interviewee remarked that “most people who really need to be fired, they stay. And the people   
who really should stay are the ones who decide to leave” .   
More than 48 per cent of line managers who responded to the survey felt tha t more than 10   
per cent of their colleagues were poor performers . While clearly a subjective view, this is none   
the less a useful indication of how people perceive the scale of the challenge.   
   
   
   
   
   
   
105 Amy Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence, 2023.   
106 CO, DfE, DEFRA, DLUHC, DSIT, DWP, DHSC, FCDO , HO and MoJ estimated that providing the   
information would exceed the FOI cost limit of £600. DBT does not hold this information. MoD   
requested clarification and then did not respond to the FOI request.   
107 Department for Energy Security and Net Zero, Freedom of Information Disclosure , 2024, 2024-   
03278.   
108 Department for Transport, Freedom of Information Disclosure, 2024, 00009827 .   
109 HM Treasury, Freedom of Information Disclosure, 2024, 2024- 03217 .   
110 ONS, ‘Public Sector Employment Dataset’, Web Page, 12 March 2024.

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 Figure 10 : As a line manager, what proportion of people in your directorate do you feel   
are poor performers?   
   
   
   
It is important to note that the unionised nature of the civil service adds a layer of complexity.   
The likelihood of poor performers draw ing on union representation to challenge action was   
raised in interviews, with this making the process for dealing with poor performance more   
difficult and time consuming, and exacerbating risk aversion. The relationship between   
Whitehall and the unions is beyond the scope of this paper, but it should be noted that the   
unions also represent the many civil servants who are deeply frustrated by the failure to   
address ongoing poor performance – and tackling the issue would create more scope for   
investment in those who are preforming well.   
This chapter argues that performance needs to be more closely measured with clearer   
standards to establish whether a member of staff is not performing. Overpromotion seems to be a key reason behind some poor performance. Thus, clearer standards also need to be put   
in place to assess candidates. Line managers need to be provided with the skills required to manage poor performers and incentiv ised and supported to do so. Finally, departments need   
to be accountable for the performance of their staff through clearer monitoring and scrutiny .   
   
4.1 Monitoring and measuring performance   
   
The Civil Service does not measure performance well enough to properly identify poor   
performance .   
One problem raised by interviewees is that objectives are not standardised and are rarely   
easily measurable. Interviewees spoke about objectives often being too “high- level”, with   
junior staff often encouraged to frame their objectives in terms of strategic outcomes for the   
organisation as a whole, often meaning they are too removed from specific activities   
undertaken by that individual . One interviewee – commenting on appraisals at all levels,   
though particularly for junior staff – argued it is “soul -destroying how little substantive   
discussion there is about actual delivery”.   
 44%  
39%  
7%  
2%8%  
0%10%20%30%40%50%  
Under 10% 10 - 30% 30 - 50% More than 50% Don't know"What proportion of people in your directorate do you feel   
are poor performers?"

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 One interviewee noted that they have not come across any grade -specific process of   
benchmarking objectives and said that there is “ a lot of freedom and flexibility to do what you   
want with your team” .   
   
The opposite problem also exists: objectives set which, in the words of one interviewee, are   
little more than “box -ticking exercises, with too little focus on genuine delivery”. Many   
interviewees agreed that junior officials in Whitehall were often not given enough responsibility   
early in a posting to assess whether they were performing to a high standard, tasked with what   
the same interviewee called “make -work” . Another said: “What does success look like in a   
policy job? It’s harder to define, you can’t have the same financial measures that the private sector would use .”   
 This variation in measuring performance stems from the absence of a standardised approach   
to objective- setting as part of overall performance management . The Cabinet Office sets out   
eight core elements which it expects all departments to include in their performance   
management systems – for example to address diversity and inclusion, be focused upon   
development and to hold leaders to account – however the broadness of these leads to   
significant variation in department al practices.   
A recent National Audit Office report found that nine departments had a performance rating   
system for staff in delegated grades (i.e. grades below the Senior Civil Service) , while seven   
had no formal performance rating system .  
111 Responses to the FOI requests for this paper   
show a significant variation in the frequency with which performance assessments occur and   
the different categories individuals are assessed against .   
Twelve departments provided information on their performance management policies. The   
variation in the use of performance assessments and performance ratings in seven of these   
eleven departments is illustrated in Figure 12 below.   
 Based on the information provided, neither the Department for Work and Pensions (DWP),   
the Department for Education (DfE) nor the Home Office (HO) use annual performance ratings   
or performance assessments. DWP uses a team -based approach called “People   
Performance ”, underpinned by “individual conversations which focus on wellbeing,   
development and support”.  
112 It is unclear from DWP’s FOI response how poor performance   
is identified. DfE hold monthly line manager check -ins which cover “recent progress,   
performance and upcoming priorities”.113 DLUHC requires line managers to hold formal   
reviews quarterly . These reviews discuss wellbeing, the extent to which goals have been   
achieved, any apparent weaknesses in performance, any required changes to goals and plans   
for the job holder’s development. The Home Office does recommend that line manager check -  
ins occur monthly , and check -ins are mandated to occur quarterly.114 But it is not clear that   
these check -ins in the Home Office lead to any kind of formal assessment – they are meant   
to cover “ wellbeing, development, feedback, reward and performance against goals” , but with   
no set of standard criteria which candidates should be assessed against. Line managers can   
introduce periods of “focussed support ” based on their discretion.115   
   
   
111 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management .   
112 Department for Work and Pensions, Freedom of Information Disclosure, 2024, 2024- 13415.   
113 Department for Education, Freedom of Information Disclosure, 2024, 2024- 0005373.   
114 Home Office, Freedom of Information Disclosure, 2024, 01698.   
115 Ibid.

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 The Department of Health and Social Care’s response to the FOI request is not clear on how   
they manage performance or whether or not they use performance ratings or performance   
assessments.116   
   
Figure 11: Variation in the required number of performance assessments per year and   
the number of performance ratings used during performance assessments   
   
   
   
   
   
This lack of consistency may contribute to the poor quality of data on the number of poor   
performers and their outcomes, as found in a recent NAO report.117 If managers are not clear   
on the expectations from them in a performance management process, then outcomes are   
likely to vary, and poor performers could slip under the radar.   
   
   
116 Department of Health and Social Care, Freedom of Information Disclosure , 2024, 1496412.   
117 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management . 012345  
CO DBT DEFRA DfT DSIT HMT MOJNumber of performance assessments per year  
01234567  
CO DBT DEFRA DfT DSIT HMT MOJNumber of performance ratings used during performance   
assessments

Making the grade   
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 Other organisations show that an alternative approach is possible. The CEO of Netflix, Reed   
Hastings, has spoken about how they implemented a “continued focus” approach to removing   
poor performers in the company. While managers in the Civil Service are asked to justify the   
ratings they make to their peers in standard moderation processes, at Netflix the company   
applies an initial test to identify poor performers – “managers have to each year testify for each   
of their people, that if that person were trying to quit, they would try to change their mind…   
sometimes you find there are people working for you who, if they quit, you’d think ‘ oh that’s   
pretty good’ … and in those cases we’d want to give them a generous severance package.”118   
   
The GCPO should clarify a new approach , applicable across Whitehall, focused explicitly on   
identifying and addressing poor performance. Departments should continue to set their own   
performance management policies, but these should meet a minimum standard of ensuring   
formal assessments twice a year. These assessm ents shoul d clearly indicate whether an   
individual is performing above, at , or below expectations . Rather than being set centrally by   
GPG , the ratings should be defined based on standardised criteria agreed by the Civil Service   
People Board, and therefore owned and endorsed by departmental permanent secretaries .   
   
Moderation should still continue at management level, but all moderation should start by   
explicitly confirming that the person in question is not underperforming, before moving on to   
consider higher levels of performance where they exist. This would give a greater level of focus to identifying poor performers. The presumption should be that a poor performance   
rating triggers a performance improvement process – this is not the case in many of the   
performance management policies Reform obtained via FOI reques t.   
 The GPG should dip- sample performance reviews, moderation discussions and the results to   
test for consistency and identify departments which are falling below standards . Along with   
providing a second pair of eyes on a small number of cases , this would create a culture of   
properly justifying individual performance.   
   
   
   
   
   
These principles should apply to everyone in the Civil Service, regardless of seniority.   
However, discussion s on performance management in the Civil Service often focus on line   
managers identifying poor performance within their own teams and the challenge of dealing   
   
118 Reid Hoffman, Blitzscaling 16: Interview with Reed Hastings, November 2015. Recommendation 13: The Government Chief People Officer should oversee a   
comprehensive benchmarking exercise of objectives set at different grades – in different   
professions and business areas – across all government departments. They should publish   
anonymised examples of good and bad objectives to provide guidance to line managers   
on how to improve the quality of objectives.   
Recommendation 14: Whilst departments should retain flexibility in setting their   
performance management processes, at a minimum, formal performance reviews should   
happen twice a year after an individual has successfully completed their probation period. Individuals should receive a rating indicating whether they are performing below, at, or   
above expectations. This rating should be based on standardised criteria agreed by the   
Civil Service People Board. Receiving a ‘below’ or equivalent rating should automatically   
trigger a performance improvement plan.

Making the grade   
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 with it . This neglects the issue of poor performance among managers and senior leaders.   
Interviewees for an earlier Reform paper, Civil unrest , highlight ed this as a significant issue,   
with one interviewees saying “people who are performing poorly, being bad managers and   
acting like bullies – in a previous job, I had a real bullying manager – there’s barely anything   
that can be done. They'll just carry on getting promoted and moving on to the next job because   
of the s ystem .”119   
Senior civil servants are evaluated in part based on ‘360 feedback’ (the anonymous collection   
of feedback from people of all levels , which is used by managers as part of performance   
appraisals ).120 Interviewees told us that in some departments these approaches are used   
voluntarily by officials at Grade 7 and Grade 6 as well – the grades in policy teams which do   
the majority of line management . The ‘360’ approach is clearly imperfect, but does provide an   
important opportunity for poor performance in more senior individuals to be re vealed.   
The Civil Service needs a performance management approach where individuals feel   
comfortable and confident in providing honest, evidenced feedback regardless of the level of   
the person they are feeding back on. Requesting this feedback should be mandatory at Grade 7 and 6 across Whitehall. Alongside 360 feedback, the head of new departmental   
‘Performance Units ’ (see Section 4.3.1) should be a third point of contact for anonymously   
raising concerns about leadership, as an alternative to escalating within the standard   
managem ent chain.   
   
   
   
4.2 Line manager capability   
 Once poor performance is identified, managers need the capability to address it. Historically,   
there has been no concerted effort to ensure that managers have these skills.   
 Some interviewees who were line managers reported having received training on performance   
management as part of talent schemes (for example the Future Leaders Scheme) or through   
departmental schemes (including the Department for Business and Trade and the Treasury ).   
Other interviewees recounted receiving nothing more than an afternoon ’s worth of reading   
material .   
As a result of this , interviewees told us that line managers have particular knowledge gaps   
including identifying poor performance, initiating performance improvement processes and   
managing people out . Furthermore, many interviewees told us that managers were not close   
enough to their staff’s work to understand their performance. One former senior civil servant   
captured the general approach: “The civil service treats line management like a sport for amateurs.”   
   
   
119 Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence.   
120 Government People Group, Senior Civil Service Performance Management Framework . Recommendation 15: ‘360 feedback’ should be extended across all Grade 7 and Grade 6   
roles in the civil service.

Making the grade   
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 Data obtained via FOI request on management training shows a patchwork offer across   
different departments. None of the 12 departments which provided information on their training   
offer to line managers described any training as mandatory .   
   
Figure 12: Responses to FOI request for “the name and course description of any   
training offered to line managers about managing employee performance”

Making the grade   
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Of those respondents to the Reform /CSW survey who reported being line managers, two   
thirds disagreed or strongly disagreed with the statement : “I feel supported through my training   
to manage poor performance and disciplinary matters”. Less than a quarter reported feeling   
supported.   
   
Figure 13: As a line manager, to what extent do you agree with the statement that “I feel   
supported through my training to manage poor performance and disciplinary matters” ?   
   
   
4%19%  
15%41%  
21%  
0%10%20%30%40%50%  
Strongly agree Somewhat agree Neither agree nor  
disagreeSomewhat disagree Strongly disagree"I feel supported through my training to manage poor   
performance and disciplinary matters"

Making the grade   
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The Civil Service needs to urgently address the skills gaps which line managers have in   
managing poor performers. Some measures outlined elsewhere in this paper should already   
support that, for example the use of promotion boards (see Section 4.4.1) , which should be   
testing management and leadership skills. But the capability support offered to managers   
needs to go much further – including for managers who are already in roles at Grade 6 and   
above.   
   
The Cabinet Office have acknowledged that there is a gap in line management skills, and   
announced a Line Manager Capability Programme in the Civil Service People Plan aimed at   
addressing this .121 This should be delivered as soon as possible, and be mandatory for all   
civil servants in line management roles . If it is possible to complete it, it should also be open   
to those moving into new line management roles during their notice per iod from their previous   
job. The training should focus in detail on how to conduct performance management   
processes, how to identify poor performance and how to initiate performance improvement processes .   
 While line management training can cover processes and skills, most development will come   
on the job. New man agers should therefore be given a ‘mentor’ , with at least three to five   
years of experience . Mentors should be drawn from within the same department as their   
mentee, but from a different team, and should provide informal advice and guidance as the   
line manager faces different challenges.   
   
   
   
4.3 Navigating the process   
 Complying with employment law is obviously non -negotiable, and poor performers should not   
automatically be written off if they can improve and deliver to a high standard. However, high-  
performing organisations understand that it is vital that swift action is taken – and be seen to   
be taken – to address persistent poor performance.   
Throughout research for this paper interviewees emphasised that the biggest single barrier to reducing poor performance was that line managers do not have any incentive to manage a   
case through the processes set in Whitehall.   
Performance improvement processes are highly bureaucratic , resource -intensive and take a   
long time to put into practice. The majority of that work falls to a line manager on top of   
managing their other direct reports and their day -to-day responsibilities.   
   
121 Government People Group, Civil Service People Plan 2024- 2027. Recommendation 16: Training developed by the Line Management Capability   
Programme should be mandatory for all staff moving into management roles, or taking on management in a role which did not previously require it. It should be provided centrally by   
the Government People Group .   
Formal training should be supplemented by a ‘mentor’ system whereby the department   
allocates new line managers an individual mentor , who has at least three years of   
management experience , in order to provide ongoing informal advice and support.

Making the grade   
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 Given that dealing with poor performers can be emotional ly draining – as one interviewee said,   
“there is a high personal cost of dealing with poor performance… you almost have to really   
enjoy ruining someone’s life” – making the process overly complex and difficult is going to   
make the prospect of attempting it even less appealing.   
It is unsurprising then that, i n the Reform /CSW survey , only 8 per cent of line managers agreed   
with the statement that “the processes for managing poor performance or disciplinary issues   
are straightforward and efficient”. The vast majority, 77 per cent, disagreed – with 41 per cent   
strongly disagreeing.   
   
Figure 14 : As a line manager, to what extent do you agree with the statement that “the   
processes for managing poor performance or disciplinary issues are straightforward   
and efficient”?   
   
   
   
4.3.1 The process   
   
While one interviewee argued that “you absolutely have, as managers, quite a lot of latitude   
to manage out poor performers”, generally interviewees talked about the disincentives to   
initiating performance improvement processes leading to managers tolerat ing high levels of   
day-to-day under -performance. One former senior civil servant succinctly bridged this   
difference of view: “ It is not a problem with policy per se but with line manager capability and   
gun shyness” .   
As discussed in Chapter 2, Reform used an FOI request to seek to obtain “all policies used   
related to employee performance management , including poor performance and talent   
assessment” from departments. Two departments – the Department of Health and Social Care   
and Department for Work and Pensions – provided information which was unclear on how   
performance is managed and poor performance dealt with.122 The remaining ten departments   
follow similar processes whereby line managers are encouraged to identify and deal with poor   
performance informally before escalating to a formal process – a fairly standard process   
   
122 Department of Health & Social Care, Freedom of Information Disclosure, 2024, 1496412. 1%7%15%36%41%  
0%10%20%30%40%50%  
Strongly agree Somewhat agree Neither agree nor  
disagreeSomewhat disagree Strongly disagree"The processes for managing poor performance or   
disciplinary issues are straightforward and efficient"

Making the grade   
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 across sectors . Figure 16 shows a flow chart for the formal process for addressing poor   
performance in the Department for Culture, Media and Sport (DCMS), the Department for   
Transport (DfT) ,123 the Home Office (HO)124 and the Ministry of Justice (MoJ).125   
While the process appears simple, the way it is practiced can be very onerous – one   
interviewee told us that the HR shared services they used for advice on a poor performer   
advised that they needed to have twice- daily meetings with that individual. As the head of a   
busy team with time- sensitive work, this was not a viable option.   
   
Figure 15 : Formal performance management process in DCMS, DfT, HO and MoJ   
   
   
   
123 Department for Transport, Freedom of Information Disclosure, 2024, 00009826 .   
124 Home Office, Freedom of Information Disclosure, 2024, 01698.   
125 Ministry of Justice, Freedom of Information Disclosure , 2024, 240216007.

Making the grade   
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 Capacity   
Navigating complex, risk -averse processes without being given appropriate support, is   
disincentivising line managers from initiating action and seeing it through. In addition to a lack   
of effective training, as discussed above, interviewees consistently expressed that they lacked   
effective support when they do undertake a process to address underperformance.   
Less than 40 per cent of line manager respondents to the Reform /CSW survey either   
somewhat or strongly agreed with the statement: “I feel supported by my leadership team to   
manage poor performance and disciplinary matters ”. The exact same proportion either   
somewhat or strongly disagreed. It was clear from interviewees that a sense of senior management not ‘having their back’ was an impediment to taking successful action .   
   
Figure 16: As a line manager, to what extent do you agree with the statement that “I feel   
supported by my leadership team to manage poor performance and disciplinary   
matters ”?   
   
   
   
Aside from leadership teams, the other obvious source of support would be from HR professionals . There has been more than a 50 per cent increase in the number of people   
working in t he HR profession between 2016 and 2023, rising from 8,220 to 12,470.  
126 An FOI   
request for this paper found that 920 FTE staff now work in the GPG in Cabinet Office alone   
(with a further 119 FTE employees working in the department’s own HR team ).127 That is a   
huge number of people working on HR in Whitehall, and while that will cover everything from   
recruitment to training to talent schemes, it is remarkable that with so many people, so few line managers feel well supported to deal with poor performers.   
The combination of the high administrative and emotional burden, with the lack of support available to line managers during the process, makes it unsurprising that so much underperformance appears to be left unaddressed.   
   
126 Institute for Government, ‘Whitehall Monitor 2024’, Webpage, 22 January 2024.   
127 Cabinet Office, Freedom of Information Disclosure, 2024, 2024- 02253. 7%31%  
24%28%  
10%  
0%10%20%30%40%  
Strongly agree Somewhat agree Neither agree nor  
disagreeSomewhat disagree Strongly disagree"I feel supported by my leadership team to manage poor   
performance and disciplinary matters"

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 To help address this, l ine managers should be able to access effective support within their   
departments , as close as possible to their day -to-day work . That means boosting hands -on,   
in-department capacity – not relying on remote, self -service helplines. To achieve this, each   
department should establish a Performance Unit within the HR function, dedicated to   
supporting line managers.   
This should include working with the line manager to develop performance improvement plans   
and sitting in on, and even taking meetings with, the poor performer ; producing summary notes   
from those meetings ; and completing paperwork relating to the plan. Having a third party   
present would not only increase the confidence of the line manager, but it would also reinforce   
the implications of the plan for the individual on it. As well, of course, as significantly reducing   
the administrative burden for the line manager .   
Given the number of people currently working in the HR profession, and the number   
specifically in the GPG, it seems reasonable that this can be achieved without increasing   
overall headcount , by reprioritising staff and budget s.   
To facilitate this, the role of the GPG should be reviewed. There was a view among some   
interviewees that the central function is too big and that its role had extended too far – “central   
HR has become a monster” was one of the starker quotes.   
Nonetheless, there is clearly an important role for the centre in produc ing standardised   
policies, guidance and training, including core civil service curriculum; monitoring   
departmental standards; recruitment for a small number of specific schemes; and maintaining   
key government -wide platforms . The review should clearly state the role of the central function   
versus departmental HR teams, and the breakdown of resource allocation against each of the   
tasks sitting in the centre should be published annually.   
   
   
   
   
4.3.2 “Gun shyness”   
   
A common observation among interviewees was that the approach in Whitehall fe els highly   
risk averse, motivated by concerns about employees raising formal grievances against   
managers, or pursuing legal claims for unfair dismissal or discrimination. As one interviewee said, “at every stage of the process, the guidance and advice [from HR] makes you feel like you are at fault … you have to have 110 per cent of the evidence”. Another interviewee   
commented that the risk aversion is based on fearing “the act of being taken to tribunal, not if   
they will lose”. Recommendation 17: A formal performance improvement plan should be triggered a   
maximum of six months after the first concerns about an individual’s performance have   
been raised, unless these concerns have been addressed in that time period.   
Recommendation 18: Every department should set up a dedicated Performance Unit   
within their HR function, to support line managers in initiating and delivering performance   
improvement processes. This should involve directly supporting the line manager by putting   
in place the right measures, completing paperwork, and scheduling key milestones. These   
units can be staffed by streamlining the Government People Group in the Cabinet Office, following a revi ew of the functions it delivers.

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 This contributes to the sense that senior leaders are not supportive. One interviewee   
recounted that “even when you get close to implementing a performance improvement plan   
for a poor performer, senior leaders tend to get cold feet” , while another was told by a Director   
that “there is no reward for managing poor performers, nobody is going to thank you for it”.   
Any performance management process carries risk for an organisation, but so too does not   
addressing poor performance – the risk of lower productivity and poorer outcomes, the risk of   
demotivation among higher performing staff, and the risk of talented people thinking it is not a place for them to work.   
These wider risks of failing to act on poor performance were very evident in the frustration felt   
by interviewees . Several contrasted the risk aversion with the private sector, which they   
described as “much more willing to pay people off in order to get them to leave — whereas   
government has always been wary of it because of the public reaction.” One current civil   
servant said:   
“The cost -benefit analysis of making severance payments to exit someone who isn’t   
meeting the standard is usually pretty clear, but there’s a perception that the public   
won’t tolerate it .”   
   
Where the private sector can use settlement agreements, often with significant payouts, to   
move people on, that is not – as the quote suggests – a general option available to the civil   
service using taxpayers ’ money .   
   
Nonetheless, a more robust approach is needed, and this requires Whitehall to take much   
greater risk with regards tribunals . HR and employment law advice should give the probability   
of a successful tribunal case, and ministers should explicitly support a risk -taking approach,   
acknowledging that this that could lead to some payouts. The costs would almost certainly be   
considerably lower than continuing to employ people who consistently fail to reach a minimum performance standard – both direct costs from their ongoing salaries, and the productivity loss   
to the organisation from their work being of a low standard, and the management time required   
to address it .   
   
   
   
   
 Recommendation 19: When providing advice, the Government Legal Department (GLD)   
should assess the likelihood that a tribunal case will be successful, not whether it is likely   
to go to tribunal.   
Recommendation 20: Any assessment of the value for money of potentially losing an   
employment tribunal should also consider the productivity costs to colleagues and the   
public of retaining a poor performer, along with the direct costs from paying their salary on   
an ongoing ba sis. The Government Economic Service should provide standard   
assumptions to legal teams for calculating these judgments.   
   
Recommendation 21: HM Treasury should make a dedicated fund available to   
departments to exit poor performers, to demonstrate it is prepared to fund severance   
payments and legal costs. It should be announced with a clear policy from the Chief   
Secretary to the Treasury on the level of severance payments which the government   
deems acceptable.

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 4.3.3 Ending the poor performer merry -go-round   
   
Civil service processes to address poor performance often take a long time. For example in   
the Cabinet Office an employee can be placed in the lowest performance ratings box — “partially met” — for two years before “it is likely that formal poor performance procedures will   
need to start if they have not already done so” ,  
128 and in the Department for Business and   
Trade an employee can be given a “not met” performance rating for two consecutive quarters   
before “managers should consider moving to formal processes ”.129   
Because of the length of time it takes to run these processes, i t is o ften is easier to wait for a   
poor performer to move jobs before or during a performance improvement process than   
manage them out.   
As one interviewee put it: it is “much easier to let them move on than to have them stay for a   
long and emotional process”. Another told us that, in a particularly tricky case involving   
complicating factors, they had actually been advised to use a mechanism available to move   
an individual on to a new role rather than undergo a performance improvement process.   
Shockingly, two thirds of respondents to the Reform /CSW survey somewhat agreed (35 per   
cent) or strongly agreed (31 per cent) with the statement: “Managers are incentivised to move   
poor performers to another role or department, rather than manage them out of the civil   
service .” The numbers were even more stark among line managers who responded – 35 per   
cent still somewhat agreed, but 39 per cent strongly agreed with the statement.   
   
Figure 17 : To what extent do you agree with the statement that “managers are   
incentivised to move poor performers to another role or department, rather than   
manage them out of the civil service”?   
   
   
   
Perhaps most worryingly, 54 per cent of Grade 6 and 46 per cent of SCS respondents strongly   
agreed with this statement, and almost 40 per cent of those who are line managers strongly   
   
128 Cabinet Office, Freedom of Information Disclosure, 2024, 02234.   
129 Department for Business and Trade, Freedom of Information Disclosure, 2024, 2024- 0198 2. 31%35%  
14%  
7%8%  
5%  
0%5%10%15%20%25%30%35%40%  
Strongly agree Somewhat  
agreeNeither agree  
nor disagreeSomewhat  
disagreeStrongly  
disagreeDon`t know"Managers are incentivised to move poor performers to   
another role or department, rather than manage them out   
of the civil service"

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 agreed, compared to 21 per cent who are not. In other words, those most likely to be   
responsible for dealing with poor performers are most likely to think they are incentivised to   
move people on rather than out.   
The lengthy process also means that line manager s themselves may change roles before   
performance issues can be addressed. Indeed, i nstead of initiating a protracted performance   
process and seeing it to conclusion, this option can be attractive to managers because it   
requires less effort.   
   
As a result of this merry -go-round, it is not uncommon for a manager to get a repeat poor   
performer joining their team , with no record of their previous performance.   
   
Basic due diligence   
The way the internal civil service job market works undermines the performance management   
process. That is because most promotion decisions are made by people without knowledge   
of an individual’s performance history . For most roles, individuals apply via a central portal and   
this does not allow for references to be requested and provided, nor is past performance taken into account via manager feedback or performance documentation. There is no verifiable way   
of discerning their competence.   
   
From December 2023, candidates for civil service jobs with a previous civil service   
employment history will have to provide information about that employment, and managers   
will be able to view these details. This includes the option to request further information, but   
nowhere does it state that this can, or should, include obtaining a performance referenc e.  
130   
   
In any other sector, if a promotion was sought internally it would be based on that individual’s   
performance record, and if a new role was sought externally references would be requested.   
In addition, where the move is to a new organisation, that individual would join with a probation   
period, giving their new employer the opportunity to correct for an inappropriate hire – internal   
moves in the civil service do not start a new probation period. In short, Whitehall is applying   
none of this basic, best practi ce, as due-diligence on someone moving teams or department .   
   
Numerous interviewees for this paper raised this as a clear barrier to addressing poor   
performance – both in terms of poor performers moving around the system and ‘creating’ poor   
performers through over -promotion (discussed below ).   
   
Interviewees speculated that this was because of the Civil Service Code’s principle that civil   
servants are “appointed on the basis of fair and open competition” ,131 and a perception that   
references could be subject to bias . However there is significant legal guidance around what   
a current employer can provide in a reference. Furthermore, moving between departments should not be treated the same as moving between entirely separate organisations – as   
discussed above there should be a standard process for assessing performance and   
allocating ratings across the civil service, making them ‘fair’ – and it may be that access to the   
latest formal performance report is the best way of providing an unbiased reference .   
   
   
130 Civil Service Resourcing, ‘Managing Candidates through Pre- Employment Checks (VX)’, 15   
December 2023.   
131 Civil Service, ‘The Civil Service Code’ . Webpage, 16 March 2015.

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4.4 Overpromotion   
   
The Civil Service’s policies don’t just risk tolerating poor performance – in some cases, the   
workforce policy is ‘creating’ instances of poor performance, by placing individuals in roles they are unsuited for.   
   
Since 2015 the growth in the C ivil Service has been disproportionately among more senior   
management grades, particularly Grade 6 and Grade 7.  
132 Institute for Government analysis   
suggests that the growth at these grades has been partially caused by pay restraint, “where   
departments promote civil servants before they might previously have done, to increase their pay sufficiently to stop them leaving the civil service for the private sector”.  
133   
   
Many interviewees raised concerns about how the rapid expansion of the Civil Service since   
2016 had created new roles and thus a sudden demand to promote people into them, leading   
to officials who were under -qualified for responsibilities which they took on. The same issue   
was raised in Civil unrest , with one civil servant quoted saying:   
   
“[Brexit and COVID] generated an expectation that everyone who’s 27 should be a   
grade 6 by now. Or, ‘Oh, you're not a DD by 30, what's wrong with you?’… I think that   
it probably meant there was a small pocket of people who were over -promoted and I'm   
sure s ome of them were brilliant, but some of them weren’t.”134   
   
Even more worryingly, other interviewees for that paper noted that promotion can at times be used as a way of getting rid of a poor performer:   
   
“There needs to be ways to deal with poor performance quicker. I don't understand   
why when you’re hiring people, you can't talk to past managers. If you have a poor performer, the easiest way to get rid of them is to encourage them to apply for   
promotion and help them with their behaviours, which are cookie cutter, and then brush it off on someone else. It needs to change so that we’re not just passing people around   
the system… if there is poor performance, there should be repercussions.”  
135   
   
   
4.4.1 Missing the point   
 Further undermining the ability to make the right promotion decisions are t he standards   
against which applicants are assessed. As discussed above in relation to external hires, they   
are overly complicated and ineffective across civil service hiring – and promotion decisions   
   
132 Institute for Government, ‘Civil Service Staff Numbers’, Webpage, 14 March 2024.   
133 Institute for Government, ‘Whitehall Monitor 2024’.   
134 Gandon, Civil Unrest: A Portrait of the Civil Service through Brexit, the Pandemic and Political   
Turbulence.   
135 Ibid. Recommendation 22: All civil service promotion decisions should be conditional on a   
reference from the candidate’s current line manager. Transfers and promotions within and   
across departments should only be approved after reviewing the individuals’ latest   
performance report – shared by their manager.

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 are treated as a hiring decision for a new role, rather than as a promotion based on experience   
to date.   
   
The reliance on the ‘Behaviours’ aspect of the Success Profiles means, as one interviewee   
put it, that it’s “easy to game if you know the techniques”. Another said:   
   
“I sat on a recruitment panel recently where I saw someone who used to work for me   
pretend in their application that they’d done things I’d done as their manager… the   
Behaviours system is not a good measure of actual work”   
   
Behaviours are too abstract to be a good indicator of the requirements for a specific role, and   
too disconnected from a candidate’s actual experience to be a good measure of suitability for   
promotion. The risk of over -promotion increases when advertising a job on promotion combines two   
separate assessments into one decision – whether an individual is ready for promotion to a   
substantive grade, and whether they meet the requirements for a specific role. And according to interviewees, unhelpful criteria for assessment are compounded by managers feeling   
pressure to fill vacancies as quickly as possible, even if applicants are under -prepared ,   
because of how onerous recruitment processes in the C ivil Service are.   
   
Interviewees described the ad- hoc use of departmental ‘promotion boards’ to assess   
candidates’ suitability for overall promotion, separate from a specific role, as a preferable   
option for decoupling these two requirements. Applicants can apply for promotion (e.g. from   
Grade 6 to SCS1) without applying to a specific role, be assessed for a set of overall requirements set by that department or function, and then matched to roles which become available where they have the right experience and skillset for that specific area.   
 This model should become the default for promotion into policy roles at Grade 6 and higher in Whitehall, and where suitable they could be rolled out to other professions. Candidates should   
not be able to apply to roles on promotion unless they have passed a promotion board run by   
their home department. The promotion board’s assessment should take into account their   
previous performance reports, in addition to standardised testing of key skills and qualities .   
 For promotion into the Senior Civil Service specifically , promotion boards should require   
passing standardised examinations , in the spirit of the original Northcote -Trevelyan Report ,   
which set high expectations of the knowledge which senior officials need. The curriculum for   
these tests should be defined by the Government Curriculum and Skills Unit.   
   
This would allow more time to assess an individual’s suitability for promotion through a more   
intensive process, without the time -pressure of having to fill a vacancy. When roles become   
available, candidates who have passed the board can be assessed for their suitability to fill   
that specific role.   
 This would in turn make the process of filling an individual vacancy quicker, as the hiring   
assessment would be done based on a smaller pool of people who have already passed a promotion board, and be based solely on evidencing the experience and skills they have for   
that specific role.

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 Requiring references , as per above, would then provide an extra layer of assurance. This   
would be particularly important where, for example, an individual had passed a promotion   
board but then had waited, or not found, a suitable role for some time.   
   
   
   
   
   
4.5 Accountability   
   
There needs to be a high level of accountability for ensuring the performance of civil servants   
meets the standard the public would expect , and that taxpayer money is not being wasted   
through failure to address poor performance.   
As previously discussed this leadership cannot come solely from the Cabinet Office. Whilst   
the Government Chief People Officer can standardise policies and provide core training, the   
civil service is too big and complex to centralise all responsibility in Whitehall. It needs   
leadership in departments, where managers and leaders are closest to the business   
consequences of ongoing poor performance.   
However, as for other areas where responsibility is federated across Whitehall, senior leaders   
still have limited incentives to implement bold transformation programmes like this in the current model. As a former permanent secretary recounted when interviewed for an earlier   
Reform paper, “it’s extraordinary how non -compliant permanent secretaries and DGs are. The   
centre is something you doff your cap [to] when in view, but as soon as they’re out of view,   
you just manage it…”.  
136   
Requiring departments to publish data on the number of people they have rated as poor   
performers and their outcomes does carry the risk of creat ing a perverse incentive not to   
assess individuals as poor performers in the first place. However , requiring departments to   
keep accurate records and publish them on an annual basis would enable much needed   
ongoing scrutiny. It would also force greater scrutiny and accountability within departments –   
it is shocking that some departments could not provide this data to the National Audit Office   
and were unable to respond to a Reform FOI on the subject.137 If a department does not even   
hold the data, or hold it in an easily accessible way, how can they possibly be properly   
managing performance?   
One well -established model for departmental accountability , garnering parliamentary   
oversight , is the role of Accounting Officers (AOs) in managing public money. Senior civil   
   
136 Charlotte Pickles and James Sweetland, Breaking Down the Barriers: Why Whitehall Is so Hard to   
Reform (Reform, 2023).   
137 National Audit Office, Civil Service Workforce: Recruitment, Pay and Performance Management . Recommendation 23: Departments should introduce mandatory internal promotion   
boards to assess the suitability of candidates for roles in the policy profession at Grade 6   
and above. Passing a promotion board should be mandatory before applying to roles at   
promotion, or being moved into a new role via a ‘managed move’. For promotion into the   
Senior Civil Service specifically, promotion boards should require passing standardised   
examinations .   
Recommendation 24: The use of Behaviours in assessing candidates’ skills and   
experience for specific roles should be discontinued.

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 servants – usually the Permanent Secretary of a government department, or the most senior   
official in an ALB – are made responsible for the management of public money in their area.   
Responsibilities are clear, they are supported in discharging them by their finance teams, they   
report in standardised ways and are appraised annually by the Treasury and the Public Accounts Committee.  
138   
Not only is the Accounting Officer model relevant as an example of internal and public   
accountability in a federated departmental structure , it can also serve as an effective   
mechanism for ensuring the management of civil service performance is a high priority for permanent secretaries. As civil servants are paid from public funds , management of their   
performance should be subject to scrutiny in the same way that projects and programmes funded by the taxpayer are. Staff performance should be included in Accounting Officers ’   
responsibilit ies.   
   
   
   
   
138 HM Treasury, Managing Public Money , 2023. Recommendation 25: The performance management of civil servants should be included   
within the responsibilities of Accounting Officers, with standardised reporting on the   
numbers performing at different levels provided to HM Treasury and the Cabinet Office,   
and included in publicly available departmental accounts. Accounting Officers should report   
on the performance of their staff, including hiring exceptional talent and managing poor   
performers, in their Outcome Delivery Plans.

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5. Conclusion   
   
A rapidly changing world, requiring a higher level of aptitude from the Government than it has   
demonstrated in recent crises, cannot be met by ‘more of the same’ in the Whitehall workforce.   
The Civil Service needs to reorientate its approach towards outlier performers at both ends of   
the spectrum – exceptional talent, and poor performance – as the quickest way to shift the   
overall balance of civil service performance. The current system does not work for talented   
people outside of the civil service, who would be keen to serve their country if they had good   
opportunities to do so. And it needs to provide a better deal for talented people coming up   
through the ranks, who have limited opportunities for progression , and who also shoulder the   
burden of managing a cohort of repeat poor performers who the institution fails to dismiss.   
It is essential that the current stalemate underpinning our workforce policy – of a highly   
resourced but underpowered Cabinet Office, and independent but poorly incentivised   
departments – ends. It should be replaced by a small, strategic centre in the Cabinet Office   
which clearly splits responsibilities for identifying and curating truly exceptional talent, and   
running only those essential services and policy functions which must be done in the centre   
for the general workforce . Departments should be genuinely accountable for their own talent   
mix, relying on central functions for support but positioned to face the consequences if they   
do not radically improve the performance of their staff.   
Flexibility will always be needed in workforce policy, but for too long talent and performance   
have been seen as ‘someone else’s problem’. If the status quo is ‘nobody’s fault’, then it is everybody’s fault , and needs a concerted, collective effort to tackle it.   
Making the grade rejects the implicit assumptions behind the civil service workforce policy :   
that all employees are broadly alike, and that variations in performance are small and require   
minimal adjustment from the organisation. This paper sets out a vision for a Whitehall where   
there is a true culture of excellence, with institutions that pride them selves on being high -  
performing, dedicated to providing world- class public service s, and as a result attract ing the   
brightest and the best who then flourish .   
Shifting to this model requires more generous compensation for exceptionally talented civil   
servants, and much less leeway for repeat poor performers. This requires far tougher   
conversations to happen in Whitehall than are commonplace today .

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 REFORM The power of preven,on: boos,ng vaccine uptake for be7er outcomes August 2024 Patrick King Florence Conway

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3 ACKNOWLEDGEMENTS External Reviewers We would like to express our gratitude to Professor Kate Ardern, Former Director of Public Health for Wigan Council, and Dr Jahangir Alom BEM, former National Clinical Lead for the Staff Vaccination Programme, NHS England, for their helpful comments on an earlier draft of this paper. The arguments and any errors that remain are the authors’ and the authors’ alone. Interviewees We would like to thank all 18 interviewees for giving their time and candid insights to support this research paper. • Dr Jahangir Alom, Former National Clinical Lead for the Staff Vaccination Programme, NHS England • Professor Kate Ardern, Former Director of Public Health, Wigan Council • Anne-Marie Gallogly, Committee Member, School and Public Health Nurses Association • Emily Hackett, Public Health Adviser, Local Government Association • Victoria Jackson, Senior Programme Manager, Institute of Health Visiting • Charles Kwaku-Odoi, Chief Executive, Caribbean & African Health Network • Clare Livingstone, Policy Adviser, Royal College of Midwives • Jake Morris, Administrator, Royal College of Midwives • Stephen Morris, UCL Vax-Hub Outreach and Public Engagement Manager • Paul Ogden, Senior Adviser, Local Government Association • Sebastian Rees, Senior Policy Analyst, Healthwatch England • Lucy Seymour, Policy and External Affairs Officer, National Voices • Dudu Sher-Arami, Director of Public Health, Enfield • Anca Tacu, Policy Adviser, UCL VaxHub, STEaPP Policy Impact Unit • Dr Nick Thayer, Head of Policy, Company Chemists’ Association And three interviewees who wished to remain anonymous.

4 ACTIONS TO PROMOTE VACCINE UPTAKE   
 Action 1: NHS regional teams responsible for vaccination and ICB vaccination teams should be co-located with local Directors of Public Health, to encourage closer professional collaboration and the development of place-sensitive approaches to building vaccine conﬁdence. Action 2: The next Community Pharmacy Contractual Framework should deﬁne all adult vaccinations as “advanced services” that are delivered by community pharmacy. NHS England should adopt the same data integration standards applied for antibiotics, blood pressure checks and contraceptive prescriptions to all new vaccination services. Action 3: In local authorities that employ school nurses, NHS England should not commission School Age Immunisation (SAIS) providers, but instead should commission school nurses to deliver immunisation programmes. Health visitors and midwives with the national minimum standard of immunisation training should be able to deliver all routine childhood vaccinations. Action 4: NHS England should permit all core adult vaccinations to be provided in the workplace. Working in concert with local Directors of Public Health, it should then establish a targeted offer of workplace vaccination, delivered on pre-agreed dates through mobile units, for areas with the lowest rates of vaccine uptake. Action 5: A programme modelled on the Vaccine Champions programme (CVC) should be funded by the Ministry for Housing, Communities and Local Government, to build a dedicated volunteer network across the country, concentrated in areas of lowest uptake, to make the positive case for vaccination. This funding should be granted to local authorities and voluntary organisations with as little conditionality as possible, to enable outreach initiatives to be tailored to the needs of local communities. The programme should be funded for the ﬁrst three years of the next parliament (2024-27), after which an independent evaluation should be conducted to determine whether this continues to deliver a positive return on investment and contributes to higher rates of vaccine uptake.

5 1. Introduction Vaccines play a vital role in preventing disease and allowing people to live healthy lives. The COVID-19 vaccines showcased the transformative power vaccination can have when coupled with an effective delivery strategy, and a concerted effort to build trust and communicate the beneﬁts of vaccination to the public. However, even before the pandemic, a worrying trend was emerging in which the uptake of key immunisation programmes, and particularly childhood vaccines such as MMR (measles, mumps and rubella) and DTaP (diphtheria, tetanus, and pertussis), was declining. This has led to outbreaks of vaccine-preventable diseases, hospitalisation and tragic, entirely avoidable deaths.1 While welcome progress has been made, particularly since the pandemic, in diversifying how vaccines are delivered (the ‘supply side’ of vaccination), there has been a less concerted approach to focusing on the behavioural drivers (the ‘demand side’) of uptake. For a government committed to prevention and achieving the best possible health outcomes, vaccines should be a priority area of investment: but making sure they reach as many people as possible also requires addressing head-on the behavioural reasons why people are not getting vaccinated. Based on interviews with expert clinicians, academics and health system leaders, this paper analyses vaccine behaviour in the UK, and sets out the practical steps that can be taken to ensure effective vaccination is a core pillar of our approach to prevention. 1 ‘Whooping Cough: Vaccine Expert “very Worried” by Whooping Cough Deaths’, BBC News Online, 10 May 2024.

6 2. The case for vaccination Vaccines are one of the bedrocks of prevention policy: keeping people in good health, preventing fatal infections and reducing costs and pressures on other parts of the healthcare system. They are the most effective means we have of preventing infectious disease.2 As the UK Health Security Agency (UKHSA) states, “After clean water, vaccination is the most effective public health intervention in the world for saving lives and promoting good health”.3 Owing to successful vaccination programmes, an estimated 154 million lives have been saved globally over the past ﬁfty years.4 Fatal and life changing diseases such as smallpox have been entirely eradicated,5 while vaccines currently prevent over 20 life-threatening diseases from signiﬁcantly impacting people’s lives.6 Vaccines not only reduce poor health outcomes, but they are also extremely cost-effective: immunisation (the process by which someone achieves immunity after being administered a vaccine) and other health protection programmes in the UK achieve an average return on investment (ROI) of around £34 for every £1 spent.7 Economic beneﬁts accrue not just via health gains and avoidable disease-related medical costs, but also through the economic productivity that successful vaccination supports.8 Investment in vaccines should be seen as an investment in human capital – improving educational attainment through better attendance,9 reducing rates of absence from work (currently, six million working days a year are lost in the UK due to seasonal ﬂu),10 and preventing debilitating diseases through to adulthood.11 The example of COVID More recently, the COVID-19 pandemic and subsequent vaccines highlighted the transformative power of vaccination. The development of the COVID-19 vaccines prevented over 14 million COVID-related deaths in 185 countries during the ﬁrst year of roll out.12 As of 2 NHS England, NHS Vaccination Strategy, 2023. 3 Joanne Yarwood, ‘Why Vaccinate?’, UK Health Security Agency, 1 May 2014. 4 ‘Global Immunization Efforts Have Saved at Least 154 Million Lives over the Past 50 Years’, World Health Organisation, 24 April 2024. 5 Marc Strassburg, ‘The Global Eradication of Smallpox’, American Journal of Infection Control 10, no. 2 (1982). 6 World Health Organisation, ‘Vaccines and Immunization’, n.d., https://www.who.int/health-topics/vaccines-and-immunization#tab=tab\_1. 7 ABPI, ‘Economic and Societal Impacts of Vaccines’, Webpage, 2024. 8 Paolo Bonanni, Juan Jose Picazo, and Vanessa Remy, ‘The Intangible Beneﬁts of Vaccination – What Is the True Economic Value of Vaccination?’, Journal of Market Access & Health Policy 3, no. 1 (2014). 9 David Bloom, David Canning, and Erica Shenoy, ‘The Effect of Vaccination on Children’s Physical and Cognitive Development in the Philippines.’, Applied Economics 44, no. 21 (2012). 10 ABPI, ‘Economic and Societal Impacts of Vaccines’. 11 David Bloom, David Canning, and Mark Weston, ‘The Value of Vaccination’, Fighting the Diseases of Poverty, 2017, 214–38. 12 Oliver Watson et al., ‘Global Impact of the First Year of COVID-19 Vaccination: A Mathematical Modelling Study.’, The Lancet Infectious Diseases 22, no. 9 (2022).

7 September 2021, the UKHSA estimated that the vaccines had prevented more than 24 million infections and more than 105,000 deaths in the UK.13 The vaccine enabled global lockdowns to end, and for life as normal to return for much of the population. The UK’s COVID-19 vaccination programme was hailed as “a near miracle of planning and execution”.14 Only nine months after the pandemic began, the NHS delivered the ﬁrst vaccination against COVID-19 outside of clinical trials.15 The UK’s rollout and delivery of the COVID-19 vaccines programme was among the fastest in the world, with one of the highest uptakes in its ﬁrst few months.16 The UK picture Fortunately, headline levels of vaccine conﬁdence in the United Kingdom remain relatively high. A UKHSA survey published in 2023 found that 86 per cent of parents and 80 per cent of young people agreed that vaccines work; and 78 per cent of parents and 76 per cent of young people agreed that they trusted vaccines.17 These ﬁgures compare favourably with other countries: for example, a recent international comparison found that fewer people in France, Germany and the Netherlands believe vaccines are safe and effective.18 However, there is signiﬁcant variation between demographic groups and places in the UK in how vaccines are perceived, with some communities questioning the safety and beneﬁts of vaccination.19 This has contributed to ethnic disparities in uptake: with children born to Black, African and Caribbean mothers less likely to receive routine childhood vaccinations than children born to White British and Asian mothers.20 Disparities in uptake have in turn led to poor coverage for several key vaccines and exacerbated health inequalities. There has also been a consistent decline in the overall rate of uptake for childhood vaccination programmes over the last 10 years, leading to the recent rise in infections for whooping cough21 and measles.22 In the beginning of 2024, the West Midlands saw a large increase in measles cases and hospital admissions (Figure 2), largely due to declining vaccine uptake.23 And more broadly, from October 2023 to May 2024, England saw the largest number of measles infection in a 13 Beccy Baird and Nicholas Timmins, ‘The Covid-19 Vaccination Programme: Trials, Tribulations and Successes’, The King’s Fund, 30 January 2022. 14 Beccy Baird and Nicholas Timmins. 15 NHS England, ‘Landmark Moment as First NHS Patient Receives COVID-19 Vaccination’, 8 December 2020. 16 Chris Baraniuk, ‘Covid-19: How the UK Vaccine Rollout Delivered Success, so Far’, BMJ, 18 February 2021. 17 UK Health Security Agency, ‘Immunisation Survey 2023 Findings’, 17 November 2023. 18 European Commission, State of Vaccine Conﬁdence in the EU and UK, 2020. 19 National Audit Ofﬁce, ‘Investigation into Pre-School Vaccinations’, 25 October 2019. 20 Claire X. Zhang et al, ‘Ethnic Inequities in Routine Childhood Vaccinations in England 2006–2021: An Observational Cohort Study Using Electronic Health Records’, eClinicalMedicine 65 (November 2023). 21 UK Health Security Agency, ‘Whooping Cough Cases Continue to Rise’, 9 May 2024. 22 UK Health Security Agency, ‘Conﬁrmed Cases of Measles in England by Month, Age and Region: 2023’, 6 June 2024. 23 Gareth Iacobucci, ‘Measles: Warning given over Low MMR Uptake after Cases Rise to 200 in West Midlands’, BMJ, 16 January 2024.

8 decade, with 1,666 cases.24 Similarly, in January to March this year, 2,793 cases of whooping cough were conﬁrmed, with ﬁve infant deaths.25 Declining vaccine uptake means that the preventative layer produced by high levels of uptake is diminished. The World Health Organization (WHO) recommends that at least 95 per cent of children are immunised against vaccine-preventable diseases on the national level. However the current coverage rates are below this threshold and have been steadily declining (Figure 4). As the chart below demonstrates, the rates of MMR vaccination in the UK are also lower than in other advanced economies.26 Figure 2: Conﬁrmed measles cases by region, January 2023 to December 2023   
Source: UK Health Security Agency, ‘Conﬁrmed cases of measles in England by month, age and region’, 2024. The fact that people are choosing not to get vaccinated is cause for great concern. Health, social and economic outcomes worsen, and this particularly affects already-deprived populations.27 However, it also provides an opportunity to better understand why people are choosing not to get themselves and their families vaccinated. If we can better understand this, then policy makers and leaders can look for ways to change behaviours and get vaccine uptake to the required levels 24 Shaun Lintern, ‘Measles on March as Jab Cash Is Cut’, The Sunday Times, 2 June 2024. 25 Ibid. 26 NHS England, NHS Vaccination Strategy. 27 Pﬁzer and Future Health, VacciNation and Health Inequalities: Tackling Variations in Adult Vaccination Uptake in England, 2021. 020406080100120140160  
East MidlandsEast of EnglandLondonNorth EastNorth WestSouth EastSouth WestWest MidlandsYorkshire

9 Figure 3: UK measles immunisation coverage compared to OECD countries, 2021   
 Source: OECD, ‘Health Care Utilisation: Immunisation’, 2023. UKFranceSpainGermanyHungary  
020406080100120  
31st27th17th7th1stPercentage of children immunisedWHO target

10 Figure 4: Childhood vaccination coverage in England over time   
Source: NHS Digital, ‘Childhood Vaccination Coverage Statistics’, 2023. 80859095100  
2006-72007-82008-92009-102010-112011-122012-132013-142014-152015-162016-172017-182018-192019-202020-212021-222022-23Percentage coverageWHO targetPneumococcal Disease (PCV)Pneumoccal Disease (PCV) boosterDTPPHBDTPPHB 2nd birthday

11 3. A brief overview of UK vaccination policy National oversight of vaccination policy in England is provided by the Department of Health and Social Care, who are advised by the JCVI.28 The Department of Health and Social Care does not deliver vaccination programmes but instead delegates responsibility to NHS England under the NHS Public Functions Health Agreement.29 The NHS offers 16 preventative vaccines and immunisations across the ‘life course’ of an individual.30 To streamline the delivery of these vaccinations and increase uptake, NHS England recently released a comprehensive vaccination strategy.31 The strategy set out an ambition to widen and deepen vaccine uptake, with a particular focus on “underserved” populations, through the three themes of improved access; targeted outreach; and improving delivery through joined-up services. It emphasises the need for a simple and convenient vaccination “front door” by, for instance, making better use of the NHS app and National Booking Services for booking, online information, and accessibility. The strategy also sets a direction of travel to delegate commissioning responsibility to Integrated Care Boards (ICBs). This is designed to promote join-up with other areas of ICB work, and greater ﬂexibility to tailor delivery to the needs of particular localities. The strategy is largely focused, however, on supply-side factors affecting uptake. Whilst this is useful, it is not the full picture. If people do not come forward for vaccines, then the levels of immunisation needed to maintain a healthy population and reduce the burden of infectious disease will not be achieved. 28 Elizabeth Rough, ‘UK Vaccination Policy’ (House of Commons Library, 7 March 2022). 29EU, International and Prevention Programmes et al., ‘NHS Public Health Functions Agreement 2018-2019, Public Health Functions to Be Exercised by NHS England’, 26 March 2018. 30 NHS, ‘NHS Vaccinations and When to Have Them’, n.d. 31 NHS England, NHS Vaccination Strategy.

12 4. Behavioural drivers of uptake Interviewees for this paper identiﬁed three broad factors involved in people’s attitudes towards vaccines, which in turn inﬂuence uptake. These related to people’s trust in vaccines, including their perception of their possible risks and side-effects; the accessibility of vaccination programmes, which can include the economic and opportunity cost of getting vaccinated, and the locations and opening times of vaccine sites; and ﬁnally, individuals’ judgements about the beneﬁts of vaccines. These correspond closely with the “3C” model of vaccine uptake developed by SAGE in 2014: vaccine “Conﬁdence”, “Convenience” and “Complacency” (related to judgements about the beneﬁts of vaccines, but also “other life/health responsibilities that may be seen as more important at the time).32 Interviewees were clear that an approach which takes each of these factors seriously is essential to “normalising” vaccination and maximising vaccine uptake. It is insufﬁcient, in other words, to simply address disinformation and safety concerns about vaccines – though these are both important drivers. The actions this paper proposes to boost vaccine uptake are therefore organised around these themes. 4.1 Conﬁdence in vaccines Public perception of the safety and efﬁcacy of vaccines – including how they are developed, manufactured and potential side-effects they may have – is a key factor in rates of uptake.33 Interviewees stressed that while mis- and disinformation have a widely understood impact on conﬁdence,34 and should be addressed as they arise (particularly for vaccines with a history of being undermined through misinformation, such as MMR), there should be also be a wider conservation about the full range of reasons why individuals and communities may not have conﬁdence in vaccines. Failure to address speciﬁc reasons for hesitancy will otherwise result in persistent and unacceptable inequalities in uptake even as overall levels of conﬁdence in the UK remain high by international standards.35 For example, interviewees highlighted that faith communities can be hesitant towards vaccines containing animal derivates, and increasing uptake in these cases means working closely with faith leaders to provide guidance on the permissibility of speciﬁc vaccines.36 Though healthcare professionals are one of the most trusted sources of vaccine information,37 some messages are most effectively communicated by trusted members of local communities. 32 World Health Organization, Report of the SAGE Working Group on Vaccine Hesitancy, 2012. 33 NHS England and NHS Improvement - South East, Vaccination: Race and Religion/Belief, 2021. 34 Sahil Loomba et al., ‘Measuring the Impact of COVID-19 Vaccine Misinformation on Vaccination Intent in the UK and USA’, Nature Human Behaviour 5, no. 3 (February 2021). 35 Vaccine Conﬁdence Project, ‘UK’, Webpage, 2023. 36 UK Health Security Agency, ‘Vaccines and Porcine Gelatine’, Webpage, 29 September 2022. 37 Healthwatch, VacciNation: Exploring Vaccine Conﬁdence, 2021.

13 Likewise, ﬁrst generation migrants’ attitudes towards vaccination are typically shaped by experiences from their home countries,38 and in some communities, women worry that vaccination may have impacts on their fertility and increase risks during pregnancy.39 Relying on ‘one-size-ﬁts-all’ messaging from the centre – particularly from government (which may itself be mistrusted), but also from NHS England, the Chief Medical Ofﬁcer and other public ﬁgures – fails to take seriously the plurality of these attitudes. Interviewees agreed that it is most effective to build conﬁdence in vaccines at a local level: where a smaller footprint enables messaging to be tailored to speciﬁc demographics and reach much more effectively into communities. For the UK, as one interviewee put it, the key question is not “how should we build conﬁdence in vaccines nationally?”, but rather, “how do we get to the ﬁnal 15 per cent?”. One of the key barriers to implementing a more local approach is the fragmentation between where this contextual understanding of vaccine conﬁdence is greatest – including in local government, among local Directors of Public Health and in the VCSE sector – and the current model of vaccine commissioning, led by NHS England (though set to be delegated to Integrated Care Boards by April 2025).40 In the long-term, this suggests potential for local government to take a more direct role in vaccine commissioning. In the shorter-term, NHS regional teams responsible for vaccination, and ICB vaccination staff should be co-located with local Directors of Public Health. This would encourage closer professional collaboration, and represent an important step towards reducing fragmentation in the system. 4.2 The convenience of vaccination Interviewees stressed that one of the most effective ways to change vaccine behaviour is to “meet people where they are” rather than relying on them to proactively seek out vaccination, As one put it, “getting a jab is low down on a long list of priorities”, and so the convenience of accessing vaccines has a major impact on uptake.41 Crucially, convenience could be greatly improved by making better use of existing assets, such as community pharmacies, school nurses and involving major employers in adult vaccination. 38 Alison F. Crawshaw et al., ‘Driving Delivery and Uptake of Catch-up Vaccination among Adolescent and Adult Migrants in UK General Practice: A Mixed Methods Pilot Study’, BMC Medicine 22, no. 1 (3 May 2024): 186, https://doi.org/10.1186/s12916-024-03378-z. 39 BBC News, ‘Covid Vaccine: Fertility and Miscarriage Claims Fact-Checked’, 11 August 2021. 40 NHS England, NHS Vaccination Strategy. 41 World Health Organization, Report of the SAGE Working Group on Vaccine Hesitancy. Action 1: NHS regional teams responsible for vaccination and ICB vaccination teams should be co-located with local Directors of Public Health, to encourage closer professional collaboration and the development of place-sensitive approaches to building vaccine conﬁdence.

14 Community pharmacy Community pharmacies have a far wider national reach than other vaccine providers, are more likely to be situated in high deprivation areas and are often open in the evening and on weekends.42 During the pandemic, they delivered more than 22 million COVID-19 vaccines,43 and by the end of 2023, more than 40 million.44 Despite this, pharmacies are not commissioned to provide the majority of adult vaccines.45 Yet early evidence suggests that where pharmacies have been involved in delivering ‘catch-up’ vaccines, such as MMR, this has had a positive effect on rates of uptake.46 Equally, remuneration for future vaccinations delivered by community pharmacy should better reﬂect NHS England’s own belief in the “extraordinary power” of immunisation – as well as the cost savings vaccines can generate in other parts of the health system.47 There is also inadequate real-time data sharing regarding individual’s vaccine status between general practice and community pharmacy, meaning the potential to carry out “opportunistic vaccinations” (i.e. to offer vaccinations to people who visit community pharmacies for other purposes) – a core pillar of NHSE’s vaccine strategy – is constrained.48 Interviewees argued that this is primarily a bureaucratic, not technical, challenge, as data is readily shared between providers regarding antibiotic and contraceptive medications.49 Putting in place similar approvals for vaccination status would support a more proactive approach to vaccination in primary care.   
 School nurses, health visitors and midwives School nurses can also massively improve the convenience of vaccination for parents (who do not need to take time off work for vaccine appointments) and young people. However, despite expertise and training in immunisation, and high levels of parental trust, interviewees told us that in most areas, school nurses are not commissioned to provide vaccinations. 42 Robert Ede, Sean Phillips, and Yu Lin Chou, A Fresh Shot, 2022. 43 Community Pharmacy England, ‘COVID-19 Vaccination Service’, Webpage, 30 June 2022. 44 Company Chemists’ Association, ‘Community Pharmacy Hits Milestone of 40m Covid-19 Vaccines at the End of 2023’, 14 February 2024. 45 Ede, Phillips, and Chou, A Fresh Shot. 46 Tammy Lovell, ‘MMR Vaccines Should Be Delivered through Community Pharmacy, Says Health and Social Care Committee Chair’, The Pharmaceutical Journal, 23 January 2024. 47 NHS England, NHS Vaccination Strategy. 48 Ibid. 49 NHS Digital, ‘GP Connect Update Record’, Webpage, 2024. Action 2: The next Community Pharmacy Contractual Framework should deﬁne all adult vaccinations as “advanced services” that are delivered by community pharmacy. NHS England should adopt the same data integration standards applied for antibiotics, blood pressure checks and contraceptive prescriptions to all new vaccination services.

15 Instead, NHS England separately commissions “School Age Immunisation” (SAIS) providers – creating unnecessary and inefﬁcient duplication in schools which already have nurses.50 The advantage of school nurses having a trusted relationship with parents and young people, and contributing to higher vaccine conﬁdence and uptake, is also lost.51 However, while school nurses can support more convenient vaccination and higher uptake, they are not employed by every local authority and there has been a reduction in the workforce since 2009.52 Interviewees therefore pointed to the importance of “diversifying” who delivers vaccines, including to other health professionals with high parental engagement and trust, such as health visitors and midwives. Crucially, both health visitors and midwives are commissioned as a “universal service”, coming into contact with every family in England, and so are uniquely placed to promote and deliver comprehensive immunisation programmes.53 At a minimum, health visitors and midwives trained in immunisation should be able to deliver all routine childhood vaccinations and have access to relevant sections of a child’s health record (the “red book”).   
 Occupational health One of the most important aspects of convenience cited by interviewees was the availability of time – for example, for people with caring responsibilities, with more than one job or who regularly work night shifts – to be vaccinated. In particular, several commented that employers could play a greater role in offering vaccines during working hours and that there is currently unnecessary bureaucracy around delivering certain types of vaccine in the workplace (such as COVID-19 boosters). Others cautioned that, apart from a few national employers, most do not have an in-house or third-party occupational health department; while employees may worry that vaccination will require them to take time off work, or lose out on pro-rata pay. Interviewees suggested that convenience therefore depends on “weighing the immediate risk of feeling unwell” and in some cases lost pay, against the unknown, “potential risk” of getting infected. 50 Local Government Association, ‘Stockport - The Beneﬁts of School Nurses Offering Immunisations’, Webpage, 14 July 2022. 51 Ibid. 52 Royal Society for Public Health, Children and Young People’s Attitudes towards Vaccinations - What They Know and What They Have to Say, 2023. 53 Ofﬁce for Health Improvement and Disparities, ‘Healthy Child Programme’, Webpage, 27 June 2023. Action 3: In local authorities that employ school nurses, NHS England should not commission School Age Immunisation (SAIS) providers, but instead should commission school nurses to deliver immunisation programmes. Health visitors and midwives with the national minimum standard of immunisation training should be able to deliver all routine childhood vaccinations.

16 In areas with the lowest rates of vaccine uptake, there should be a targeted offer of workplace vaccination, delivered through mobile units, for core adult vaccines (seasonal ﬂu and for eligible adults, PPV).54 This could be organised on a similar basis to other health programmes offered through the workplace. For example, NHS Blood and Transplant regularly partners with local businesses to host mobile blood donation units at people’s place of work – making it more convenient to donate.55 4.3 Beneﬁts of vaccination Alongside addressing speciﬁc reasons for vaccine hesitancy, and making it as convenient as possible to be vaccinated, interviewees suggested a key behavioural reason for declining uptake is that not enough effort is made to communicate the positive beneﬁts of vaccination. In particular, interviewees argued there is little consideration of how the beneﬁts of vaccines can be “personalised” to an individual, and since many of the infectious diseases vaccines protect against are rare, calculations of “risk versus reward” are too often skewed against vaccination. As one clinician put it, “When I speak to patients, it’s about perception of beneﬁts. People don’t see polio, so they don’t understand the value of taking a vaccine”. This form of communication is especially impactful on parents deciding whether to have their children vaccinated: since the perceived risks of vaccination can otherwise have an outsized inﬂuence in decision-making compared to the beneﬁt of protection against diseases which, thanks to immunisation, are now rare – including rubella and diphtheria. Indeed, clinicians interviewed for this paper observed that it has become more common to hear high-agency, middle class parents describe vaccines as “not right for their children”. For a health and care workforce faced with competing priorities, and ﬁnite resources, there is often limited time to spend with patients to make the positive case for vaccination. Yet the beneﬁts of vaccination are best communicated through a genuinely ‘two-way’, sustained conversation. During the pandemic, these conversations were facilitated through a volunteering programme of “Vaccine Champions”, developed by the Department for Levelling Up, Housing and Communities (Figure 5), and targeted at voluntary organisations and 60 local authorities with the lowest rates of vaccine uptake.56 £22.5 million of direct funding was also made available for supporting activities, often delivered by the Champions and local VSCE organisations, including: community outreach events; the 54 NHS England, ‘General Practice Vaccination and Immunisation Services: Standards and Core Contractual Requirements’, Webpage, 1 May 2024. 55 NHS Blood and Transplant, ‘Blood Donor Events’ , Webpage, 2024. 56 Department for Levelling Up, Housing and Communities, ‘£22.5m of Funding Announced in New Community Push to Get Nation Boosted Now’, Press Release, 19 December 2021. Action 4: NHS England should permit all core adult vaccinations to be provided in the workplace. Working in concert with local Directors of Public Health, it should then establish a targeted offer of workplace vaccination, delivered on pre-agreed dates through mobile units, for areas with the lowest rates of vaccine uptake.

17 production of culturally appropriate information packages; creating pop-up vaccination sites (in some local authorities, “vaccine buses”); training non-clinical vaccinators; and arranging travel for the hardest-to-reach individuals.57 Figure 5: Vaccine Champions programme   
Source: Department for Levelling Up, Housing and Communities, ‘Community Vaccine Champions: Evaluation Report’, 2023. Given the clear importance of making a positive case for vaccination, and the social and economic returns this would bring, there is merit in exploring whether similar voluntary programmes should be reinstated for core childhood and adult vaccinations. As the COVID-19 programme showed, even relatively small investments in interventions like outreach activities and pop-up sites could make inroads in tackling health inequalities and reversing declining rates of uptake. 57 Department for Levelling Up, Housing & Communities and IFF Research, Community Vaccine Champions Evaluation Report, 2023. Tens of thousands of volunteers joined the Vaccine Champions scheme, led by councils and voluntary organisations, to deliver a range of initiatives to build conﬁdence and trust in vaccines, provide accurate, up-to-date health information, and communicate the beneﬁts of vaccination. Teams were comprised of people who spoke a wide range of languages, and had the resources to travel and meet people in popular locations, such as shopping centres, train stations and high streets. Crucially, Vaccine Champions were recruited from communities as trusted voices, to help “tap into” local networks, run events, and make doorstep visits in areas where uptake was lowest – as well as identify barriers to uptake through informal conversations. Councils also developed plans with Champions to access hard-to-reach groups, including through school-based initiatives, workplace engagement and phoning at-risk groups. A 2023 evaluation found that the programme was responsible for a signiﬁcant increase in COVID-19 booster doses, compared to areas without the programme, and delivering a positive economic and social return on investment. Notably, the programme was said to address health inequalities in a “less hierarchical way than previously”, by successfully leveraging community “expertise and relationships”.

18 Action 5: A programme modelled on the Vaccine Champions programme (CVC) should be funded by the Ministry for Housing, Communities and Local Government, to build a dedicated volunteer network across the country, concentrated in areas of lowest uptake, to make the positive case for vaccination. This funding should be granted to local authorities and voluntary organisations with as little conditionality as possible, to enable outreach initiatives to be tailored to the needs of local communities. The programme should be funded for the ﬁrst three years of the next parliament (2024-27), after which an independent evaluation should be conducted to determine whether this continues to deliver a positive return on investment and contributes to higher rates of vaccine uptake.

19 5. Conclusion The pandemic made clear the extraordinary preventive power of vaccination, and led us to fundamentally rethink how vaccines can be delivered to reach as many people as possible. Yet more than a decade before this, and in the years after, uptake of core vaccinations – particularly childhood vaccinations – has been falling. As a result, we have seen entirely avoidable and deadly outbreaks of diseases like measles; and in many areas, vaccines no longer have the necessary levels of coverage to keep the population safe. It is now essential that we redouble our efforts to promote higher levels of uptake, through better understanding and addressing the behavioural drivers underlying these trends. This means empowering local leaders to address speciﬁc reasons for vaccine hesitancy; making vaccines as accessible as possible to people through the everyday course of their lives; and setting out the positive case for vaccination, leveraging local volunteers who know their communities best. By taking the practical steps outlined in this paper, we will achieve a double dividend: reducing unwarranted variation in health outcomes, and protecting the most vulnerable; while freeing up valuable, limited resource in the rest of the health system.

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ABOUT REFORM REFORM   
MISSION CONTROL   
A how -to guide to delivering mission -led government   
Patrick King April 2024   
Sean Eke

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2   
 Reform is established as the leading Westminster think tank for public service reform. We   
believe that the State has a fundamental role to play in enabling individuals, families and   
communities to thrive. But our vision is one in which the State delivers only the services that   
it is best placed to deliver, within sound public finances, and w here both decision -making and   
delivery is devolved to the most appropriate level. We are committed to driving systemic   
change that will deliver better outcomes for all.       
We are determinedly independent and strictly non -party in our approach. This is reflected in   
our cross -party Advisory Board and our events programme which seeks to convene   
likeminded reformers from across the political spectrum.       
    
Reform is a registered charity, the Reform Research Trust, charity no. 1103739.      
   
   
ABOUT REIMAGINING THE STATE   
After a decade of disruption, the country faces a moment of national reflection. For too long,   
Britain has been papering over the cracks in an outdated social and economic model, but while   
this may bring temporary respite, it doesn’t fix the foundations. In 1942 Beveridge stated: “a   
revolutionary moment in the world’s history is a time for revolutions, not for patch ing.” 80 years   
on, and in the wake of a devastating national crisis, that statement once again rings true. Now   
is the time to fix Britain’s foundations.   
Reform’s new programme, Reimagining the State , will put forward a bold new vision for the   
role and shape of the State. One that can create the conditions for strong, confident   
communities, dynamic, innovative markets, and transformative, sustainable public services.   
Reimagining Whitehall is one of the major work streams within this programme.

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3   
 ABOUT REIMAGINING WHITEHALL   
This paper is part of the Reimagining Whitehall work stream. To effectively reimagine the State,   
major change must occur in the behaviours, processes, and structures of central government.   
This paper set outs a blueprint for pursuing a genuinely ‘mission -led’ approach to government,   
that an incoming administration could implement on day one of a new Parliament, in order to   
achieve a small number of unusually ambitious, cross -cutting social and economic priorities.   
   
Reimagining Whitehall Steering group   
Reform is grateful to the expert members of the Reimagining Whitehall Steering Group who   
provide invaluable insight and advise on the programme. Their involvement does not equal   
endorsement of every argument or recommendation put forward.   
   
   
   
   
   
   
   
   
   
   
   
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The arguments and any errors that remain are the author’s and the author’s alone.   
   
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• Robert Arnott , Director, Department for Levelling Up, Housing and Communities   
• James Baggaley , Head of Communications and Engagement, UCL Policy Lab   
• Sir Michael Barber , Founder and former Head of the Prime Minister’s Delivery Unit   
• Marin Beims , Strategy Officer, Health Holland   
• Irene Bonvissuto , Director -General, Climate Action , and Mission Lead for Adaptation   
to Climate Change, EU Commission   
• Rt Hon Greg Clark , Chair of the Science and Technology Select Committee, forme r   
Cabinet Minister, and author of the 2017 Industrial Strategy   
• Dr Michelle Clement , Researcher -in-residence, No.10   
• Dan Corry , Chief Executive, New Philanthropy Capital and former Head of the No.10   
Policy Unit   
• Professor Jon Davis , Director of the Strand Group, King’s College London   
• Scott Dickson , Devolution Strategy Principal, Greater Manchester Combined   
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• Pamela Dow , Chief Operating Officer, Civic Future   
• Sarah Doyle , Head of Policy, UCL Institute for Innovation and Public Purpose (IIPP)   
• William Eggers, Executive Director, Deloitte Centre for Government Insights   
• Professor Piers Forster , Interim Chair, Climate Change Committee   
• Ravi Gurumurthy , Chief Executive Officer, Nesta   
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• Dr Tom Kelsey , Policy Fellow and Researcher, Blavatnik School of Government

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 • Joel Kenrick , Deputy Director, Policy & Strategy, UK Infrastructure Bank   
• Dominic Lague , Head of the Government Strategic Management Office, Cabinet   
Office   
• Cat Little , Head of the Government Finance Function and Second Permanent   
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• Professor Nico Van Meete ren, Executive Director , Health Holland   
• Lord O’Neill of Gatley, former Commercial Secretary to the Treasury   
• James Phillips , Senior Policy Adviser, Tony Blair Institute and former Special Adviser   
for Science and Technology to the Prime Minister   
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• Daniel Wainwright , Research Fellow, UCL Institute for Innovation and Public Purpose   
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• Abigail Watson , Research Fellow, Global Public Policy Institute (GPPi)   
   
and one interviewee who wished to remain anonymous.

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 Principle s and Recommendations   
Principle 1: Missions should be regarded as unique endeavours, separate from the   
business -as-usual activity of government. They should also be:   
• Specific: a clear, time -bound goal, that enables direct accountability   
• Credible: government should have the authority and ability to affect change   
• Focused: there should be no more than three to five missions at any one time   
Principle 2: Missions should be separated into a small number of contributing outcomes,   
governed according to whether they are primarily focused on:   
• Technological innovation: supporting a scientific or technological breakthrough   
• Performance innovation: achieving an unusually ambitious or unprecedented   
socio -economic outcome.   
   
Recommendation 1: The Prime Minister and Secretary of State leading a technological   
innovation mission should begin by appointing an Expert Council from across business,   
academia and the public sector, to serve for its duration. Their first task should be to   
determine whether there is a portfolio of potential solu tions to that mission.   
Recommendation 2: A subset of the Expert Council for each technological innovation   
mission should lead the process for appointing a CEO to lead the mission. The Council   
should also provide ongoing support and constructive challenge to the CEO.   
The Mission CEO should directly report to the Prime Minister and have the authority to   
directly appoint their own team. They should be responsible for advancing the portfolio of   
potential solutions identified in order to achieve the mission by a set date.   
Recommendation 3: Technological innovation missions should have a single business   
case for their entire spending programme, based on the model employed by ARIA. This   
should be approved at the first possible spending review. There should be a presumption   
towards the greatest possible Delegated Authority Limit for this budget, which should be   
directed by the Mission CEO.   
Recommendation 4 : The Secretary of State for Science, Innovation and Technology   
should instruct the UKRI to orientate the activity of its research councils towards missions.   
There should additionally be a minimum envelope made available by the UKRI for each   
technological innovation mission, agreed by the Prime Minister and Mission CEOs, in   
conjunction with the Treasury.   
Recommendation 5: Mission CEOs should report directly to the Prime Minister and be   
required to write a short public, quarterly update on the progress of their mission.   
Recommendation 6 : An ambitious plan for performance innovation missions should be   
set by the departments relevant to achieving them, recognising the power of ‘insane   
targets’. These plans should include the anticipated trajectory needed to complete each   
mission on time, ena bling policymakers to straightforwardly determine whether a mission   
is ‘on track’.

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 Recommendation 7 : The plan to deliver performance innovation missions should be   
stress -tested by an independent Taskforce, which is chosen for its cognitive diversity and   
breadth of experience. The Taskforce should help government set out how success will be   
measured, and i nput on the level of ambition of the trajectory used for each mission.   
Recommendation 8: A Missions Unit should be set up in the Treasury , with personal   
sponsorship from the Prime Minster. It should employ a small, diverse and highly capable   
team of staff, including specialists in policy, management and delivery, and data analysis .   
Recommendation 9: The Missions Unit should have a full -time Chief Executive,   
personally appointed by the Prime Minister to serve at permanent secretary level, as the   
official point of contact for all performance innovation missions across government. They   
should be offered generous financial incentives for the completion of milestones towards   
delivering missions, and be expected to stay in post long enough to oversee the first set of   
missions.   
Recommendation 10: The Chief Executive of the Missions Unit should appoint a ‘Mission   
SRO’, at second permanent secretary -level, to oversee each performance innovation   
mission, from inside or outside the civil service, depending on who is most suitable for the   
role. If neces sary to attract the right candidate, Mission SROs would be appointed above   
the usual pay band maximum for their grade. They would also have significant financial   
incentives for completion of mission -critical milestones.   
Mission SROs would then appoint their own teams, comprised of senior civil servants from   
the departments relevant to delivering a mission, and seconded to the Missions Unit for   
the length of the mission. The SROs’ home departments would make temporary   
appo intments to cover their previous roles.   
Recommendation 11: A small, Cabinet -level Mission Board should meet monthly to   
coordinate cross -government action on performance innovation missions, attended by the   
Secretaries of State responsible for delivering those missions and the Cabinet Secretary.   
These meetings shou ld be chaired by the Prime Minister.   
The Cabinet Secretary should communicate any relevant action points to senior officials,   
working to address potential blockers. This Board should also monitor whether the   
measures chosen for performance innovation missions are appropriate, and refine them   
over time with the Missions Unit, so that they accurately reflect the long -term outcome   
government is trying to achieve.   
Recommendation 12: The Chief Executive of the Missions Unit, together with the Cabinet   
Secretary and Mission SROs, should publish a concise, publicly available update, outlining   
progress towards performance innovation missions. This update should contain the   
measures used for these missions and whether they indicate that the trajectory initially set   
is likely to be met, as well as an overall RAG rating.   
The Secretaries of State responsible for delivering these missions should be required to   
sign the public update. The independent Taskforce described in Recommendation 7 should   
also be required to issue a comment, attached to this update, if they determine that the   
RAG rating, or the way it has been justified, inaccurately reflects progress.

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 1. Introduction   
   
One thing that unites the world’s most successful organisations is a clear purpose or mission   
statement which underpins everything they do, provides their staff with a mandate to deliver   
against and can be used to galvanise action across teams and departments. Government is   
no different.   
   
The times when the State has delivered or helped deliver something extraordinary – landing   
a man on the moon less than a decade after committing to do so or developing and rolling out   
a highly effective vaccine to combat a global pandemic only a year on fr om its outbreak – have   
been characterised by government having a clear, unifying mission to act on. One that other   
actors in local government, and the private and third sectors are proactively made aware of,   
brought into and can rally behind.   
   
Crucially, a mission, unlike a target or benchmark, is in part defined by this level of ambition.   
It is the ambition to achieve something out of the ordinary, in a particularly challenging   
timeframe , that helps communicate a sense of urgency to the system and incentivises people   
to innovate and work at their best . Mission -setting, in short, should be bold and imaginative,   
and the processes that underpin it should facilitate genuine problem -solving and delivery at   
pace.   
Missions now feature prominently in the minds of policymakers, and many governments and   
public sector bodies globally describe themselves as being ‘mission -oriented’.1 Yet, despite   
this, insufficient attention has been paid to how this approach is best implemented – including   
how specialists are recruited, the scope of missions agreed , and progress reported.   
   
This makes the delivery of missions incredibly difficult , as crisis management and day -to-day   
activity consumes government’s energies – compounded by the short -termism, organisational   
siloes , status quo bias, and tight fiscal constraints that mitigate against achieving   
transformative, long -term objectives.   
   
Mission control offers a blueprint for how the UK can adopt a genuinely mission -driven   
approach to government, in which high -performance and innovation are the default , in order   
to implement highly ambitious, cross -cutting goals.   
   
   
   
   
   
   
   
   
   
   
1 UCL Institute for Innovation and Public Purpose, ‘Mission -Oriented Innovation Network (MOIN)’,   
Webpage, 2024.

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 2. What is a mission?   
   
Missions are first and foremost defined by their level of ambition. Rather than trying to enhance   
the ‘business -as-usual’ activity of government , missions are a time -bound commitment to   
achieve an outcome that is unusually difficult and in some cases unprecedented. This could   
include ending rough sleeping in two years , eradicating child poverty in a single parliament, or   
supporting a moonshot scientific or technological breakthrough , such as carbon neutral air   
travel by 2030 , that has the potential to trans form people’s lives.2   
In turn, a mission -led government is one that puts in place the necessary structures and   
processes to give these ambitions the best possible chance of succe ss. Crucially, because of   
the unusual scope of missions , and the fact they are premised on disruptive innovation , it would   
not be possible or even desirable for the whole of the civil service to be oriented around the   
delivery of these goals . Missions are unique endeavours that requir e certain parts of the   
government machine to work in a fundamentally di fferen t and more agile way.   
A break from business -as-usual   
Interviewees argued that mission -like goals are much less likely to succeed when they are   
pursued within ordinary Whitehall structures but not properly insulated from their more   
bureaucratic tendencies – including towards top-down management over autonomous , team -  
based working, a focus on inputs and processes rather than outcomes , and an obsession with   
avoiding failure at the expense of execution .3   
For example, p rojects delivered through the Major Projects Portfolio – some of which would be   
analog ous to missions – are often criticised for prioritising procedure while losing sight of their   
intended outcome.4 Remarkably, in nearly half (46 per cent) of the projects recently assessed   
by the National Audit Office, a failure to track outcomes meant that it was “not possible to say   
whether the project had achieved [its] stated aims”.5   
Notably, interviewees suggested that e ven when government is trying to manage something   
particularly unusual or unprecedented, Whitehall has a tendency to apply its usual procedures   
and layers of sign -off and to be sceptical of doing things differently, however inappropriate to   
the situation this may be. It is notable, for instance, that during the pandemic Kate Bingham,   
in her role as head of the Vaccine Taskforce, was still required to submit multiple business   
cases to the Treasury on the strategic ration ale for purchasing vaccines.6   
Conversely, successful examples of state -led innovation described as ‘missions ’ have typically   
been managed outside the ordinary boundaries of government. For example, George Mueller,   
who was decisive in the success of the 1969 Moon landing, was once asked how he would   
organise a similar programme today ; he responded that , to succeed, it would now need to be   
   
2 See, for example, Department for Levelling Up, Housing & Communities, Ending Rough Sleeping   
For Good , 2022 ; Tony Blair, ‘We Need a National Plan to Eradicate Child Poverty’, Webpage,   
Children’s Commissioner, 2021.   
3 University of Oxford, ‘“Another War Is Coming”, Kate Bingham DBE, Delivers Romanes Lecture’,   
Webpage, 24 November 2021.   
4 Public Administration and Constitutional Affairs Committee, Delivering the Government’s   
Infrastructure Commitments through Major Projects , HC 125 (London: The Stationery Office, 2020).   
5 Ibid.   
6 University of Oxford, ‘“Another War Is Coming”, Kate Bingham DBE, Delivers Romanes Lecture’.

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 designated a “classified black project” , to avoid the constraints imposed by modern -day   
procurement processes.7   
Interviewees for this paper also noted that parts of Whitehall involved in the most innovative   
policy development, like the now-disbanded Strategy Unit or the Social Exclusion Unit have   
existed “on the edge of the bureaucracy ” – often in a physically separate building , with a small   
and diverse team – enabling a more independent , entrepreneurial culture to emerge .8 And of   
course, the successful Vaccine Taskforce was deliberately set up outside of the usual Whitehall   
bureaucracy.   
Specific and credible   
As well as being unusually ambitious – and therefore requiring a break from business -as-usual   
government – missions should be specific and credible. This means it should be clear how the   
success of a mission will be assessed . As one interviewee put it, “you didn’t need to ask   
whether a man had landed on the moon, you could look up and see”.   
To establish credibility, government should ‘sense -check’ that a mission , while genuinely   
stretching, c an actually be achieved. Historically, some missions have fallen short at th is hurdle   
by adopting an unrealistic view of what is possible. For example, following the historic success   
of the Apollo mission and the wave of optimism this brought with it, President Nixon announced   
in his 1971 State of the Union address that the United States would wage a “war on cancer”,   
to “bring the same concen trated effort that took man to the moon toward conquering this dread   
disease”.9   
Although the mission had Presidential sponsorship , was accompanied by the introduction of   
new legislation (the National Cancer Act), and had significant financial backing (worth more   
than $11 billion in today’s money), its objective was not defined by an understanding of what   
was then possible. One leading scientist, Professor Sol Spiegelman (then Director of the   
Cancer Institute at Columbia University), argued the mission “would be like trying to land a   
man on the moon without knowing Newton’s laws of grav ity”.10 The mission did not meet this   
basic test of credibility .11   
Focused   
The resource -intensity and unusually ambitious scope of missions means that government   
should be sparing in how many it chooses to pursue at any one time. Interviewees agreed that   
no more than “three to five” missions should be pursued simultaneously, since their power   
derives, to a large extent, from the intense focus they can create in government.   
Other countries that have adopted a mission -led approach to government have sometimes   
found themselves susceptible to mission creep, with vested interests petitioning for the   
adoption of more missions over time , or government applying a mission lens to unhelpfully   
broad areas of policymaking.   
   
7 Dominic Cummings, The Unrecognised Simplicities of Effective Action #2: ‘Systems Engineering’   
and ‘Systems Management’ , 2017.   
8 House of Commons Public Administration Select Committee, ‘Governing the Future. Second Report   
of Session 2006 –07. Volume I.’ (House of Commons, 6 M arch).   
9 Young -Joon Surh, ‘The 50 -Year War on Cancer Revisited: Should We Continue to Fight the Enemy   
Within?’, Journal of Cancer Prevention 26, no. 4 (December 2021).   
10 Ibid.   
11 John Kay, ‘Mission Economy by Mariana Mazzucato - Could Moonshot Thinking Help Fix the   
Planet?’, Financial Times , 13 January 2021.

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 For example, Australia’s innovation agency, CSIRO, now has nine core missions, in addition   
to four “developing missions” and two “enabling missions” – an increase from the six   
“challenges” it first identified.12 Meanwhile, the Netherland’s mission driven approach to its “top   
sectors” spans industries from logistics to the creative industries, as well as agri-food,   
chemicals, water, energy, the life sciences, health, tech, and horticulture – weakening its   
strategic focus.13 Interviewees argued this number is “far too many” and that for missions to   
be successful, government must “focus on a small number of things it wants to do really well”.   
Several also cautioned against the way in which missions and other types of ambitious priority   
can proliferate over time , and stressed that “if everything is a focus, nothing is”.   
   
2.1 A mission typology   
   
One of the biggest risks to achieving missions is to apply the same approach to objectives that   
are fundamentally different in nature.   
Some missions , such as eliminating homelessness , require a high degree of coordination   
between sectors, changes to the way frontline services are delivered and will have a number   
of already -known solutions . Other missions , such as achieving carbon neutral air travel , rely   
on a portfolio of potential solutions, greater R&D capacity in specific areas, and for things to   
happen much faster than they would ordinarily – calling for a clear, centrally -led strategy .   
Finally, some missions – including the mission to reach Net Zero by 2050 – combine the need   
for innovations in performance and public service delivery with technological innovation . In   
these cases, the separation of a mission into contributing outcomes can help clarify the   
governance infrastructure needed to deliver it, and to what extent it should draw on different,   
performance and technologically oriented delivery approaches.   
Determining how a mission should be governed therefore means asking questions like:   
• Is the mission primarily concerned with performance (improving how things are done) ,   
discovery ( doing things that are currently unknown ) or both?   
• Does the mission rely on the discovery of new technologies and science?   
• Is the mission speculative or is there a well-understood ‘delivery chain’ that could be   
strengthened to achieve it?   
In turn, this would allow a mission like reaching Net Zero by 2050 to be organised according   
to outcomes related to the discovery of new, green technologies (i.e. ‘technological   
innovation ’), and outcomes related to the carbon footprint of individuals and businesses, and   
activity in the public sector (i.e. ‘performance innovation ’).   
   
   
   
   
   
12 CSIRO, ‘Partner with Us to Tackle Australia’s Greatest Challenges’, Webpage, 2024 ; University   
College London, ‘CSIRO Australia: A National Science Agency’s Approach To Missions’, Webpage,   
2024.   
13 Government of the Netherlands, ‘Encouraging Innovation’, Webpage, 2024.

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 Figure 1: Mission typology   
   
   
   
   
   
   
   
2.1.1 Technolog y innovation   
   
For a technology innovation mission, such as achieving carbon neutral air travel , careful   
consideration is needed when deciding on specific targets. Firstly, a poorly designed target   
can mean inadvertently prescribing a solution or approach that ‘closes off doors’ to innovation.   
As one interviewee put it, the innovation needed to achieve most missions means “by   
definition, you can’t know exactly what the answer is when you set out”.   
Despite this, they argued that Whitehall’s current approach to these goals is to announce “the   
five things it is going to do on day one” – which they said amounts to “setting off on a voyage   
trying to discover America”. For example, setting an outcome based on the number of   
commercial flights powered by hydrogen or some other jet fuel substitute would be entirely   
inappropriate if the best means of achieving carbon neutral air travel in fact had nothing to do   
with currently available fuel sources or vehicles .   
Secondly, as tech innovation missions involve coordination with other sectors, particularly the   
private sector and universities, an approach which is too top -down makes it harder to achieve   
consensus and promote alignment amongst the groups who will be pivotal to the success of   
the mission.   
The key question, therefore, in the context of technological innovation missions, is how   
government can create a genuine sense of urgency and will to succeed in areas where a high   
degree of specificity around targets would be counterproductive. An d simultaneously, as one   
interviewee put it, “pour oil on the areas it is certain about; on things that have worked before”.   
Designing high -level outcomes that “genuinely empower people to take different approaches”,   
but contain a clear goal which is properly incentivised and rewarded, should be the lodestar   
for these kinds of missions.   
   
2.1.2 Performanc e innovation   
   
Although performance innovation missions – such as eliminating homelessness – will also   
require experimentation and new ways of working, their design can and should be informed   
by a theory, and the available evidence, o f what is likely to achieve the greatest change in the   
shortest possible space of time. For example, we know that programmes supporting people   
leaving hospital and prison; safe and stable housing provision; and targeted health

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 interventions (for example, to support people with alcohol dependency or a history of mental   
illness) can all make an important contribution to reducing rough sleeping.14   
Unlike a technological innovation mission, this allows government to sketch out the ‘delivery   
chain’ involved in a mission and analyse what actions are needed , centrally and locally, to   
strengthen it . In other words: what are the links that connect decision -makers in government   
to service providers, and the realisation of outcomes on the ground , and what levers would   
need to be pulled to affect these outcomes?15 And how can relevant areas of unwarranted   
variation – such as , in the example of homelessness, the accessibility and quality of drug and   
alcohol treatment services – be overcome to achieve a particular mission?   
Crucially, this effort relies on a strong foundation of data at every level of a delivery chain to   
provide government with a predictable , close -to-real-time view of system performance. This   
could mean collecting qualitative data by making field visits to hospitals or schools, or auditing   
a commissioning body further up the chain , such as an Integrated Care Board. It also requires   
an empowered, problem -solving function at the centre of government to understand and help   
remove practical barriers to delivering missions as they arise (the focus of Section 4.2).   
Without an understanding of the ‘delivery chain’ between decision -makers and outcomes, and   
how it can be strengthened, even those at the top of government can find they do not have   
the levers necessary to drive change (as previous Reform research has shown16).   
   
   
   
   
   
   
14 Centre for Homelessness Impact, ‘What We Know about What Works’, Webpage, 2024.   
15 Michael Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go   
Crazy (London: Penguin Random House, 2016).   
16 Charlotte Pickles and James Sweetland, Breaking down the Barriers: why Whitehall is so hard to   
reform (Reform, 2023). Principle 1: Missions should be regarded as unique endeavours, separate from the   
business -as-usual activity of government. They should also be:   
• Specific : a clear , time -bound goal , that enables direct accountability   
• Credible: government should have the authority and ability to affect change   
• Focused: there should be no more than three to five missions at any one time   
Principle 2: Missions should be separated into a small number of contributing outcomes,   
governed according to whether they are primarily focused on:   
• Technological innovation: supporting a scientific or technological breakthrough   
• Performance innovation: achieving an unusually ambitious or unprecedented   
socio -economic outcome.

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 3. Technological innovation mission s   
   
Once a tech nological innovation mission has been designed (with a very specific , high-level   
outcome ) there are steps government can take to identify a portfolio of credible solutions ,   
drawing on external expertise to do this (Section 3.1) . The mission should then be led by an   
empowered ‘Mission CEO’ in Whitehall (Section 3.2) , with public R&D funding mobilised in   
support of the mission (Section 3.3) . Finally, progress on the mission should be reported to   
the Prime Minister on a quarterly basis, to ensure ac countability and sustain momentum   
(Section 3.4).   
   
3.1 Testing phase   
   
Government should begin with a ‘testing phase’, to search for a portfolio of potential solutions   
that could help achieve a technological innovation mission. Interviewees were clear that this   
is preferable to government specifying the “one solution ” that it thinks is best for this kind of   
mission . Because innovation is inherently uncertain , any attempt to over -specify – such as   
directing R&D towards a specific type of flight technology to achieve carbon neutral air travel   
– could lead to higher costs and close off promising avenues for success.   
   
Notable examples from major project delivery epitomise the cost overruns and delays that can   
occur when trying to pre -empt solutions in innovation -intensive areas . The “overspecification”   
of the railway design for HS2 is a significant reason for inflated costs, and has been cited in   
recent inquiries held by the Transport Committee and Public Accounts Committee .17 Similarly ,   
the Public Accounts Committee’s inquiry into Ajax – a high-tech armoured vehicle developed   
for the British Army – concluded that the programme was “flawed from the outset” as a result   
of being “over -specified” and the Department not understanding “the scale of the technical   
challenge”.18   
   
At the same time, interviewees argued that to develop a portfolio of promising solutions, an   
organisation must have a strong grounding in “innovation analytics” – i.e. the ability to think   
long-term, prioritise scarce R&D resources and be open to disruptive shocks – a skillset which   
can sometimes be lacking in the Civil Service .19 Consequently, bringing in a group of external   
experts and industry leaders can be a key way of developing and managing this portfolio ,   
ensuring it strikes the right balance of risk between more conventional technologies and   
lesser -known, more speculative ‘moonshot s’ (see Figure 2) .20   
   
The decision taken during the pandemic to establish the Vaccine Taskforce – a group of   
experts from across industry, healthcare , science and government , to build a portfolio of   
promising vaccine candidates – offers a compelling example of this approach. One which has   
   
17 See Trevor Parkin, Oral Evidence: HS2 Progress Update , HC 85 (Transport Committee, 2023) ;   
18 Public Accounts Committee, Armoured Vehicles: The Ajax Programme (London: The Stationery   
Office, 2022).   
19 Stian Westlake, ‘If Not a DARPA, Then What? The Advanced Systems Agency’, Blog, Nesta, 7 April   
2016.   
20 Katie Prescott, ‘Computer Power behind AI Creates a World of Haves and Have -Nots’, The Times ,   
20 March 2024.

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16   
 been described in a joint report by the Health and Social Care and Science and Technology   
Committees as a “masterstroke” .21   
   
The portfolio approach to procurement enabled the Taskforce to successfully hedge its bets   
between “world -leading biopharma companies” and “rising stars”, as well as vaccines based   
on different technology platforms – including the widely -used mRNA vaccines developed by   
Pfizer and Moderna , and the vector vaccine produced by AstraZeneca.22 In fact, it was only   
by adopting this approach , at a time of huge uncertainty, that the Taskforce was able to act   
quickly and frontload most of the risk , before it knew which vaccines , “if any” , might work.23   
Interviewees for this paper also reflected that seeking a diversity of expert opinion “from day   
zero not day one” can act as a vital counterweight to the tendency to pursue technology   
missions according to what is politically expedient or will reassure particular veto players and   
producer interests , rather than what is necessary for success.   
Since missions are synonymous with government’s most ambitious goals, and can involve   
risky, high-visibility investments , using expert input early on – especially those with real   
operational or delivery experience – to identify potential solutions is just not a ‘nice to have’   
but an essential first stage in delivering technological innovation missions.   
   
   
3.2 Exceptional leadership   
   
Empowered   
An essential principle when delivering missions is to ensure responsibility and authority go   
hand -in-hand.24 Leaders of technological innovation mission s should be empowered with the   
resources and authorisation they need to act quickly and decisively and unblock key barriers   
to progress without needing to constantly defer to other decision -makers in Whitehall. They   
should be considered the “CEOs” of their respective missions .   
Interviewees reflected that important , mission -like priorities in Whitehall are too often assigned   
to Directors -General, who “spend most of their time managing upwards” and seeking   
permission from Permanent Secretaries who ha ve a “different, more operationally -focused set   
of incentives”. In turn, direct accountability for how missions are led is undermined and the   
Director -General’s role becomes geared towards “chairing meetings” and “briefing junior   
ministers” , rather than delivering the intended outcome o f the mission.   
   
21 Health and Social Care Committee and Science and Technology Committee, Coronavirus: Lessons   
Learned to Date , HC 92 (London: The Stationery Office, 2021).   
22 PA Consulting, ‘UK Vaccine Taskforce: Steering a World -Leading Programme to Secure COVID -19   
Vaccines in Record Time’, Webpage, 2024.   
23 University of Oxford, ‘“Another War Is Coming”, Kate Bingham DBE, Delivers Romanes Lecture’.   
24 Dominic Cummings, ‘Regime Change #3: Amazon’s Lessons on High Performance Management   
for the next PM’, Blog, 22 February 2022. Recommendation 1: The Prime Minister and Secretary of State leading a technological   
innovation mission should begin by appoint ing an Expert Council from across business ,   
academia and the public sector , to serve for its duration . Their first task should be to   
determine whether there is a portfolio of potential solutions to that mission.

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 Countering this requires precision about what a ‘Mission CEO’ will be tasked with doing and ,   
crucially, the remit they will have to act , agreed with the Prime Minister before the mission   
begins. Interviewees argued that prospective Mission CEOs should have some influence over   
this process , setting out the “two or three things” they think will be needed to achieve a mission ,   
since talented leaders are “unlikely to tie themselves to a table without knowing the means of   
escape”. This could take the form of a p ublic mandate letter, signed by the mission lead and   
personally by the Prime Minister (a mechanism currently used in Canad a, for example, to   
commit ministers to deliver ing cross -government priorities).25   
The more agile approach to decision -making and strategy required by technological innovation   
missions means those leading them should , wherever possible, be able to act unilaterally.   
Currently, interview ees argued , there are “far too many routes through the Whitehall system”   
– taking the form of secretariats, taskforces, unit s and other governance structure s – which   
introduc e unnecessary friction in to decision -making and widespread deniability when things   
go wrong . In many cases, this is exacerbated by the hierarchical nature of the civil service ,   
creating excessive layers of management and sign -off.26   
The decision rights of a mission lead should extend to the ability to appoint their own team .   
Several interviewees were emphatic on this point , arguing that the energy and calibre of a   
“founding team” , and the level of trust within it , are essential to organisations delivering   
ambitious goals. The importance of assembling the best possible team is recognised across   
some of the world’s most innovative , mission -driven enterprises.   
Sam Altman, CEO of OpenAI, for example, describes hiring as “probably the most important   
thing a founder does”.27 Steve Jobs famously said that the “secret of [his] success” is going to   
“exceptional lengths to hire the best people in the world”;28 while Colonel Boyd, the celebrated   
military strategist, would often repeat “People, ideas, machines – in that order”.29 Yet, while   
control over personnel selection is essential to building high -performing teams , and particularly   
innovative teams, few projects in Whitehall have this luxury.30 Mission CEOs should be   
allocated an appropriate budget, and granted the necessary autonomy, to attract top talent.   
Inspiring   
The reasons for some technological breakthroughs , whether in the public or private sector ,   
appear almost inseparable from the leadership of the individuals associated with them . It is   
difficult to determine , for example , whether the Apollo missions would have proven successful   
without the leadership of George Mueller; the Manhattan Project without General Groves; or   
the development of the smart phone without Steve Jobs (see Figure 2) . Despite, or perhaps   
given , this, interviewees pointed to some general characteristics that government should seek   
when appointing a Mission CEO.   
First, those leading technological innovation missions must be unusually driven , or as one   
interviewee put it “absolutely fanatical about what they are working on”, with a relentless   
   
25 Government of Canada, ‘Mandate Letter Tracker: Delivering Results for Canadians’, Webpage, 20   
June 2019.   
26 Amy Gandon, Civil Unrest - A Portrait of the Civil Service through Brexit, the Pandemic, and Political   
Turbulence (Reform, 2023).   
27 Sam Altman, ‘How to Hire’, Blog, 2024.   
28 Gary Garfield, ‘What Happened to the “Best and Most Serious People”?’, The Hill , 5 April 2018.   
29 Dominic Cummings, ‘“People, Ideas, Machines” I: Notes on “Winning the Next War”’, Blog, 10   
March 2022.   
30 Dominic Cummings, ‘Unrecognised Simplicities of Effective Action #1: Expertise and a Quadrillion   
Dollar Business’, Blog, 13 January 2017.

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 approach to delivery . They told the story of one leader choosing to “walk over glass” in front of   
a packed audience, to demonstrate they would do “whatever it takes” to deliver. Others   
suggested that a Mission CEO needs the kind of drive to “pull everyone towards the mission” ,   
and inspire exceptional loyalty from their team.   
Second, Mission CEOs must have a clear vision of why a mission is important and constantly   
communicate this to their team. As one interviewee put it, only when people are “sick to the   
back teeth” of hearing wh y a mission matters does it have any chance of traction and surviving   
the “political turbulence” of government. Previous Reform research has found that ambitious   
objectives – such as reaching Net Zero by 2050 – are most likely to succeed when they are   
driven by leaders who can articulate a clear vision for the future, which others can align   
themselves around.31   
Finally, Mission CEOs should be self-assured and credible enough to inspire personal support   
from the Prime Minister. While it is important that a Mission CEO is empowered in their own   
right, interviewees argued that Prime Ministerial sponsorship is indispensable in whether   
something is prioritised over time , since Whitehall is “quick to work out what the PM wants”   
and “if they are interested in what you are doing, the corridors of Whitehall become much   
smoother”. For this reason , the Mission CEO should be someone who is well -placed to   
advocate for the mission and sustain support for it in central government.   
   
Figure 2: Inspiring leadership   
Source: Harvard Business Review, ‘The Real Leadership Lessons of Steve Jobs’, 2012.   
   
Capable   
Mission CEOs should have exceptional capabilities relevant to the technological innovation   
mission they are tasked with delivering. As one interviewee noted, referencing government’s   
New Hospital Programme, “if the ambition is to build 40 hospitals, you should appoint someone   
   
31 Gandon, Civil Unrest - A Portrait of the Civil Service through Brexit, the Pandemic, and Political   
Turbulence . When Steve Jobs was designing the iPhone, he made the decision that it should be built   
with resilient, scratchproof glass, rather than plastic. He met with the CEO of a company   
known as Corning, that had developed a chemical process to create a product kno wn as   
“Gorilla Glass” which matched these specifications. Jobs explained to the CEO, Wendell   
Weeks, that he needed a major shipment of the glass in just six months: a trajectory that   
would require Corning to scale its glass production at an unprecedented r ate.   
Weeks explained that a false sense of confidence would not help overcome engineering   
challenges and that the timeline was not feasible . Jobs disagreed, saying that a six -month   
trajectory was possible: “Get your mind around it. You can do it”.   
Soon after, Corning’s factories switched from producing LCD to the Gorilla Glass full -time   
and was able to fulfil the order to schedule, in less than six months – putting their “best   
scientists and engineers” on the project and “making it work”. Jobs’ inspiring and   
uncompromising leadership had laid the groundwork for a previously unthinkable level of   
performance.

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 to lead that mission who has overseen the construction of lots of hospitals”. Instead, they   
explained, the tendency in Whitehall is usually to appoint a “nondescript Director General” in   
the relevant department as the “Senior Responsible Officer” (SRO) , with “little-to-no previous   
experience coordinating major construction project s”.   
The Public Accounts Committee has similarly identified that government does not have “ the   
right level of skills and experience to deliver some of its most difficult and complex projects” .32   
And, moreover , these skills shortages are especially stark in sectors such as “science,   
commercial and digital” , which are most relevant to achieving technological innovation   
missions.33   
As a result, i n its approach to a chieving a technological mission government should look to   
appoint a Mission CEO from outside the civil service , with specific professional experiences   
related to the relevant technologies or a similar discipline. To ensure this process is fair and   
appoints the most capable Mission CE O – rather than the person who is most credentialed or   
has the strongest existing networks in Whitehall – recruitment s hould be led by a cognitively   
diverse Expert Council , who would input on th e Mission CEO’s terms of appointment.   
Otherwise, interviewees reflect , Whitehall will generally “choose people from a small , inside   
group who have honours and the right credentials ”, rather than the person who is best placed   
to deliver a mission.   
In the private sector, boards have become increasingly influential in talent management , and   
can help “override some of the personal ties” that bias decisions regarding important   
appointments.34 In the public sector , Departmental Boards can make an important contribution   
to governance, but , as the 2023 Maude Review found , their role has tended to be an informal   
one, utilised well by some departments but quite poorly by others.35   
There are also notable examples of advisory groups and councils being successfully used in   
government to inject diverse, outside opinion o n specific , specialist matters , and which carry   
transferable implications for what the membership of these boards should look like . For   
example , the Industrial Strategy Council – established to provide “impartial and expert advice”   
on the UK’s 2017 Industrial Strategy – was commended for the wide -ranging experience and   
perspective of its membership, which afforded it the “credibility to provide a transparent and   
comprehensive assessment of industrial policy”.36   
Along these lines, each technological innovation mission should be supported by a diverse   
Expert Council , made up of relevant business, academi c and civil society leaders , and brought   
together by the department responsible for that mission . To begin with, as soon as possible   
after a mission has been announced, a subset of the Council should be tasked with leading an   
appointment process, alongside the Prime Minister, to appoint a ‘Mission CEO’ to lead that   
mission.   
Afterwards , the Council should be available to the CEO throughout the life cycle of a mission   
to provide specialist advice and counsel which is unavailable within government ; help solve   
specific delivery challenges ; and whe re necessary , offer the CEO constructive challenge .   
   
32 Public Accounts Committee, Lessons from Major Projects and Programmes: Thirty -Ninth Report of   
Session 2019 -21, HC 694 (London: The Stationery Office, 2021).   
33 Public Accounts Committee, Specialist Skills in the Civil Service (London: The Stationery Office,   
2020).   
34 McKinsey & Company, ‘The CEO Guide to Boards’, Webpage, 9 September 2016.   
35 Francis Maude, Independent Review of Governance and Accountability in the Civil Service , 2023.   
36 Business, Energy and Industrial Strategy Committee, Post-Pandemic Economic Growth: Industrial   
Policy in the UK , HC 385 (London: The Stationery Office, 2021).

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 Since technological innovation missions rely on the Mission CEO being aware of developments   
that occur outside government , the Council should have a strong industry network , which it   
regularly uses to ensure the Mission CEO is connected to innovative people and ideas : both   
specific to th at mission but also from other fields that could nevertheless be applied to it. In   
this way, the Expert Council would act as a source of “recombinant thinking” for the CEO –   
helping them connect innovations taking place in disparate fields – to advance the mission.37   
   
3.3 Fuel on the fire   
For technological innovation missions , success hinges not on the activity and funding of   
departments, but on maximising the likelihood of breakthroughs occurring across society. To   
this end, interviewees argued there are notable weaknesses in how the UK currently funds   
public sector R&D that a mission -oriented government would need to address.   
While the UK is spending record amounts on R&D – and now exceeds the OECD and EU   
averages for R&D spending as a percentage of GDP – interviewees argued there are several   
low-hanging fruit that could be seized on, to give the UK a more agile and mission -oriented   
approach to supporting scientific and technological innovation.38 These relate to the speed at   
which public sector R&D funding can be allocated and to the absence of clear strategy, in   
several key areas, for what it should seek to prioritise.   
Speed of allocation   
Missions based around emerging science and technology – which can quickly shift over time   
and often deliver the greatest benefits to first and early movers – rely on a government which   
is capable of acting at pace. As Sarah Munby , Permanent Secretary of the new Department   
for Science, Innovation and Technology (DSIT) has said, “we must aspire to be faster and   
more agile” to “respond to rapidly accelerating technology development” across the board.39   
Common processes that work relatively well in one part of government may be completely   
inappropriate for supporting the innovation required by missions. For example, Lord Willetts,   
in a review of business cases in DSIT , highlights that the business case process, designed to   
ensure feasibility and good value for money in conventional areas of spending – like buying   
services and building new infrastructure – is “ill-suited for the deliberate risk -taking necessarily   
involved in spending money on R&D”.40   
   
37 Matthew Syed, Rebel Ideas: The Power of Diverse Thinking (London: John Murrray Publishers,   
2020).   
38 House of Commons Library, Research & Development Spending , 2023.   
39 David Willetts, Independent Review of the DSIT Business Case and Approvals Process , 2024.   
40 Ibid. Recommendation 2: A subset of the Expert Council for each technological innovation   
mission should lead the process for appoint ing a CEO to lead th e mission. The Council   
should also provide ongoing support and constructive challenge to the CEO .   
The Mission CEO should directly report to the Prime Minister and have the authority to   
directly appoint their own team. They should be responsible f or advancing the portfolio of   
potential solutions identified in order to achieve the mission by a set date.

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 Lord Willetts describes submissions that “averaged 249 pages”, with ideas taking over “two   
and half years” to move from the Research Council stage to execution and requiring “13   
specific approvals” – all despite widespread agreement that “the process should be shorter” .41   
Worse still, many officials are unclear on how to draft these business cases – leading to the   
use of external consultants simply to help partner bodies get them through Whitehall’s own   
processes.42 Ironically, attempts to create alternative, expedited routes for approval are said   
to have added further “complexity and uncertainty” for officials trying to navigate the system.43   
Meanwhile, in the UK Space Agency, one of DSIT’s smaller arm’s length bodies, over 50 such   
business cases have been written in this spending review period alone.44   
Such lengthy and cumbersome processes , as well as risking technologies becoming out of   
date by the time approvals are obtained , make it much harder for missions to attract the private   
and international capital needed to catalyse innovation .   
Interviewees argued that for innovation -heavy missions to succeed, a more streamlined and   
agile approach to business cases is needed. Several pointed to the benefits of adopting the   
model used for ARIA (the Advanced Research Funding Agency) – which has a single business   
case for its entire spending programme. This would increase the flexibility of mission SROs to   
identify and pursue innovations that are crucial to missions succeeding once a spending   
review has been conducted. It would also better recognise the inherent uncertainty involved   
in pursuing things that are unusually ambitious in government.   
Along similar lines, Lord Willetts makes the case for increasing the Delegated Authority Limit   
for DSIT investment decisions – outside of which the Treasury exercises additional scrutiny   
and approval. This would decrease the average decision -making time fo r DSIT investments.45   
At the same time, spending considered “novel, contentious or repercussive” (NCR) requires   
additional Treasury approval within the delegated authority limit. Lord Willetts argues these   
should be identified by DSIT but “included within overall programme Business Cases”, since   
all R&D spending is “in some way ‘novel’”, and so risks an overly extensive interpretation of   
NCR.46   
These arguments are equally applicable in the case of innovation -heavy missions, and so the   
Delegated Authority Limit applied to mission budgets should be as expansive as necessary to   
promote innovation in uncertain and novel areas (with Treasury scrutiny frontloaded in   
agreeing the mission in the first place, and continued accountability provided by regular   
scrutiny sessions with the PM).   
   
41 Willetts, Independent Review of the DSIT Business Case and Approvals Process .   
42 Ibid.   
43 Ibid.   
44 Ibid.   
45 Ibid.   
46 Ibid. Recommendation 3: Technological innovation missions should have a single business   
case for their entire spending programme, based on the model employed by ARIA. This   
should be approved at the first possible spending review. There should be a presumption   
towards the greatest possible Delegated Auth ority Limit for this budget, which should be   
directed by the Mission CEO.

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 A clear strategy   
Since missions are multi -sectoral ambitions, promoting innovation in other sectors often relies   
on government communicating a sustained, credible message about its commitment to   
particular goals. Interviewees pointed to the development of the UK’s artifici al intelligence   
sector – a consistent theme of recent budgets and spending reviews – as an example of an   
area where innovation and private sector involvement had been catalysed by the presence of   
a clear strategy. By contrast, they argued biological engine ering, an area in which the UK has   
a similar, comparative advantage internationally, has been hampered by “the absence of a   
similar, top -down direction of travel”.   
This signalling effect can help stimulate inter -sectoral competition and build confidence in   
other sectors that there will be benefits to aligning their activity with the mission. As a 2017   
report by the National Audit Office puts it, “strong leadership [i s] required in emerging areas of   
science to maximise the value of government investment”.47   
For this reason, comparable countries to the UK now direct the activity of science funding   
bodies and innovation agencies around clear ‘missions’ or ‘challenges’ that other sectors can   
pull in behind and help government achieve. For example, in Australia, CSIRO (the   
Commonwealth Scientific and Industrial Strategy Organisation) has eight ‘missions’ aimed at   
solving “Australia’s greatest challenges”, which are key to its long -term strategy (see Figure   
3).48 In Sweden, Vinnova (its national innovation agency) t akes a “mission -oriented approach”   
to innovation to establish “commitment from actors at all levels”.49   
   
Figure 3: CSIRO’s ‘mission -led’ approach to R&D   
   
   
   
   
   
   
   
   
   
   
   
   
Source: CSIRO, ‘Missions’, 2024.   
   
47 National Audit Office, Cross -Government Funding of Research and Development , 2017.   
48 CSIRO, ‘Partner with Us to Tackle Australia’s Greatest Challenges’.   
49 Vinnova, ‘Mission -Oriented Innovation - a New Way of Meeting Societal Challenges’, Webpage,   
2024.

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 Interviewees described the public R&D funding landscape in the UK as being “much more   
bottom -up” and “academic” than our comparators – with relevant Secretaries of State having   
“far fewer powers” to direct investment towards specific innovations which coul d help solve   
societal challenges. For example, the UKRI, the UK’s largest public funder of R&D – which is   
responsible for more R&D spending than the Ministry of Defence, NHS and the Department   
for Business and Trade combined – currently has eight distinct research councils, each with   
their own strategies and priorities for investment.   
A more overtly ‘mission’ or ‘challenge’ oriented approach to public sector R&D funding – based   
around national priorities – could both accelerate progress towards accomplishing missions   
and also provide the strategic direction needed to crowd in additional private sector R&D in   
key areas. This does not require public sector R&D bodies to take a role in the end -to-end   
management of these missions, but it would allow them to be a more strategic and productive   
collaborator to science - and innovation -focused o rganisations in other sectors.   
   
3.4 Quarterly reporting   
The scope of technological innovation missions, and the public R&D funding they will   
command, means it is essential there is a robust line of public accountability for each Mission   
CEO. Since progress on technological innovation missions is about transformation al change ,   
rather than incremental improvements that can be continuously monitored, t his accountability   
should be exercised throug h a short, publicly available update , written each quarter by the   
Mission CEO and used to inform stocktake meetings led personally by the Prime Minister .   
The update letter should not be a bureaucratic exercise ; it should use succinct, everyday   
language to summarise a mission’s ‘state of play’ . Similar to ‘CEO updates’ used in the private   
sector, this could be less than 2,000 words and cover thematic areas , events and trends   
relevant to delivery (see, for example, the footnoted letters by Larry Fink, CEO of Blackrock   
or Mark Zuckerberg, CEO of Meta).50 Basic criteria, to ensure the update letter is as simple   
and unbureaucratic as possible , should be explicitly set out by government.   
There is precedent for the use of this kind of personal reporting in the context of large tech   
and innovation projects and landmark government reviews . For example, Kate Bingham, as   
head of the Vaccine Taskforce, personally reported to the Prime Minister.51 Louise Casey, as   
government’s chief adviser on homelessness, also reported directly to the Prime Minister;52   
   
50 Mark Zuckerberg, ‘Update on Meta’s Year of Efficiency’, Webpage, Meta, 14 March 2023; Larry   
Fink, ‘A Fundamental Reshaping of Finance’, Webpage, BlackRock, 2020.   
51 University of Oxford, ‘Former Vaccine Taskforce Chair Calls for Fundamental Reset in Government   
Systems and Approach If the UK Is to Be Prepared for the next Pandemic’, Press release, 23   
November 2021.   
52 Jim Dunton, ‘Louise Casey Quits Government Rough Sleeping Review Role’, Civil Service World ,   
21 August 2020. Recommendation 4 : The Secretary of State for Science, Innovation and Technology should   
instruct the UKRI to orientate the activity of its research councils towards missions . There   
should additionally be a minimum envelope made available by the UKRI for each   
technological innovation mission , agreed by the Prime Minister and Mission CEOs , in   
conjunction with the Treasury .

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 and Stuart Burgess, former rural affairs Tsar, describes reporting to the Prime Minister in both   
a “formal and informal” capacity, as well as writing and presenting them an annual report.53   
Early on in technological innovation missions – when the eventual solution is still unknown –   
it will be difficult to produc e measures that accurately reflect the performance of the Mission   
CEO and what they have accomplished. Nevertheless, there will likely be leading indicators   
or qualitative signs of whether a mission is likely to succeed, that occur in advance of   
completion. For example, in the case of the Apollo missions, these indicators may have   
included successful test launches, the recruitment of a capable cohort of pilots, or the   
construction of a command module that can withstand re -entry to Earth’s atmosphere.   
Government can then plan for contingencies or changes in approach, minimising the sunk   
cost of waiting for a suboptimal strategy to pay off.54 Otherwise, interviewees explained,   
government risks “jumping the gun” and producing indicators and modes of accountability that   
“aren’t aligned with the opportunities that exist” .   
A direct line of reporting for Mission CEOs therefore serve s a dual purpose: enabling clear   
accountability to the Prime Minister and the public , and reaffirming that the y have an authority   
to act which supersedes conventional Whitehall hierarchies.55   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
53 Public Administration Committee, Goats and Tsars: Ministerial and Other Appointments from   
Outside Parliament , HC 330 (London: The Stationery Office, 2010).   
54 Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go Crazy .   
Barber.   
55 Ibid. Recommendation 5: Mission CEOs should report directly to the Prime Minister and be   
required to write a short public, quarterly update on the progress of their mission.

MISSION CONTROL   
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 4. Performance innovation mission s   
   
Once the delivery chain for a performance innovation mission , like eliminating homelessness ,   
has been mapped out , including the contributing programmes that sit beneath it – i.e. it has   
been properly designed – government must set out an ambitious but credible plan to deliver   
it. This should be ‘red teamed ’ by an independent group (Section 4.1) . A Missions Unit, situated   
in the Treasury, should oversee progress in departments and align activity across performance   
innovation mission s. The Missions Unit shoul d be led by a Permanent Secretary -level official ,   
with a Senior Responsible Owner (SRO) for each mission (Section 4.2).   
Finally, performance innovation missions should be governed through a Cabinet -level board,   
comprising Secretaries of State from the departments most relevant to delivery and c haired   
by the Prime Minister – with the Cabinet Secretary in attendance to drive action across officials   
(Section 4.3).   
4.1 An ambitious but credible plan   
The ability of a performance innovation mission to motivate and gain support across Whitehall,   
from the frontline and other key stakeholders , is closely associated with its credibility . Without   
a credible strategy to deliver this kind of mission – including a theory of how change might   
occur and an understanding of the interventions the mission is likely to involve – they risk   
being unattainable or being crowded out by government’s other priorities.   
One way to promote the credibility of a performance innovation mission is to draw on outside   
input to ‘red team’ government’s pla ns to deliver , and set out the trajectory it would need to   
follow in order for the mission to be successful.   
Red teaming   
The process of ‘red teaming ’ involves drawing on outside expertise to present contrary views,   
straw man assumptions made, ensure and legitimise different perspectives, and “counteract   
the ever -present risks of groupthink or denial”.56   
This approach is laid out in the Chilcot Checklist (based on the findings of the Chilcot Inquiry)   
as a way to “relentlessly challenge the evidence” and as best practice for developing strategy   
in areas where there is a high level of complexity .57   
In this way, an independent group can act as a ‘critical friend’, offering constructive challenge   
to government but also helping it understand whether certain strategies, policies and actions   
would place it on the right trajectory to fulfil this kind of mission.58 This should not, in any way,   
infringe on the autonomy of those leading performance innovation missions , but is an   
important step in ensuring the ir initial design is sufficiently ambitious and robust , and that   
ongoing support and challenge is available .   
Equally, to realise the benefits of this input, government must be receptive to direct feedback,   
as well as substantial , sometimes disruptive changes in approach. Whitehall , however, has   
tended to be characterised by its insularity: taking a stage -managed approach to engagement   
   
56 Michael Barber, Accomplishment: How to Achieve Ambitious and Challenging Things (London:   
Penguin Random House, 2023). Barber.   
57 Ministry of Defence, The Good Operation: A Handbook for Those Involved in Operational Policy and   
Its Implementation , 2018. Ministry of Defence.   
58 Cabinet Office, Functional Review of Bodies Providing Expert Advice to Government , 2017.

MISSION CONTROL   
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 and a culture of groupthink , which limits outsider perspectives and opportunities for genuine   
challenge.59   
The composition of the group used for red teaming is critical. It should be informed enough to   
assess the substance of government’s proposals, but also diverse enough in experience and   
background to offer genuine, critical appraisal and challenge on government’s approach . For   
red teaming to be successful, it must be able to offer the kind of original insight that can only   
originate from combining those with truly diverse experiences and accomplishments .60   
This is because performance innovation missions are not about determining how to replicate   
past success, but instead how to achieve transformative change and radical improvements in   
performance. Which , in turn, relies on th is red -teaming process generating novel ideas by   
combining insights from across sectors and industries (see Figure 4).   
   
Figure 3: The composition of a red team   
Source: Matthew Syed, ‘Rebel Ideas’, 2020.   
   
The appointment of the red team should therefore allow government to identify a broad range   
of possible risks to delivering a performance innovation mission, and ultimately ensure the   
plan they have is bold yet credible. The red team must have license to b e “frank, blunt and   
critical”.61   
   
59 Gandon, Civil Unrest - A Portrait of the Civil Service through Brexit, the Pandemic, and Political   
Turbulence .   
60 Syed, Rebel Ideas: The Power of Diverse Thinking .   
61 Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go Crazy . After the England team lost the 2016 European Championship in men’s football , suffering   
a humiliating defeat to the much lower -ranked Iceland, the Football Association assembled   
a “Technical Advisory Board” to determine the cause of decades of underperformance in   
major competitions , and what could be done to turn this around.   
Rather than appointing members to th is Board based on their credentials and expertise in   
football or even team sport s, the group was chosen for its cognitive diversity , with members   
having achievements in a wide range of disciplines , and each bringing very different frames   
of reference.   
The group included Manoj Badale, a British Asian founder of a high -tech start -up, Sir   
Michael Barber, former head of the Prime Minister’s Delivery Unit, Lucy Giles, the firs t   
female commander at Sandhurst and Sir Dave Brailsford, a cycling coach . Matthew Syed,   
who also served on the Board , argues these radically different perspectives helped it to   
foster “robust exchanges” and “divergent thinking ” and to develop “more sophisticated   
solutions ” than would have otherwise been the case.   
While clearly it is not possible to draw a causal link, it is nonetheless noteworthy that t he   
England team achieved dramatically better results in the next two major international   
competitions, coming 4th in the 2018 World Cup and reaching the final of the 2020   
European Championship, before narrowly losing in extra time.

MISSION CONTROL   
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 This team should continue to exist for the duration of the mission, to provide support and   
constructive challenge to government on how it is pursuing its goals: for example, on whether   
the chosen model of service delivery is the right one and whether , based on emerging results ,   
government has been ambitious enough. It could likewise discourage government from   
arbitrarily changing its approach or compromising on the mission due to short -termism.62   
Trajectory   
Another key part of the planning process for performance innovation missions, that the   
independent group could also contribute to, is the creation of a trajectory for how a mission is   
expected to progress over time. This could take the form of a stylised graph, connecting   
present -day performance to the level of performance government would need to achieve in   
future for a mission to be successful.   
For example, if government is to eliminate homelessness in two years, it should also set clear   
expectations for the reductions in rough sleeping that should occur after six months, 12 months   
and 18 months. For some missions, it will be possible to improve performance in a linear way   
(a straight line trajectory); for others, a non -linear improvement in performance is much more   
likely (a curved trajectory).   
Crucially, this forces government to confront whether the plan in place to deliver a mission is   
sufficient. It is also a clear, visual way of presenting how the success of a mission will be   
measured, which policymakers can reference at any point in the implementation timeline to   
say whether a mission is ‘on track’ or not.   
A trajectory can also be used to better plan for contingencies and unexpected events . For   
example, government should not draw an ambitious trajectory for a healthcare mission without   
factoring in the likelihood of higher demand during winter; or an ambitious trajectory for crime   
reduction which does not account for the fact that crimes are more likely to occur when there   
are fewer daylight hours. Patterns should be anticipated and explicitly built into mission   
trajectories.63   
   
Figure 5: Trajectory of a performance innovation mission   
   
   
   
   
   
   
   
   
   
   
62 Ministry of Defence, The Good Operation: A Handbook for Those Involved in Operational Policy and Its   
Implementation .   
63 Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go Crazy .

MISSION CONTROL   
28   
 Ambition   
Finally, while an independent group has an important part to play in stress -testing the strategy   
for performance innovation missions, and strengthening their credibility, interviewees were   
clear the level of the mission ambition must remain a political decision. As Sir Michael Barber,   
former head of the Prime Minister’s Delivery Unit puts it, “listen to the experts and check out   
the evidence but don’t let them put you off”.64 Ideally, politicians should “consult without   
conceding on ambition”.65   
This is because the potential effectiveness of missions is bound up in how much risk they are   
willing to take: risks that must be underwritten by strong, consistent political leadership.   
Interviewees argued that some of the most transformative missions, in cluding those initially   
described as impossible or wildly overambitious, ultimately owed their success to the power   
of “insane targets”. An overreliance on exper ts and benchmarking – including comparisons to   
past performance or the performance of other cou ntries – to set the ambition and scope of   
performance innovation missions can lead to an artificial ceiling being set on performance (see   
Figure 3).   
   
Figure 6: The case of MRSA   
   
Interviewees gave the example of a target set by the health team in the Prime Minister’s   
Delivery Unit (PMDU) in 2004 to reduce MRSA blood stream infections (a major, deadly   
kind of hospital -acquired infection) by 50 per cent in three years. Given that mos t   
comparable countries were on a trajectory for MRSA infections to increase year -on-year –   
in what was then described as an “endemic” trend associated with increasing demand for   
hospital care – targeting such a large reduction was dismissed by many experts as   
overambitious and undeliverable.66 In the UK, for example, MRSA cases had increased by   
600 per cent in the decade prior to the target being set.67   
   
Early on, however, the ambitiousness of the PMDU’s target helped create followership for   
the mission across the health sector, with the Chief Nurse describing MRSA and the   
cleanliness of hospitals as their “top priority”.68 New infection prevention and control   
initiatives were put in place in hospital trusts, cultures of clinical practice changed, and   
progress was monitored through a mandatory, national surveillance programme.69 By   
2008, the once “unattainable” target of a 50 per cent reduction had been exceeded; and   
some hospital trusts reported a reduction of over 70 per cent.70   
   
Sometimes, the consensus view of what is possible rapidly changes, often because a mission   
pushes the boundaries sufficiently. One interviewee pointed to the “Roger Bannister moment”   
   
64 Barber, Accomplishment: How to Achieve Ambitious and Challenging Things .   
65 Michael Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go   
Crazy (London: Penguin Random House, 2016).   
66 Brian Duerden et al., ‘The Control of Methicillin -Resistant Staphylococcus Aureus Blood Stream   
Infections in England’, Open Forum Infectious Diseases 2, no. 2 (1 April 2015).   
67 Ibid.   
68 David Batty, ‘Hospital Superbugs “Are Chief Nurse’s Top Priority”’, Guardian , 18 October 2004.   
69 National Audit Office, Reducing Healthcare Associated Infections in Hospitals in England , 2009.   
National Audit Office.   
70 Ibid

MISSION CONTROL   
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 that occurs in performance innovation missions , when it becomes clear that a level of   
performance “previously thought impossible” becomes the standard for comparison.   
A notable example is the target that 90 per cent of patients should begin treatment or be   
discharged within 18 weeks of a GP referral, introduced in 2004 when waits were “routinely   
longer than 18 months”. This target was met and then exceeded four years la ter, in 2008.71   
Another is the target to halve the number of illegal asylum seekers set by then Prime Minister   
Tony Blair in 2003 with very limited consultation, to “bounce the system into action” and   
described at the time as “pie in the sky” thinking but a lso hit on schedule, six months later.72   
   
   
4.2 Delivery   
To understand and remove practical barriers to delivering performance innovation missions,   
and ensure departments maintain a sharp focus on them in addition to their other priorities,   
interviewees stressed the importance of having an empowered analytical t eam, or “Missions   
Unit”, based in central government.   
There is a significant body of research examining when delivery units have worked best, and   
the characteristics that enabled them to be effective.73 In genera l the Missions Unit should be   
focused on: 74   
1. Tracking progress and using its authority to promote a single -minded focus on   
performance innovation missions (which are generally cross -sector and so rely on   
coordinated action across departments).   
2. Analysing specific delivery challenges and helping to unblock them.   
In order to perform these functions effectively, several characteristics of previously successful   
delivery units should be replicated within the Missions Unit.   
   
   
71 National Audit Office, NHS Waiting Times for Elective Care in England , 2014. National Audit Office.   
72 Paul Waugh, ‘Pledge to Halve Asylum Applications within Six Months’, Independent , 8 February   
2003.   
73 See Nehal Panchamia and Peter Thomas, ‘Public Service Agreements and the Prime Minister’s   
Delivery Unit’ (Institute for Government, 26 March 2014) ; Michelle Clement, ‘The Art of Delivery: The   
Prime Minister’s Delivery Unit 2001 -2005’, Webpage, GOV.UK, 26 August 2022.   
74 Ibid. Recommendation 6: An ambitious plan for performance innovation missions should be set   
by the departments relevant to achieving them, recognising the power of ‘insane targets ’.   
These plans should include the anticipated trajectory needed to complete each mission on   
time, enabling policymakers to straightforwardly determine whether a mission is ‘on track’.   
   
Recommendation 7: The plan to deliver performance innovation missions should be stress -  
tested by an independent Taskforce , which is chosen for its cognitive diversity and breadth of   
experience. The Taskforce should help government set out how success will be measured,   
and input on the level of ambition of the trajectory used for each mission.

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 Diversity   
First, to have a sufficient grasp on ‘system’ problems, delivery units must be interdisciplinary .   
This means combining staff with deep expertise in data science and analysis with generalists   
who can problem -solve and have experience delivering things (including by recruiting people   
from outside of government who have strong a track record of delivery). Too often,   
implementation is left to people with a narrow set of (mostly conventional, civil service)   
backgrounds.   
Between 2001 and 2005 , for example, the Prime Minister’s Delivery Unit employed staff with   
very different experiences from one another – such as from consultancies, tech companies,   
high-performing hospital trusts, local councils, and academia.75 Interviewees argued that   
delivery units should aim to integrate delivery and management capabilities, with exceptional   
policy and data skills.   
Autonomy   
Second, the delivery unit should, as far as possible, be organised around a small number of   
people who work with very high levels of autonomy . Several interviewees commented on the   
PMDU feeling “very different from normal Whitehall ways of working”. To avoid becoming a   
“new, big bureaucracy to track a set of old bureaucracies”, the original PMDU intentionally set   
a cap on how many staff it woul d employ (around 40 working on 20 priorities) and the size of   
its budget.76 This meant for every pound it spent it i nfluenced £50,000 of expenditure.77   
A unit needed to support three to five missions could therefore benefit from being even smaller.   
Indeed , the late Vice Chairman of Berkshire Hathway, a company with one of the most   
successful track records in history and an annual revenue of $300 billion, partly attributed its   
success to preserving a “tiny” central headquarters – containing only “a Chairman , CFO, and   
a few assistants who mostly help the CFO with auditing, internal control, etc.”. A delivery unit   
relies on the sharp focus that only relativel y small, unbureaucratic teams can bring.78   
At the heart of decision making   
Third, a delivery unit should be physically situated near key political sponsors in government.   
Interviewees argued that the PMDU found it easier to achieve traction when it was located in   
the Treasury, where it could build the “right relationships” and persuade potential veto players,   
than when it was in the Cabinet Office – even tho ugh it was “institutionally” still part of No.10.   
As Dr Michelle Clement, lecturer and No.10 researcher in residence writes, this enabled the   
PMDU to act as a “nexus between these bases of power” and work “in collaboration with   
Treasury officials”, to assess the “deliverability” of spending plans.79   
Sponsored from th e top   
Fourth, as with the Mission CEOs for technological innovation miss ions, the delivery unit must   
have strong personal sponsorship from the Prime Minister to drive accountability . In the case   
of the PMDU, this occurred through quarterly stocktake meetings that Tony Blair was said to   
spend “as much as half a day a week” preparing for . These were attended by relevant   
   
75 Barber, How to Run a Government: So That Citizens Benefit and Taxpayers Don’t Go Crazy .   
76 Ibid.   
77 Ibid.   
78 Berkshire Hathaway, Annual Report , 2014.   
79 Clement, ‘The Art of Delivery: The Prime Minister’s Delivery Unit 2001 -2005’.

MISSION CONTROL   
31   
 Secretaries of State, SROs of each priority area, permanent secretaries and the Cabinet   
Secretary.80   
As a result, progress updates from the PMDU had an outsized influence on the incentives of   
senior decision -makers, and how seriously its priorities were taken across government.   
Interviewees suggested that it “felt like Blair was personally in charge of ta rgets”, and “would   
often leave ticks or question marks on specific pieces of work”.   
   
4.2.1 Mission Unit leadership   
While the PMDU was focused on a broad set of government priorities, including several   
business -as-usual priorities , like traffic congestion , education standards, and ensuring that   
trains ran on time, the Missions Unit should be much more intentionally organised around the   
delivery of a small number of hyper -ambitious goals.   
First, the Missions Unit should have an authoritative, full -time Chief Executive , appointed at   
permanent -secretary level, who is the official point of contact for all performance innovation   
missions across government . Since performance innovation missions rely on actions taken by   
departments, t his person must have a strong understanding of the public sector and an ability   
to navigate Whitehall, but also be able to act with a high level of autonomy , take risks and offer   
sincere challenge.   
They should be offered generous financial incentives for reaching milestones towards each   
mission , accompanied by an expectation that they will stay in post long enough to oversee the   
first set of performance innovation missions. Like the CEOs of technological innovation   
missions, this person should be personally appointed by the Prime Minister .   
   
The Chief Executive of the Missions Unit should in turn be responsible for appointing a   
‘Mission SRO’ (Senior Responsible Owner) , at second permanent secretary -level, to lead   
each of the se missions , from inside or outside the civil service, depending on the skills and   
experience needed for that mission . The Mission SROs would effectively act as ‘account   
managers’ for the missions, holding the relationship with the departments responsible for   
delivering them , coordinating cross -departmental activity, and eng aging relevant Secretaries   
of State and permanent secretaries on a regular basis.   
   
80 Panchamia and Thomas, ‘Public Service Agreements and the Prime Minister’s Delivery Unit’. Recommendation 8: A Missions Unit should be set up in the Treasury , with personal   
sponsorship from the Prime Minster. It should employ a small, diverse and highly capable   
team of staff , including specialists in policy, management and delivery, and data analysis .   
Recommendation 9: The Missions Unit should have a full -time Chief Executive, personally   
appointed by the Prime Minister to serve at permanent secretary level, as the official point of   
contact for all performance innovation missions across government. They should be offered   
generous financial incentives for the completion of milestones towards deliverin g missions,   
and be expected to stay in post long enough to oversee the first set of missions.

MISSION CONTROL   
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 If necessary to attract the right external candidate , SROs would be appointed outside of the   
usual pay band maximum for a second permanent secretary , and like the Chief Executive, be   
offered generous financial incentives for achieving milestones towards mission delivery.   
To support their role in coordinating cross -government activity , Mission SROs should be able   
to appoint their own team of senior civil servants , seconded from relevant departments. These   
staff would be re-located to the Missions Unit for the length of the mission, with their home   
department s making temporary appointments to cover their previous roles.   
To achieve a homelessness mission, for example, a Mission SRO might choose to appoint   
Directors from the Levelling Up Department, the Department of Health and Social Care and   
the Ministry of Justice , to work in their team. Staff seconded to the Missions Unit would   
therefore have a high level of relevant policy expertise, and be able to support strong   
relationships between the Unit and the departments responsible for delivering missions. And,   
as a result, Mission SROs would have as much insight into, and con trol over, the ‘delivery   
chain’ for their missions as possible.   
Finally, this arrangement would encourage departments to work collaboratively with the   
Missions Unit, secur e the buy -in of officials from relevant departments and incentivise them to   
share relevant performance information with the Missions Unit . 81   
   
   
4.3 Governance   
As well as having an elite team of officials driving performance innovation missions from   
central government, and unblocking barriers to progress, there must be clear leadership of   
these missions on the political side : bringing together the Secretaries of State most relevant   
to delivering them.   
Historically, having a small, inner core of senior politicians has helped drive forward major   
change programmes, resolve intra - and inter -party disputes, and enable d more decisive action   
than is often possible in larger forums . Conversely, Cabinet government, which comprises   
over thirty ministers, was described in Lord Maude’s review of the civil service last year as an   
“arcane” forum for decision -making , which rarely attaches “timelines and named individuals to   
action points”.82   
   
81 Michael Barber, Paul Kihn, and Andy Moffit, ‘Deliverology: From Idea to Implementation’, Blog,   
McKinsey & Company, 1 February 2011.   
82 Maude, Independent Review of Governance and Accountability in the Civil Service . Recommendation 10: The Chief Executive of the Missions Unit should appoint a ‘Mission   
SRO’, at second permanent secretary -level, to oversee each performance innovation mission,   
from inside or outside the civil service, depending on who is most suitable for the role. If   
necessary to attract the right candidate, Mission SROs would be appointed above the usual   
pay band maximum for their grade. They would also have significant financial incentives for   
completion of mission -critical milestones.   
Mission SROs would then appoint their own teams, comprised of senior civil servants from   
the departments relevant to delivering a mission, and seconded to the Missions Unit for the   
length of the mission. The SROs’ home departments would make temporary appo intments to   
cover their previous roles.

MISSION CONTROL   
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 One example of this informal arrangement was the ‘Quad ’, which existed in the Coalition era   
of 2010 to 2015 and compris ed the Prime Minister, Deputy Prime Minister, Chancellor and   
Chief Secretary to the Treasury. The group was perceived to be more effective at setting   
strategy than Cabinet or the Coalition Committee , which existed at the same time .83 Though,   
as the academic Nick Pearce argues , its effectiveness is difficult to separate from the role it   
necessarily had to play in managing inter-party relations in the Coalition.84   
As the Institute for Government’s recent report on the centre of government points out , Tony   
Blair and Gordon Brown also made some of their most important , strategic decisions in much   
smaller forums than Cabinet , with an inner core of the ir most trusted ministers often having   
the final say .85   
While these are solutions required due to the deficiencies of cabinet government , it is clear   
that performance innovation missions will need to be driven b y a small group of senior   
ministers who have the necessary status , and power, to drive their coordination across   
government. To ensure missions are tightly gripped, monthly meetings should occur through   
a Cabinet -level ‘Mission Board’, chaired by the Prime Minister and attended by the relevant   
Secretaries of State for each mission, a nd the Cabinet Secreta ry. Meetings should focus on   
the full set of performance innovation missions – and aim to promote coherence between them   
– but have a standing agenda item to discuss progress on individual missions and how to   
overcome any challenges to delivery .   
The Cabinet Secretary would have a key role to play in communicating the importance of   
performance innovation missions to permanent secretaries. As previous Reform research has   
found, senior officials will commonly “doff [their] cap” to the centre but continue to prioritise   
what is happening in their department over cross -government objectives – unless they know   
that the Prime Minister is personally interested in an agenda .86   
   
4.3.1 Public reporting   
Finally, th is Board should work with the Missions Unit to refine the measures used by   
performance innovation missions over time. It is right that missions involve a higher level of   
   
83 Akash Paun and Stuart Halifax, A Game of Two Halves: How Coalition Governments Renew in Mid -  
Term and Last the Full Term (Insitute for Government, 2012).   
84 Nick Pearce, ‘Reinventing the Centre’, Blog, IPR blog, 12 March 2024.   
85 Institute for Government, Power with Purpose: Final Report of the Commission on the Centre of   
Govenrment , 2024.   
86 Pickles and Sweetland, Breaking down the Barriers: Why Whitehall Is so Hard to Reform . Recommendation 11: A small, Cabinet -level Mission Board should meet monthly to   
coordinate cross -government action on performance innovation missions, attended by the   
Secretaries of State responsible for delivering those missions and the Cabinet Secretary .   
These meetings should be chaired by the Prime Minister.   
The Cabinet Secretary should communicate any relevant action points to senior officials ,   
working to address potential blockers. This Board should also monitor whether the   
measures chosen for performance innovation missions are appropriate, and refine them   
over time with the Missions Unit, so that they accurately reflect the long -term outcome   
government is trying to achieve.

MISSION CONTROL   
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 risk than other kinds of government priority , and interviewees argued that for missions to   
effectively galvanise support, there must be a genuine “possibility of failure” . But this should   
not prohibit government from revisiting the measures it has initially set, especially if there are   
extenuating circumstances that have knocked mission delivery off course.   
For some performance innovation missions – like eradicating homelessness – there will be a   
significant time lag before outcomes begin to materialise and so choosing an interim measure   
based on an imperfect output and/o r input could be a better measure of progress than the   
long-term outcome, as long as the long -term outcomes remains the overriding focus.   
These measures should form the basis of a very concise, public ly available mission update ,   
written by the Chief Executive of the Missions Unit , Mission SRO and the Cabinet Secretary,   
as a further incentive to really prioritise missions alongside business -as-usual government.   
This should be published quarterly and signed by each of the Secretaries of State on the   
Mission Board.   
The update should contain red-amber -green (RAG) rating s, to assess whether these   
measures indicate that the initial trajectory set for the mission is likely to be met. The threshold   
for the RAG ratings assigned to performance innovation missions could be based on the   
definition s currently in use by the Infrastructure and Projects Authority:87   
• Green: Successful delivery of the mission appears “highly likely” and “there are no   
major outstanding issues that at this stage appear to threaten delivery”.   
• Amber: Successful delivery of the mission appears “feasible” but “significant issues   
already exist requiring management attention”. These issues “appear resolvable at this   
stage if addressed promptly”.   
• Red: Successful delivery of the mission “appears to be unachievable . There are major   
issues which, at this stage, do not appear to be manageable or resolvable. The   
programme/project may need re -baselining and/or its overall viability re -assessed”.   
To encourage an honest assessment of the deliverability of performance innovation missions,   
the indep endent red team described in Section 4.1 should also be required to provide a   
comment alongside any quarterly updates where it has a disagreement with a chosen RAG   
rating or its public justification.   
   
   
87 Infrastructure and Projects Authority, Infrastructure and Projects Authority: Assurance Review   
Toolkit , 2021. Recommendation 12: The Chief Executive of the Missions Unit, together with the Cabinet   
Secretary and Mission SROs, should publish a concise, publicly available update, outlining   
progress towards performance innovation missions . This update should contain the   
measures used for these missions and whether they indicate that the trajectory initially set   
is likely to be met , as well as an overall RAG rating.   
The Secretaries of State responsible for delivering these missions should be required to   
sign the public update. The independent Taskforce described in Recommendation 7 should   
also be required to issue a comment, attached to this update, if they determine that the   
RAG rating, or the way it has been justified, inaccurately reflect s progress.

MISSION CONTROL   
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 5. Conclusion   
   
The growth of ‘wicked problems’, from climate change to rising economic inactivity, and poor   
health – which have no single solution and are potentially devastating for society – cannot be   
reversed by the State alone. Nor, however, are they likely to be solved by a passive State, too   
cautious to take important, long -term risks and too weak to identify and support the innovative   
capacity that exists in other sectors .   
The State should not shy away from setting ambitious goals and putting in place a plan to   
deliver them. Its ability to do so matters not only to outcomes in the public sector, but to the   
confidence that exists, across society , in our ability to face up to modern challenges, innovate,   
and achieve ‘moonshot’ scientific and technological breakthroughs .   
Depending on the nature of the challenge, however , very different approaches to governance   
will be needed . The extraordinary successes of previous, mission -led organisations, in the   
private and public sector, reveal important lessons for any incoming government with an   
ambitious set of priorities to deliver. Mission control provides a typology for considering   
different kinds of mission, focused on technological innovation and innovations in   
performance , and offers a blueprint for how the government machine can be geared towards   
both.   
Achieving missions will require a sharp break from business -as-usual ways of working , but the   
prize – of a more agile and innovative state – is certainly worth striving for.

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 REFORM   
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Decentralisation and a redefined Whitehall   
Dr Simon Kaye January 2024   
Rachael Powell

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 Reform is established as the leading Westminster think tank for public service reform. We   
believe that the State has a fundamental role to play in enabling individuals, families and   
communities to thrive. But our vision is one in which the State delivers only the services that   
it is best placed to deliver, within sound public finances, and w here both decision -making and   
delivery is devolved to the most appropriate level. We are committed to driving systemic   
change that will deliver better outcomes for all.      
We are determinedly independent and strictly non -party in our approach. This is reflected in   
our cross -party Advisory Board and our events programme which seeks to convene   
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Reform is a registered charity, the Reform Research Trust, charity no. 1103739.      
   
ABOUT REIMAGINING THE STATE   
After a decade of disruption, the country faces a moment of national reflection. For too long,   
Britain has been papering over the cracks in an outdated social and economic model, but while   
this may bring temporary respite, it doesn’t fix the foundations. In 1942 Beveridge stated: “a   
revolutionary moment in the world’s history is a time for revolutions, not for patching.” 80 years   
on, and in the w ake of a devastating national crisis, that statement once again rings true. Now   
is the time to fix Britain’s foundations.   
Reform’s new programme, Reimagining the State , will put forward a bold new vision for the   
role and shape of the State. One that can create the conditions for strong, confident   
communities, dynamic, innovative markets, and transformative, sustainable public services.   
Reimagining Whitehall is one of the major work streams within this programme.

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 ABOUT REIMAGINING WHITEHALL   
This paper is part of the Reimagining Whitehall work stream. To effectively reimagine the   
State, major change must occur in the behaviours, processes, and structures of central   
government. The specific reform proposals sit under three core themes: New Mindsets,   
Rewiring the Centre, and Decentralising P ower.   
This paper is the first in the Decentralising Power series, and explores the potential benefits   
of devolution to central government itself, and its possible role in the creation of a Whitehall   
system that is more strategic in its outlook, less burdened by micro -managerial responsibilities,   
and more capable in its core functions.   
   
Reimagining Whitehall Steering group   
Reform is grateful to the expert members of the Reimagining Whitehall Steering Group who   
provide invaluable insight and advise on the programme. Their involvement does not equal   
endorsement of every argument or recommendation put forward.   
   
   
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 Recommendations   
Recommendation 1: The success of devolution should be assessed not only by local   
empowerment and improved outcomes but also by a measurable reduction in Whitehall’s   
administrative workload that can be directly attributed to decentralising measures .   
Departments should be tasked to develop, track and publish metrics to this end – for   
example, the hours spent on managing place -specific activities, including the assessment   
of funding bids from local actors, over time . This quantifiable approach will provide clear   
indicators of s uccessful devolution, aiming to shift responsibilities more effectively to local   
government and reduce unnecessary central oversight.   
   
Recommendation 2 : Devolution policy should be under continuous review and jointly   
steered by a new interdepartmental group, primarily composed by representatives from the   
Cabinet Office , the Treasury, and the Department for Levelling Up, Housing and   
Communities (DLUHC) , chaired or attended by relevant ministers from these departments,   
and incorporating members from a group of local government leaders drawn from a variety   
of local authority and combined authority officers. Progress on devolution should be ma de   
an explicit part of the remit for Cabinet Office teams responsible for machinery of   
government and civil service modernisation .   
   
Recommendation 3: Establish a comprehensive peer learning function for continuous   
improvement of local government with the explicit goal of both building systemic readiness   
for greater levels of devolution and bolstering the evaluation of the effectiveness of existing   
devolution . This peer -review capability should build upon existing ‘peer challenge’ and audit   
support work from bodies like the Local Government Association (LGA) , and should be   
supported by an operationally independent Office for Local Government (Oflog) . To ensure   
operational independence , Oflog should be transition ed to an arms -length body .   
   
Recommendation 4: A standardised framework should be adopted by government   
departments to regularly reassess active and developing policies for their suitability for   
devolution . Ultimate responsibility for the development and adoption of this framework   
would rest with the interdepartmental national/local group detailed in Recommendation 2.   
   
Recommendation 5: A new local empowerment function should be incubated by DLUHC,   
in close collaboration with existing local government networks, with the aim to create   
processes that will replace devolution by deal -making.   
   
This local empowerment body should be specifically tasked with reviewing local systems   
wholescale and advising both central and local government about each system’s readiness   
for further devolution. Its recommendations should trigger a rapid response from relevant   
central and local decision -makers. Its reports should be designed to help develop and   
share areas of good practice within each local system, and transparently published to foster   
cross -sector learning.   
   
It should also be home to a check -in review function to respond to instances of local system   
failure and invitations from local leaders who believe their system is ready for further   
devolution .

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 1. Introduction   
   
Nowhere in the world is there any country – comparable in terms of complex ity, economic   
importan ce, or size – that is as centralised a s England .   
This is a stark but uncontroversial claim . It is constantly repeated by politicians of all parties ,   
expressed by senior civil servants, and explored in policy reports.1 London is a   
disproportionately powerful capital city. Investment and attention tend to be more focused on   
it and the regions immediately surrounding it. Public services outcomes are far stronger on   
average than in , for example, England’s North. Economic activity and opportunities are   
similarly concentrated.   
One of the other aspects of this overcentralised system is a tendency toward government   
micromanagement . The Whitehall system dominates local government structures at every   
scale. This means that local decision makers often lack the autonomy and resources to   
mitigate the other effects of overcentralisation. Where local government often has significant   
delivery responsibilities for realising outcomes in response to central decisions, these are   
detached from any ability to locally choose priorities or vary the funding model.   
Just as important – yet rarely noted – is that this degree of micromanagement is bad for   
Whitehall itself .   
   
 1.1 Why Whitehall needs devolution   
   
The negative effects of English overcentralisation are well established : one -size-fits-all, top -  
down public services; passive and disempowered citizens; and contribution to our significant   
(and growing) geographic inequalities.2   
Near -consensus exists around these points. Yet there is far less discussion of the reality that   
one of the key underlying causes of overcentralisation – the Whitehall system and its biases   
– could also be a key beneficiary of a more decentralised system.   
The tendency toward centralism reflects a simple theory , similar to the idea of ‘economies of   
scale’ : by holding decisions and administrative functions at the centre, efficiency might be   
achieved by reducing the unnecessary replication of effort through the system, and   
consistency might be achieved by avoiding localised fragmentation. In some respects, and in   
some specific areas of policy, this theory remains the best guide to policy. Centralising some   
administrative functions , or at least creating shared t ools at the centre, can be a boon to   
efficiency. Some strategic questions should not be answered differently in every place. And,   
as this paper will show, England h as a relatively small local government sector : only possibl e   
because of the strength of its centre.   
This, however, is only half the story. In practice , in a centralised system , many inefficiencies   
are created due to the gap between decision -making and local context. Additional complexity   
   
1 UK 2070 Commission, Make No Little Plans: Acting at Scale for a Fairer and Stronger Future , 2020.   
2 Professor Adrian Pabst and Professor Jagjit S. Chadha, ‘Where Are We With Regional Inequalities   
in the UK?’, Blog, National Institute of Economic and Social Research (blog), 2023.

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 is introduced , and the pathologies of central government – particularly its hard -wired public   
service siloes – become everyone’s problem . Outcomes suffer as a result.   
The ramifications of overcentralisation – the way that it entails micromanagement that   
consumes central government capacity , crowds -out longer -term and strategic concerns, and   
compromises both the quality of policy design and the likelihood of effective delivery – must   
be brought into the Whitehall reform debate, and recognised as a n important driver of the   
biases and challenges in the Whitehall system.   
   
 1.1.1 A streamlined system   
   
As this report shows, England’s local government sector is disproportionately small and   
shrinking, even as our central civil service (constantly the subject of government headcount   
reduction and efficiency -finding plans) has been continuing to grow (see Figure 1 ).3 The   
shrinkage of local government capacity, at a time when state capacity has been required to   
expand as part of the pandemic response, is extraordinary, and symptomatic of the way in   
which new powers and responsibilities are held, by default, by Whitehall – even when   
Whitehall is not best placed to respond.   
   
Figure 1: Public sector employment in local and central government (millions)   
   
   
Source: ONS   
   
   
3 Contributing factors to these trends include Whitehall workforce growth around Brexit , the pandemic   
response, and school academisation . 1.001.251.501.752.002.252.502.753.003.253.503.754.00Number of employees (millions)  
Central government Local government

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 As with Brexit, Whitehall’s primary response to a major challenge seems to be to expand, and   
to do so in a centralise d way .4 A larger Whitehall is not necessarily a more capable one, and   
subsequently finding the most appropriate ‘business as usual’ size for the home civil service   
is a far slower process , involving many inefficiencies along the way.   
Senior officials openly advocate for a more “streamlined” central government.5 It will be   
impossible to achieve this without understanding – and addressing – how micromanagement   
demands proportionally greater central capacity .   
   
Figure 2: A case study in micromanagement and inefficiency: England’s local   
government funding model   
Local government in England is funded through a combination of local taxes (principally   
business rates and council tax, which localities themselves have little ability to alter), and   
grants from central government. Some of the responsibilities held by councils verge on   
‘unfunded mandates’ – a form of part-decentralisation shown to yield worse outcomes.6   
A great deal of local authority funding is allocat ed through competitive bids into centrally -  
held ‘pots’. Sometimes thought to drive iterative improvement as local systems vie for   
resources , these competitive allocation processes can also cause significant inefficiencies .7   
Competitive allocation is the default setting for one in three of the bid -in pots managed by   
central government .8 Preparing bids is expensive – bids into the first round of the Levelling   
Up Fund, for example, cost an average of £88,000, not including staff costs.9 Failed bids   
result in wasted time and money (three out of four Levelling Up Fund bids were   
unsuccessful) – a big problem for localities which already have relatively fewer resources.   
Central control of these resources does not translate into streamlined processes. Rather,   
the fragmented and siloed nature of Whitehall teams and departments results in a confusing   
plethora of approaches and requirements. Even for successful bids, diverging administrative   
and reporting requirements lead to significant bureaucracy, and short time horizons make   
strategic planning harder to accomplish.10   
Decisions about the grants’ parameters and local areas’ priorities lie firmly with central   
government ,11 and the centre is responsible for reviewing applications and deciding which   
projects to approve. To increase the likelihood of funding, local projects are often tailored to   
central government’s priorities rather than specific local issues.12   
   
4 Professor Colin Talbot and Carole Talbot, ‘Is Brexit Leading to the Recentralisation of Whitehall?’,   
Civil Service World (blog), 2018.   
5 Deloitte and Reform, The State of the State 2022 -23: From the Pandemic to a Cost of Living Crisis ,   
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6 A. Rodriguez -Pose and M. Vidal -Bover, ‘Unfunded Mandates and the Economic Impact of   
Decentralisation: When Finance Does Not Follow Function’, Political Studies , 2022.   
7 Michael Heseltine, No Stone Unturned in the Pursuit of Growth , 2012.   
8 Local Government Association, Fragmented Funding: The Complex Local Authority Funding   
Landscape , 2020.   
9 Centre for Cities, Pot Luck: What the Government Can Do to Streamline Grants for Local Economic   
Policy , 2023.   
10 Centre for Cities.   
11 Centre for Cities.   
12 Stuart Bridgett, ‘Local Government Is Tied up in the Red -Tape of Competitive Grants’, Centre for   
Cities (blog), 2022.

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 1.1.2. A legitimised system   
   
Our system and institutions of government are faced by a crisis of public confidence: a trend   
of growing distrust on the part of citizens.13 Tellingly, levels of trust in local systems – even   
given the low overall turnout and engagement levels in local elections – are often found to be   
higher.14 This contributes to a sense of democratic deficit – one which reflects the reality of   
how distant our overcentralised system is from the perspectives and priorities of our   
communities. It also undermines trust in national politicians, who are held accountable, by   
default, for local matters over which they ultimately have minimal influence.   
Perhaps counterintuitively, d evolution and decentralisation have the potential to significantly   
bolster the legitimacy of the Whitehall system by building ownership and connection with the   
activities of the State, the results of which often impact national politics . The low levels of   
engagement seen around local government and politics reflect s its overall status compared   
with central leaders and decisionmakers. Empowered local government can create a genuine   
sense of efficacy and bring decisions closer to the public , generating more clarity for citizens .15   
This is already visible in considerably higher public awareness levels in with directly elected   
mayors , and public appetite for further devolution revealed by polling.16   
By shifting powers to more localised structures, Whitehall can position citizens to see , feel,   
and contribute to the governance of the places where they live . This approach not only brings   
decision -making closer to the people it affects but also instils a sense of ownership and   
participation in the democratic process. In turn, this heightened sense of involvement and   
visibility could help mend the disconnect between citizens and the State, shoring up trust,   
promoting better outcomes through local transparen cy, and reconnecting a more distributed   
system to the public that it serves .   
   
 1.1.3. A strategic system   
   
The devolution of powers can transform Whitehall into a more agile, future -focused entity,   
enabling it to concentrat e on overarching national concerns such as security, competitiveness,   
and resilience. Where now teams of civil servants must carefully sift the applications of local   
communities and local authorities (whose circumstances they cannot fully understand) for   
crumbs of resource, Whitehall’s attention could be focused on broad strategic priorities ,   
allowing for the particularities of design and implementation to be handled by officers who are   
far better positioned to ensure their successful delivery .   
If central government calls for the prioritisation of, for example, increased employment rates ,   
its current approach would be to develop a centrally -managed, one-size-fits-all employment   
service . A more decentralised system could respond to that call with a diversity of locally   
   
13 Edelman, Edelman Trust Barometer: Global Report , 2023.   
14 Joe Sarling, Community Calling: People Want More Influence (New Local, 2022).   
15 Mariana Prats and Axel Meunier, Political Efficacy and Participation: An Empirical Analysis in   
European Countries (OECD Working Papers on Public Governance No.46, 2021).   
16 Centre for Cities, New Polling Finds the Public Overwhelmingly Back More Devolution to Their   
Cities , 2021.

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 adapted services, in tune with the needs of local jobseekers , businesses and labour markets .17   
This approach could ensure not only a more responsive government but also one that is far   
more effective in realising its objectives .   
   
 1.1.4. An efficient system   
   
The move towards devolution and decentralisation can lead to significant improvements in the   
efficiency of public spending and service delivery. When money is allocated by Treasury, every   
layer of interaction with another ‘layer’ of the government machine creates the potential for   
deeper inefficiency: money intended to improve a certain health outcome must pass through   
DHSC, NHS England, and so on through a large and complex health delivery system. The   
simplicity and clarity of passing on entire budgets – and the autonomy to dispose of them as   
suits local conditions – also holds the promise of far less ‘friction’ of this so rt as resources are   
passed down , directly, to where they will ultimately spent. Such a model will only be possible   
within a much mo re mature and decentralised system of government – until then, devolution   
will always simply produce yet another ‘layer’, with additional admin resource costs.   
Moreover, with a more localised approach, services can be better tailored to meet specific   
local needs and integrated in a way that takes into account the complexity of local assets,   
actors, and opportunities to help ensure greater impact from public expenditure .18 Officials in   
Whitehall are unlikely to realise such ‘economies of context’ , and attempting to do so would   
involve a great deal of resource -intensive activity . They are also often prevented from ‘joining   
up’ their efforts, and so achieving significant efficiencies, by the highly siloed nature of the   
Whitehall system. By devolving more effectively, the place -based integration playing out at   
local and regional scales could in turn help to promote a less siloed Whitehall over time.   
The need for systemic reform of central government – so often set aside or deprioritised in the   
face of pressing policy challenges or crisis response – is becoming harder to ignore. The   
effective decentralisation of power could democratise policy design and delivery, allowing for   
a more participatory, preventative, and locally tailored State. It could also put a stop to   
Whitehall micromanagement, facilitating a new, more focused and strategically capable   
central government machine.   
However, the current model of devolution serves neither objective as well as it should.   
   
   
   
 1.2 Unfinished devolution   
   
This report takes a different approach to both the Whitehall reform and devolution policy   
debates by deliberately bridging them. To achieve a higher performing and more strategic   
system of government , Whitehall must stop doing some things, both to hand responsibility to   
   
17 House of Commons Work and Pensions Committee, Written Evidence from Professor Daniel Finn   
(The future of Jobcentre Plus, 2016).   
18 Grace Pollard, Jessica Studdert, and Luca Tiratelli, Community Power: The Evidence (New Local,   
2021).

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 more local tiers of government that may be better placed to achieve the desired outcomes,   
and to create the space in which central government can excel in the areas where it is the only   
or best actor .   
The current programme of devolution to English local government , for all its ambition, remains   
a narrowly defined project. At its core is a laudable attempt to establish an entirely new regional   
tier of governance for England , something already present in most countries of comparable   
size and complexity. This is sometimes referred to as a ‘meso’ -governance layer; neither the   
home for hyperlocal self -government and local area coordination, nor for the nation -scale   
strategic functions expected of a nation -state. Meso -governance is a consistent feature within   
developed countries.19   
Attempts to bring England in line and create this ‘missing’ tier ha ve been long and complex.   
Regional Development Agencies, Local Enterprise Partnerships, and Elected Regional   
Assemblies have all emerged as models – and have all been rejected or abandoned at some   
stage of their development. The Greater London Authority, established in 2000, has persisted   
– but London ’s model , with its quasi -presidential system, has not been replicated anywhere   
else.   
Instead, a ‘combined authority ’ model emerged from 2009 , where g eographically contiguous   
groups of local authorities can voluntarily come together to establish a regional tier of   
governance. By definition these new systems are varied, the product of specific local   
agreements and deals with central government , wielding a combination of devolved powers   
from th e centre and other s that are ‘drawn up’ from constituent local authorities . Since 2016,   
these combined authorities have been able to add the role of a directly elected mayor , and of   
the ten currently operational combined authorities, nine have now done so . Indeed, devolut ion   
‘deals’ of ever -growing ambition are rolling out in the most ‘mature’ regions where mayors are   
in place.   
However, t his is still devolution by increments, and devolution with gaps. Half of England has   
no governance larger than the scale of a County , and many places still have no plans to   
establish any. Crucially, this means that, even in its most developed form, this is a model of   
devolution which offer s little opportunity to unburden central government officials of the parts   
of departmental activity that involve micromanagement of local activity.   
Even the Greater Manchester and West Midlands ‘trailblazer’ deals often take the form of   
partnerships with different parts of central government ( for example, this is the case across   
research and innovation, business productivity, trade, and data in Manchester ). Such   
partnerships will arguably entail an increase in Whitehall activity, rather than a reduction, as   
specific approaches are co -developed with specific parts of the country even as a department   
retains full responsibility for how things work everywhere else .20   
Meanwhile t he complexity of local government systems at smaller -than-regional scales in   
England persists , and these councils lack both resources and autonomy when compared to   
local systems in other countries . This lack of capacity once again throws responsibility, by   
default, back to Whitehall.   
   
19 Philip McCann, The Fiscal Implications of ‘Levelling Up’ and UK Governance Devolution (National   
Institute of Economic and Social Research, 2022).   
20 HM Government and Greater Manchester Combined Authority, Greater Manchester Combined   
Authority Trailblazer Deeper Devolution Deal , 2023.

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 There is a significant risk, therefore, that while current devolution effort s may establish – at   
least in some places – better local structures, it may not have the effect of freeing central   
government resources to allow the emergence of a more strategic Whitehall. Local matters   
currently preoccupy great swathes of Whitehall’s capacity, a source of frustration for officials   
and politicians both locally and centrally.   
   
 1.3 A note about this report   
   
Informed by interviews with senior civil servants and local government officers, t his report   
intentionally sets out not a comprehensive case for devolution, but a Whitehall -centric case .   
This means developing an approach to devolution that could help to produce a more focused   
central government that is more confident about devolution as a wa y to realise shared   
objectives. This work explores the potential benefits of devolution to central government itself,   
and its role in the creation of a Whitehall system that is more strategic and resilient , freed from   
micro -managing activity best managed elsewhere.   
The next chapter is an investigation of the ways in which English overcentralisation impedes   
central government performance. It also explores the barriers – or gaps – that stand in the   
way of effectively redistributing powers, particularly to the emerging layer of English regional   
authorities.   
The third chapter seeks to help shape future devolution policy by exploring whether the   
objectives , design , resourcing , and accountability of any given policy should sit with central or   
local government , as well as providing the elements of a diagnostic tool to help understand   
the relative ‘maturity’ and readiness of local systems to take these powers on.   
Across its recommendations and outline framework, this report calls for:   
• New governmental and intergovernmental machinery to drive devolution policy beyond   
the current ‘deal -making’ model and tie it indivisibly into efforts to reform Whitehall   
• Movement toward a new Whitehall policymaking norm which continuously asks   
whether any given policy or decisio n should be owned at a regional or local scale of   
government   
• New i ndependent function s to facilitate peer learning across every scale of government   
and track the performance of the whole English system in its efforts to devolve   
In future reports , as part of ‘Reimagining the Local State’, Reform will explore in detail the   
current, complex landscape of local government, develop tools to help decide the most   
appropriate sub-Whitehall tier for ownership of a given policy responsibility, and offer   
proposals for how the distribution of powers should be arranged.

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 2. The centre cannot hold   
   
One consequence of overcentralisation , often ignored , is that it demands that central   
government control and take detailed accountability for the entirety of an extremely complex   
system, rather than ensuring it is closely focused on the functions that only Whitehall can   
manage well. This section explores the effects of Whitehall micromanagement, and the   
barriers within Whitehall that prevent the deeper devolution that might help to end it.   
In short, Whitehall tries to do too much. Among its necessary responsibilities – setting strategic   
direction, handling cross -cutting national projects, facilitating cross -department work, and   
matters of foreign affairs , defence and national security – it often must also manage and   
administer funding streams for specific local projects, and make decisions at every scale of   
public sector activity . The consequences of this can be seen in the absurdity of national   
government issuing guidance about the minutiae of park bench positioning ,21 creating specific   
funds to install chess tables in public spaces ,22 or creating taskforces to tackle the scourge of   
littered chewing gum.23   
   
 2.1 Micromanagement   
   
The Whitehall tendency toward micromanagement is well known . Experts warn that the   
‘top-down ’ norms of central government will make the delivery of signature policies,   
such as levelling up, impossible.24 This is a warning reflected in many realms, such as   
in the work of former prime ministers and national party leaders ;25 select committee   
chairs reporting a system atic lack of “bandwidth” in the machinery of government ;26   
and one former minister who has described Whitehall’s dismissal of local government   
as “bordering on contempt” , making it impossible for the centre to be “doing less, but   
doing it better” :   
“I had this not terribly easy discussion with a colleague who insisted that he had   
to have regular information on how many miles of footpath there were in every   
local authority in the country ...This is micromanagement gone mad. And   
unfortunately those attitudes are still there …I think they've got to change,   
   
21 Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities &   
Local Government, National Design Guide , 2019.   
22 Department for Culture, Media and Sport , ‘Major investment to transform future of English chess   
announced’, UK Government , 2023   
23 Department for Environment, Food and Rural Affairs and George Eustice, ‘New Funding to Remove   
Chewing Gum Stains from Our High Streets’, UK Government (blog), 2022.   
24 Dave Richards et al., ‘Whitehall’s Centralised System Can’t Deliver Boris Johnson’s Promises to   
“Level Up”’, Webpage, The Conversation, 2022.   
25 Jeegar Kakkad et al., ‘A New National Purpose: Innovation Can Power the Future of Britain’, Blog,   
Tony Bliar Institute for Global Change (blog), 2023.   
26 Tobias Ellwood, ‘Britain Must Rediscover the Will to Lead on Global Issues’, The Guardian , 2021.

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 because unless there is a change we're going to see a continuation of central   
government trying to do too much and not doing it always as well as it should .”27   
Even the most powerful leaders of the most mature regional government s in England refer to   
the “micromanagement” of Whitehal l, and the tendency toward “man -marking” or “marking of   
homework” that central civil servants are often tasked with.28 All of this demands resources at   
the centre , as well as imped ing local efforts.   
One local government chief executive argued in an interview for this report that even in areas   
where government cannot directly dictate how money is spent, it will often use bureaucracy to   
effectively exert control – such as requir ing local government to produce a certificate each   
year to affirm that money is being spent in line with a grant’s intention. The burden of form -  
filling to secure a grant also leads to some in local government to decid e that it is preferable   
to not receive the money at all .   
   
Figure 3: How Whitehall’s time disappears into micromanagement – assessing the   
Levelling Up Fund   
   
Using publicly available information, it is possible to get a sense of the administrative   
burden that is created by current, overcentralised Whitehall practices. Take, for example,   
the Government’s flagship Levelling Up Fund. These funds are allocated thro ugh a   
competitive bidding process.   
   
Local authorities have expended significant resources commissioning external advice and   
support for preparing bids for this fund. They have also devoted significant internal staff   
time to it. To take one representative example: one local authority prepared a detailed 65 -  
page document to apply for £20 million of funding from the Levelling Up Fund.29   
   
For the second round of the Levelling Up Fund, 529 bids were submitted.   
   
Government has published its assessment criteria and evaluation approach for these   
bids.30 This is a multi -stage process, involving a gateway eligibility assessment for each   
proposal, and then an assessment and scoring process conducted by Whitehall officials   
from across three different government departments (and, in some cases, involving input   
from officials in all of these departments for a single bid). For English bids, officials took   
into account strategic fit, deliverability, economic case, and the characteristics of the   
places in qu estion – all of which would have required some background research for an   
official without immersed understanding of the contexts in question. A sample of bids was   
also selected for a second scoring moderation process to enhance the fairness of the   
assess ment. A shortlist was then constructed from the highest scoring bids, and submitted   
   
27 Matt Foster, ‘Whitehall Urged to Ditch “Contempt” for Local Government - or Risk Overload’, Blog,   
Civil Service World (blog), 2016.   
28 Ann McGauran, ‘Whitehall Micromanaging Is “Holding Back Economic Progress in West Midlands”’,   
Blog, The MJ (blog), 2023; Michael Taylor, ‘Deep Dive Devolution Deals End Begging Bowl Culture’,   
Blog, TheBusinessDesk (blog), 2023.   
29 UK Government, Levelling Up Fund Application Form: Newcastle City Council, Grainger Town ,   
2021.   
30 Department for Levelling Up, Housing and Communities, Levelling Up Fund Round 2: Explanatory   
Note on the Assessment and Decision -Making Process , 2023, 2.

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 for consideration to several cabinet ministers and their senior officials, including the   
Chancellor, the Secretaries of State for DLUHC and Transport, and representatives from   
DCMS and No. 10. A new process for selecting successful bids from the shortlist was   
developed, taking into account background information about the applying local   
authorities. An equalities analysis for the provisionally selected successful bids was then   
conducted. The whole process took around four months.   
   
A rough calculation provides an estimate of the time involved on the Whitehall side to   
assess the levelling up round two submissions. If we conservatively assume two working   
days of time for a single civil servant to adequately evaluate a single bid with a 60 -page -  
plus application form , and around 500 bids that were fully evaluated after the ‘gateway’   
evaluation, then an estimated 1 ,000 working days was devoted to evaluating the round   
two bids. This would require the effort of at least thirteen full -time st aff working on nothing   
else for four months.   
   
There are at least seventeen other funding pots that are directly associated with the   
levelling up policy agenda, and around a third of all centrally -held local government funds   
are assessed through comparable bidding processes.31   
   
It is notable that, for its third round, no new applications were considered, but strong   
applications from the second round were chosen for funding instead.32   
   
   
These complex and time -consuming practices are layered within a system that is already,   
arguably, overburdened – one where more than a third of civil servants report feeling that their   
workload is unacceptable33 – and therefore poorly positioned to rapidly take on new   
responsibilities in a crisis , or operate strategically to deliver on long -term ambitions. This is   
one of the reasons that the functions that only central government can undertake are at times   
poorly performed.34   
The faltering confidence in national project delivery provides a case -in-point . According to the   
Infrastructure and Projects Authority (IPA) , in 2022 -23 the vast majority of national projects   
(84 per cent) are considered unlikely to be delivered according to budget and time frame . The   
same system that is failing to efficiently operate these major projects is also tasked with   
administrating dozens of local activities and decisions which, in almost any other country,   
would be sitting with a different tier of gov ernment by default .   
In the words of one senior civil servant interviewed for this report:   
“Whitehall needs to spend less time doing stupid things. There are dozens if not   
hundreds of people spending their time assessing grant proposals. It’s not   
interesting, and they don’t know whether what they’re looking at makes sense   
[because they are not local to what is being proposed] – it’s a roulette wheel in   
the process.”   
   
31 Simon Kaye and Patrick King, The Future of Levelling up: Can Investment Zones and Devolution   
Transform Places like East Birmingham? , 2022.   
32 Department for Levelling Up, Housing and Communities, Levelling Up Fund Round 3: Explanatory   
and Methodology Note on the Decision -Making Process , 2023, 3.   
33 Cabinet Office, Civil Service People Survey: 2022 Results , 2023.   
34 Simon Parker et al., Shaping up: A Whitehall for the Future (Institute for Government, 2010).

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 Crucially, w hen major, unpredicted challenges arise, this stretched , centralised system   
struggles to perform. Both B rexit and the pandemic response have, from the perspective of   
civil servants, led to a culture of “firefighting” that has markedly impacted on the Whitehall   
system’s “bandwidth” to get other things done and focus on delivery.35 Famously, then Prime   
Minister Boris Johnson compared the effort to galvanise Whitehall in response to Covid to a   
nightmare where you find you cannot make your feet move.36   
Tellingly, d uring the pandemic, local government’s response efforts were actually impeded   
when central government failed to make use of the local expertise of public health and other   
teams , actively resisted sharing data, and struggled to communicate and coordinate activity   
in a proactive and timely way.37   
Micromanagement is also symptom atic of a Whitehall that lacks direction , suggesting a   
circular relationship – the centre does not have the bandwidth to operate strategically, and   
operates in a prescriptive way as a result, further reducing its bandwidth . In the words of one   
local government chief executive :   
“There is a sense at the moment that there is a higher prescription of how   
councils are working almost because the government has no policy ideas, which   
is why it is getting involved in the delivery of services to give it something to do   
and a meaning. ”   
   
 2.2 Size matters   
   
Calls for a smaller and more strategically focused civil service have become so frequently   
repeated that they are almost cliché d. Most recently, the Government has announced a hiring   
freeze and required departments to develop plans to increase their productivity in order to   
“reduce the size of the state” , with the aim of creating a “leaner and more effective   
workforce”.38   
These attempts to achieve a more streamlined Whitehall are reasonable . The UK has a large   
central civil service – over 7,000 civil servants per million population – compared to most   
countries with more decentralised governance , including Japan, Germany, Australia, and   
Canada.39 Notably, those Whitehall staff numbers have been growing while total staff numbers   
in local government have been in decline – seeing a reduction of around 40 per cent since   
2012 .40 England is one of the few countries with roughly similar numbers of officials working   
in central and local government; outside France, there are very few countries of similar size   
and complexity where local government does not have a substantially greater workforce and   
thus capacity (see Figure 4 ).   
   
35 Amy Gandon, Civil Unrest - A Portrait of the Civil Service through Brexit, the Pandemic, and   
Political Turbulence (Reform, 2023).   
36 Prime Minister’s Office and Rt Hon Boris Johnson MP, PM Economy Speech: 30 June 2020 , 2020.   
37 Richard Machin, ‘UK Local Government Experience of COVID -19 Lockdown: Local Responses to   
Global Challenges’, Local Economy: The Journal of the Local Economy Policy Unit , 2023.   
38 HM Treasury, ‘End to Civil Service Expansion and Review of Equality and Diversity Spending   
Announced in Productivity Drive’, 2023.   
39 Calculated from publicly available demographic data and officially published workforce counts ; see   
fig.4 for sources .   
40 Local Government Association, Local Government Workforce Summary Data , 2023.

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 Figure 4: Proportion of central to non -central government officials (per million   
population) across similarly complex countries41   
   
   
Source s: see footnote   
   
Often m issing from these aspects of the Whitehall reform agenda, however, is the fact that   
smaller civil services are usually made possible in other countries by the existence of more   
developed, capable, and autonomous regional and local government. A purely unitary state   
bureaucracy, where even local decisions are often approved, checked, funded, or held   
accountable by central government officials, will necessarily be larger, and more unfocused   
on the specific, essential competencies that can only be managed centrally.   
Attempting to administer over a multitude of localities is particularly resource -intensive for a   
central government bureaucrat who lacks place -specific expertise and has fewer local   
connections to inform decisions compared to their local government counterpart .   
   
   
   
41 Calculated as officials per million population for each national context based on publicly available   
data, and compared as percentages of the total amount across central and local government . Some   
figures are from different years and are approximate. Sources : ONS, ‘Public sector employment’,   
2023; LGA, ‘Number of local authority employees, full time (head count) in England, 2023; Collectives   
Locales, ‘Local authorities in figures 2023’, 2023; National Institute of Statistics and Economic   
Studies, ‘In 2020, employment increased by 0.6% in the French civil service’, 2021; Federal Statistical   
Office of Germany, ‘Public service personnel: Germany, reference date, area of employment’, 2022;   
Italy; Ministry of Internal Affairs and Communications, 2021; National Personnel Authority, ‘Prof ile of   
National Public Employees in Japan’, 2020; Ministry of Territorial Policy and Public Function, ‘Civil   
Service Statistics’, 2021; Eurostat, ‘Public employment – Spain’, 2010; Australian Public Service   
Commission, ‘Size and shape of the APS’, 2021; Au stralian Bureau of Statistics, ‘Public sector   
employment and earnings’, 2023; Treasury Board of Canada Secretariat, ‘Population of the Federal   
Public Service’, 2023 0%10%20%30%40%50%60%70%80%90%100%  
France England Canada Spain Germany Japan AustraliaProportion of central to non -central officials (per million   
population) across similarly complex countries  
Proportion of officials employed by local and regional government  
Proportion of officials employed by central government

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 2.3 Facing complexity   
   
Whitehall’s instinctive micromanagement is arguably the product of an understandable interest   
in achieving ‘grip’ and working to ensure ‘delivery ’, strongly incentivised by national politicians   
being held to account, by default, for local issues . Paradoxically, it is in this attempt to grasp   
everything that Whitehall finds itself overstretched . For example, as one local government   
chief executive worded it:   
“We’ve got civil servants that are caught in and involved in delivery , when they   
should be shaping the policy and parameters and then thinking about which is   
the best part of our State’s apparatus to make this happen.”   
Whitehall’s habit of getting “caught in” delivery of local services leads to an overworked engine   
that is less capable of delivering on its own priorities. In a complex system, this centralising   
tendency will lead to the system missing crucial information and producing one -size-fits-all   
answers – even when context -specific approaches would be more effective .42 A former civil   
servant ex pressed t his in terms of distorted accountability:   
“The current system for most devolved services is the worst of both worlds …   
central government isn’t accountable for lots of things, but is held responsible   
in practice because local government isn’t powerful. And they don’t get to   
operate them, but they do fund them. It’s the appearance of control instead of   
actual control, and because everyone’s involved nobody’s to blame when things   
go wrong.”   
An approach to policy design and administration that takes complexity seriousl y would also   
mean recognising how difficult it is to predict outcomes from, or directly manage , a system as   
complex as England’s interconnected web of public services.43 This complexity is significant   
even at the scale of neighbourhoods, and magnified enormously for governance over larger   
jurisdictions , producing ‘knowledge problems ’ and other challenges to central government   
officials , and making direct citizen participation in decisions all but impossible.44   
   
Figure 5: Locally tailoring services – employment support   
   
Central government -designed employment support policies in the UK often grapple with   
challenges inherent in complex systems, such as diverse local job markets. For instance, a   
one-size-fits-all, centrally designed approach may not be able to simultaneously address the   
specific needs of a declining industrial town and a tech -centric city. Centralised policies can   
overlook local economic nuances and fail to adapt swiftly to industry -specific shifts in particular   
places , like a rapid growth in green energy jobs based on local market conditions . Additionally,   
the 'knowledge problem' is pronounced: decision -makers in London might lack the crucial   
detail, and have few routes for ‘filling in the gaps’.   
   
42 Nicholas Sowels, ‘A Brief Introduction to Complexity Theory in Managing Public Services’, Revue   
Française de Civilisation Britannique. French Journal of British Studies XXVI, no. 2 (2021).   
43 Melanie Mitchell, Complexity: A Guided Tour (Oxford University Press, 2011).   
44 Friedrich A. Hayek, The Use of Knowledge in Society (Econlib Books, 2018). ; Elinor Ostrom, ‘A   
Communitarian Approach to Local Governance’, National Civic Review , 1993.

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 By contrast, localised initiatives, such as Manchester's devolved approach to skills training,   
may be better scaled to tailor strategies to community needs and quickly respond to local   
market changes . They are also better positioned to integrate their response with other aspects   
of the local system, such as health, and coordinate activities with a variety of partner   
organisations and providers. In the first year after devolution, 51,000 residents acce ssed the   
service, though this uptake rate was affected b y the pandemic.45 Full evaluation of the   
effectiveness of this approach is still in process.   
Governance approaches emerging from complexity science instead emphasise community   
coproduction, small -scale experimentation, and the creation of bespoke, context -tailored   
policies .46 These approaches are difficult to achieve within an overcentralised system.   
   
 2.4 Identifying the barriers   
   
Given the above, to reserve Whitehall’s strategic bandwidth for the matters that it is best   
placed to tackle, a new way of thinking about devolution will be required – one that is willing   
to devolve more of the components of policy development, administration, and accountability   
to local scales of operation.   
Multiple barriers prevent the introduction of more profound devolution in England. These   
barriers might be best understood, on the Whitehall side, in terms of gaps between central   
government’s needs or expectations and what it perceived to be the case ‘on the ground’ in   
local places .   
   
   
45 Greater Manchester Combined Authority, Greater Manchester Adult Education Budget Annual   
Report 2019 -2020 , 2020.   
46 Human Learning Systems, Public Service for the Real World , 2021.

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 Figure 6: Four ‘gaps’ preventin g devolution   
   
   
   
Addressing these gaps will require reforms that counter existing incentives which tend to   
motivate highly centralising behaviours.   
   
   
 2.4.1 Ensuring consistent capacities and capabilities   
   
The goal of streamlining Whitehall ’s focus implies the need for a particular model of devolution:   
one that transfers responsibilities and decision -making powers to local governments in a way   
that actually reduces Whitehall’s role. At present, a relatively ambitious programme of   
devolution is at times producing additional work for central government, which is, as one civil   
servant put it during an interview , a “headache ” for Whitehall : The capacity gap. In many parts of England, local government structures at the regional   
scale are wholly absent and councils are dealing with resource constraints that make the   
prospect of devolution untenable.   
The capability gap. Even when both regional and local authorities are present and have   
sufficient capacity to take on more powers, central government may lack confidence in the   
capability of these local systems to operate effectively.   
The accountability gap. Where sufficient capacity and capability are both present, central   
government often continues to devote significant resources to the oversight of local   
systems. This ‘vertical’ accountability model persists due to the weakness – perceived or   
actual – of functioning, ‘horizontal’, local accountability mechanisms. Central institutions   
have been notably resistant to the idea of direct financial accountability on the part of   
devolved bodies.   
The culture gap. Hardest to define, and shaped in part by the three other gaps set out   
above, is the ‘power -hoarding bias’ present within the dominant culture of the Whitehall   
system.1 While this culture is pervasive, it may be possible to address, to some degree   
through improvements in civil servants’ knowledge. In the words of one senior civil servant   
interviewed for this report, “the culture of civil servants is anti -devolution, not because they   
have thought about it deeply, but because they don’t know what mayoral combined   
authorities are and are very suspicio us of things they don’t know about.”   
Recommendation 1: The success of devolution should be assessed not only by local   
empowerment and improved outcomes but also by a measurable reduction in Whitehall’s   
administrative workload that can be directly attributed to decentralising measures .   
Departments should be tasked to develop, track and publish metrics to this end – for   
example, the hours spent on managing place -specific activities, including the assessment   
of funding bids from local actors, over time . This quantifiable approach will provide clear   
indicators of successful devolution, aiming to shift responsibilities more effectively to local   
government and reduce unnecessary central oversight.

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 “We have to fill the map of England with new institutions that create a consistent   
new tier of governance. New and planned devolution deals will get us to 50 per   
cent of population under combined authorities, but government departments like   
the Department for Work and Pensions are interested in 100 per cent of the   
population, and are not interested in slicing and dicing as a result . … [T]hey are   
very ner vous about how messy it will be.”   
In part, the “headache ” stems from having a country whose subnational government map is   
complicated and messy, and taking a place -based approach means that different policies have   
to be generated to fit different city regions or counties . If policy design, accountability, or   
resource decisions continue to involve central civil servants, then adding a local component   
to deliberations will often complicate matters .   
This represents a challenging inflection point for the current approach to devolution. Central   
government capacity cannot be freed when only some parts of the country are able to take on   
responsibility for a given policy with a ny degree of autonomy ; indeed, the variation between   
places could create more work as central administrators struggle to adapt to shifting local   
contexts . While some part s of England still depend on central government management, the   
relevant capacity will need to exist in Whitehall – and the temptation will be present to   
micromanage and ‘check the homework’ of local government which has already taken on more   
responsibility.   
In the context of devolution deal -making with regional authorities, this continuing overreach   
may take the form of ‘partnerships’ . As noted above , the Greater Manchester Combined   
Authorit y’s (GMCA) ‘trailblazer ’ deal include s six explicit ‘partnerships ’ between local and   
central government actors , such as the Strategic Innovation Partnership, the Strategic   
Productivity Partnership, and the Greater Manchester Strategic Cultural Partnership.47 In   
reality, most of the new powers given to GMCA were invitations to collaborate or feed into   
Whitehall -based policymaking (with the exception of the Single Settlement ). Thus, even the   
‘deep’ devolution deals with GMCA still sustain Whitehall control, and accountability may still   
default to Whitehall in these areas , requiring considerable central government resource.   
   
 2.4.2 Cultural resistance in departments   
   
The incentives created by Whitehall’s accountability processes will often point in the wrong   
direction. While overall responsibility for delivery of some function remains with central   
government departments, or individuals within those departments, there will be little reason   
for the civil service to build local autonomy and decision -makin g. One senior civil servant   
argued:   
“Asking Whitehall colleagues to design many different policies – retrofit policy   
needs to be different in city regions or counties – is a very challenging thing to do   
with policy teams, but that’s the reality of having a place -based approach. …   
Accountability in many senses stick s with the accounting officer and Permanent   
Secretary of a department, which is why we get nowhere ... [it] doesn’t matter how   
   
47 HM Government and Greater Manchester Combined Authority, Greater Manchester Combined   
Authority Trailblazer Deeper Devolution Deal .

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 much we say that the right decisions will be made by local leaders, until we are   
removing accountability from the Permanent Secretary then that’s not true. ”   
   
This culture at times extends to a tendency to avoid decentralisation in order to sustain the   
status quo. As one former senior civil servant with local government experience put it:   
“If you devolved much power and influence so that actual accountability   
happened more at the local level than the national level, then what are all those   
people who are managing and supervising local authorities going to do? They’re   
not incentivised to question it. They have less of an appetite to devolve things   
because then they would have less to do. ”   
Whitehall departments are also dissuaded from devolution because the case for cross -cutting   
activity is often less obvious from within policymaking siloes.   
During the ‘trailblazer’ deal negotiations some parts of the central government machine found   
the case for more powerful and autonomous regional government highly compelling –   
including, to the surprise of some of the negotiators interviewed for this report , the Treasury.   
Objections to deeper devolution were far more common from other government departments,   
such as the larger departments with direct responsibility for public service delivery to the public   
(and therefore with the strongest incentives, under the current system, to seek to directly   
manage the outcomes relevant to their remit). One seni or civil servant explained:   
“It’s a kind of c ollective action problem. If you look at it from a siloed government   
department perspective, it always seems like the wrong decision to devolve. You   
have a specific set of objectives and accountabilities and you want control over   
them . But if your goal is more strategic , like ‘grow the economy’, you know you   
need to think about housing and skills and roads and alignment between all those   
things. At the local level you can look across all the siloes, just as you want to in   
DLUHC or the Treasury, but departments can’t . They will only take the risk if they   
are confident enough that other departments are going to do it. ”   
This perspective was confirmed by one local government chief executive in interview:   
“It is quite often the case that different parts of Whitehall don’t really know what’s   
going on in different departments. We often act as the integrator. We see how   
things actually work and interact on the ground. ”   
It is striking that this potential is harder to recognise from within the specialised, siloed   
perspectives of public service departments. Whitehall’s culture and structure therefore both   
drive a tendency toward micromanagement and create obstacles to prevent the redistribution   
of power which might mitigate it.   
The next chapter elaborates a framework to respond to these gaps, both in terms of deciding   
what should be controlled at smaller scales than central government, and in terms of   
evaluating the ‘maturity’ of local systems.

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 3. A new framework   
   
England needs a revised framework for devolution policy to end its exceptional centralism and   
create conditions for a Whitehall system with the bandwi dth to operate differently and to   
achieve local benefits. The current framework, as set out in the Levelling Up White Paper and   
recently extended with a new ‘tier 4’ based on the powers negotiated by combined authorities   
during the ‘trailblazer’ deals process , has allowed for ambitious steps at the regional scale, but   
it is already clear that this will not be enough to reap the full benefits of devolution.   
A functional devolution framework would address the ‘gaps’ set out in the previous section by   
creating clarity around a new approach to accountability where Whitehall ‘lets go’ and shifts   
the culture away from ‘centre knows best’. The framework would help to enable the rollout of   
regional governance to bring England into parity with comparable developed countries, and   
create procedures to identify and build the capabilities of local government at multiple levels ,   
particularly through peer learning and mutual practice exchange .   
As a first step, one of the explicit objectives of devolution should be that it create s meaningful   
efficiencies for central government, and the evaluation of devolution should include regular   
reviews of the extent to which it has successfully reduced central government activity.   
The elements of the framework proposed in this section are intended to function not only as   
the basis for a diagnostic process within Whitehall to identify the extent to which new and   
existing policy should be devolved, but also as a set of parameters for thinking about the   
maturity of local systems and their readiness for taking on new powers and responsibilities.   
By adding the dimensions of capacity, stability, performance and governance within local   
institutions, the spine of a self -evaluation and continuous improvement process begins to   
emerge. This could build the confidence of Whitehall decision makers to share greater power   
at the same time as support ing the strengthening of local government.   
This effort to build confidence should be just one in a range of measures to change the status   
and institutional ownership of government’s devolution agenda . To enable this, responsibility   
for devolution, and its alignment with other aspects of system modernisation, should be co -  
owned by the Cabinet Office and D LUHC . This approach will foster a more collaborative and   
strategic process in developing devolution policy .   
Most importantly, this will have the effect of bringing devolution policy into the natural home of   
Whitehall reform in central government, ensuring that changes to policy will align with broader   
civil service modernisation goals . The overall intention would be to position the end of   
micromanagement as an essential component of Whitehall’s ongoing reform agenda .   
Ensuring lasting and system -wide alignment around this kind of objective represents a major   
policy challenge , one which Reform will return to in its future research. Establishment of   
effective external accountability, cross -party political buy -in, effective internal reporting –   
perhaps through the harnessing of existing Whitehall mechanisms such as departmental   
Outcome Delivery Plans – and an objective source of independent review/assessment may all   
be required in order to command the confidence of both the government of the day and a   
diverse local government sector. Effective tools could include an independent or Royal

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 commission to reset the policy debate, though this would be less useful over the decades -long   
process that the establishment of a genuinely new framework would demand.   
Creating a broader and higher -priority basis for devolution policymaking within Whiteha ll which   
actively incorporat es perspectives from local leadership would be an important initial step.   
   
   
 3.1 Objectives, approach, resourcing, accountability   
   
The following framework starts from a simplified version of the ‘policy cycle’ concept.   
Governance involves the development of priorities and objectives – often in a way that includes   
democratic mandate -setting or the direct participation of citizens. The next step is policy   
design : the process of identifying and refining an approach that will achieve, or help to achieve,   
the objectives. This in turn creates the need for resourcin g, and the need for systems of   
learning, evaluation, and accountability.   
These elements are principles for devolution – and elements for decision -making about   
devolution.   
Local systems will require capacity and capability across these four aspects of the framework   
– objective setting, approach design, resource management, and accountability systems – in   
order for devolution to genuinely free resources within Whitehall. These are also the key   
considerations that can help determine the correct extent of devolution in a given policy area,   
from Whitehall’s perspective.   
The proposed analytical framework for devolution isn't only a tool for assessing the degree of   
local autonomy. It also offers a way to gauge the maturity of local governance systems. By   
evaluating how a region or locality fares across the four dimensions of this framework, a sense   
emerges of the robustness and resilience of its governance structures – and the areas where   
improvements may be required in order for deeper devolution to take place .   
   
 3.1.1 Local influence over objectives and priority -formulation   
   
The foundation of meaningful devolution lies in local influence over policy objectives and   
priority setting. Where a policy has implications for a locality, that locality should have the   
opportunity to , at minimum , offer input into the high -level decisions that then determine how   
policy will proceed. Recommendation 2: Devolution policy should be under continuous review and jointly   
steered by a new interdepartmental group , primarily composed by representatives from the   
Cabinet Office , the Treasury, and the Department for Levelling Up, Housing and   
Communities (DLUHC) , chaired or attended by relevant ministers from these departments,   
and incorporating members from a group of local government leaders drawn from a variety   
of local authority and combined authorit y officers . Progress on devolution should be made   
an explicit part of the remit for Cabinet Office teams responsible for machinery of   
government and civil service modernisation .

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 Including local actors in the formulation of overarching objectives ensures that policies reflect   
the realities and unique challenges of individual regions and places . This primary step in   
devolution doesn't merely lead to policies that resonate more deeply with the populations they   
affect , it also fosters a critical sense of ownership and commitment. By integrating grassroots   
perspectives into policy direction, there's a stronger alignment between local needs and   
national goals, bridging potential divides between central mandates and regional aspirations.   
It is notable that in England this kind of input is , at present, rarely possible.   
   
Capacity for priority -setting as an indi cator of systemic maturity   
The involvement of local actors in determining policy objectives is the initial indicator of   
maturity. Mature systems acknowledge and harness the value of ground -level insights,   
understanding that local expertise is indispensable for shaping directives tha t are both   
pertinent and sustainable. When local voices are integrated into high -level decision -making   
processes, it denotes a system that is inclusive, responsive, and adaptive.   
In a mature local system : it becomes normal for a regional authority to set out a programme of   
priorities – built from a combination of shared national objectives, elements from the mandates   
of local leaders, and responsiveness to community needs and aspirations – which in some   
ways deviates from or supersedes national policy goals . It becomes unthinkable for core   
national government priorities to be developed in any details without direct input from local   
government in places that will be affected by decisions or required to implement policies.   
   
   
   
 3.1.2 Local control of policy design and approach   
   
In England, this is presently the part of the policy system where local government tends to   
have the most say, with a degree of implementation latitude in a variety of policy areas (subject   
to Whitehall approval and, at times, override) . Ideally, however, such latitude would build upon   
a bedrock of locally influenced objectives.   
This is the crucial layer of local control over policy design and approach. A top -down, one -size-  
fits-all approach is often ill -suited to address the rich tapestry of diverse regional needs and   
circumstances. Empowering local actors – councils in close collaboration with , or fostering the   
leadership of local partner institutions , third sector organisation s, and communities themselves   
– to design and tailor policies can yield a flexible and nuanced approach, better positioned to   
address specific challenges. This level of autonomy not only enhances the effectiveness of   
policies but also enables innovation, as regions experiment with varied approaches to meet   
their unique challenges and learn from each others’ successes and failures .48   
   
   
48 Simon Kaye, Think Big, Act Small: Elinor Ostrom’s Radical Vision for Community Power (New   
Local, 2020). Whitehall benefit: This would remove any need for Whitehall activities being devoted to   
the ‘regionalisation’ of a given central government priority.

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 Capacity for policy design as an indicator of local system maturity   
The autonomy to design and customise policy frameworks represents a higher level of system   
maturity. This suggests that the local governance structure isn't just a passive recipient of   
mandates but actively participates in shaping the trajectory of its reg ion. Mature systems   
exhibit a balance of adhering to national standards while innovating and adapting policies that   
cater to specific local nuances. Local policy design of this sort would not be any less rigorous   
or evidence -based than nationally -led effor ts – indeed, by placing decisions closer to the   
context of implementation, it can be better tuned to local conditions.   
In a mature local system : wherever policy objectives arise from, local government has the   
autonomy to design an approach that is responsive to local context, builds upon local   
partnerships across state, private, third, and community sectors , and makes the most of local   
assets – and it has become normal for these approaches to deviate significantly between   
different places as long as these divergent approaches can be shown to be effective .   
   
   
   
 3.1.3 Local management of resources   
   
While setting objectives and designing policies are foundational, their successful   
implementation hinges on resource allocation and management. When local entities have the   
autonomy to manage their resources, it brings about agility in decision -making and the   
execution of policies. Without the bottleneck of central approval, funding can be more efficiently   
allocated to pressing local needs, ensuring swift responses to emergent challenges.   
This direct control also ensures that funding is linked to regional priorities, ensuring that   
resources are channelled where they're most needed. Localised resources could mean block   
allocation with local autonomy over spending priorities, or fiscal devolution with enhanced   
taxation powers: the defining factor is that central government ceases to hold the purse strings.   
Crucially, this approach to resourcing must spell the end of local systems being driven to debt-  
fuelled financial collapse . This would mean a root -and-branch rethink of local government   
finance to ensure long -term and sustainable funding. Within such a context, a track record of   
sound financial management will be a necessary requirement for devolved control of resources   
(and, ultimately, a greater ability to autonomously manage local taxes ).   
   
Capacity for financial administration as an indicator of local system maturity   
A local system's capability to manage its finances underscores a pivotal aspect of its maturity.   
This suggests a well -established administrative machinery with robust financial management   
protocols in place. A mature system not only allocates resources eff ectively but also has the   
ability to optimise, reallocate, and reprioritise based on evolving local contexts. Whitehall benefit: This would remove any need for Whitehall’s close involvement in the   
selection of policy approaches in particular contexts, and in particular the resource intensive   
issue of tailoring national policy to suit different population needs. Whitehall ‘approval’ would   
no longer be a decisive factor in local plans, further freeing resources.

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 In a mature local system : it becomes more usual for local and regional authorities to directly   
manage block allocated funds , making locally informed decisions about how to allocate   
resources in order to achieve outcomes . An increasing proportion of local tax revenue (such   
as from business rates, council tax , or newly introduced local taxation/shares of nationally   
raised taxation) is locally retained to align incentives and accountability with local governance   
and policymaking.   
   
   
   
 3.1.4 Local accountability systems   
   
The capstone of this framework, and the ‘deepest’ form of possible devolution in the English   
system, is the possibility of developing localised accountability mechanisms that might   
minimise, or remove outright, the need for Whitehall oversight from policy processes.   
The potential advantage of such an approach would be that those responsible for policy   
implementation and design would be directly answerable to the communities they serve.   
Localised accountability could foster stronger engagement between administrators and   
citizens, ensuring that governance remains transparent, feedback loops are shortened, and   
corrective ac tions can be taken swiftly.   
   
Accountability systems as an indicator of local systems maturity   
Localised accountability mechanisms are the hallmark of the most mature systems. These   
systems recognise that their ultimate responsibility lies with the local populace. Mature   
governance ensures transparent operations – clear annual statements of objectives, priorities,   
approaches, and success metrics , all proactively published – and establishes clear feedback   
loops, while constantly striv ing for improvements based on community feedback.   
In a mature system, local leaders and officials are routinely held to account through ‘horizontal’   
and ‘bottom -up’ systems backed up by a thriving local democracy . Regional authorities have   
accountability responsibilities over constituent local authorities , and provide peer oversight and   
audit support for each other .   
   
   
   
A version of this framework, having been fully co -produced by local government, could form   
the basis for a new peer learning function to help bridge the central government confidence   
‘gaps’ detailed in the previous section . This would have the effect of facilitating the   
dissemination of good practice , removing a major barrier against further devolution and   
creating the conditions for a more focused Whitehall. Whitehall benefit: This would remove the need for Whitehall activities such as the design   
and administration of funding pots and the evaluation of competitive bids.   
Whitehall benefit: This would minimise the need for the specific tracking, direct evaluation,   
and peer -monitoring of local systems.

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 This peer learning function should focus on systematically coordinating local government to   
review and share best practices in policy capability, accountability, and resource management ,   
informed by a framework such as the one detailed in this report . Such a system would foster a   
culture of continuous improvement and learning in local government, helping to minimi se   
overreach from Whitehall and encouraging more effective local governance.   
   
   
 3.2 Devolving by default   
   
Just as local government can proactively remove barriers that prevent further devolution and   
decentralisation, central government can adopt new approaches into its policy development   
and evaluation . This should ensure a degree of subsidiarity , so that decisions and   
accountabilities are always situated at the most localised scale compatible with effective   
delivery.   
Figure 7 provides an illustration of a process that a Whitehall decision maker might use to   
challenge systemic assumptions about the appropriate scale of control at different stages of   
policy design and implementation.   
The presumption should be that most locally implemented policy should have its design,   
resourcing, and accountability processes devolved by default unless there are compelling   
reasons not to. This assessment could lead to partial devolution, such as granting more   
decision -making authority or flexible resource allocation to local government, or complete   
devolution in areas where local systems are robust and mature. This ongoing review process   
would ensure that policies are efficiently managed at the most ap propriate governmental level.   
   
 Recommendation 3: Establish a comprehensive peer learning function for continuous   
improvement of local government with the explicit goal of both building systemic readiness   
for greater levels of devolution and bolstering the evaluation of the effectiveness of existing   
devolution . This peer -review capability should build upon existing ‘peer challenge’ and audit   
support work from bodies like the Local Government Association (LGA) , and should be   
supported by an operationally independent Office for Local Government (Oflog) . To ensure   
operational independence , Oflog should be transition ed to an arms -length body .

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 Figure 7: An example decision framework for assessing central policies for devolution   
   
By systematically moving through the tiers of this process, stronger alignment can be created   
so that local actors are not required to design policies for priorities over which they have no   
ownership, are not required to implement ideas without a say on de sign, and are able to take   
accountability over approaches for which they have had more say.   
   
   
A possible end -state for devolution : the example of Germany   
The systemic maturity that would form the basis for deeper devolution does not only lie in   
structures and institutional design: it is an attribute of a whole system, where both central   
and local government are more ‘mature’ in the ways in which they relate to each other. In   
many respects, Germany offers a case study of such maturity , and illustrates the variety of   
institutional structures that can be adopted by highly complex and populous states. Recommendation 4: A standardised framework should be adopted by government   
departments to regularly reassess active and developing policies for their suitability for   
devolution . Ultimate responsibility for the development and adoption of this framework would   
rest with the interdepartmental national/local group detailed in Recommendation 2.

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 Germany’s federal system is often described as ‘unitary federalism’ or ‘quasi -federalism’ due   
to the cooperative relationship between the federal government and the states, the Länder.   
Replicating the German approach in England would require a cultural and constitutional sea-  
change that go far beyond the proposals in this report.   
As a proportion of the population, Germany has fewer central government civil servants than   
England.49 Connectedly, English central government directly controls twice as much of total   
state spending as its counterpart in Germany.50 The German federal cabinet tends to be   
notably smaller than that of the UK Cabinet, mirroring a smaller total number of ministries or   
departments, producing a tighter core decision -making unit at the heart of government.   
German central government does not contain any agencies that undertake general   
administration activities; rather, it is home to specialised agencies, some of which serve   
simultaneously as parts of both the central administration and the regional Länder.51   
Germany takes a bottom -up approach through a principle of subsidiarity; governance   
responsibilities generally go to the lowest level of government and are only passed upwards   
to higher tiers if necessary.52 The main responsibilities reserved for exclusive control by the   
central government are foreign affairs, defence, national citizenship, currency, foreign trade,   
and nationwide transport.53   
Länder are strong, geographically comprehensive, and long -established regional authorities.   
In 2006, a reform programme transferred more exclusive responsibilities to Länder, including   
education, environment protection, prisons, care home regulation, and p ay for public servants.   
This facilitated not total autonomy at the regional scale, but flexible cooperation between   
different tiers of government. Ten of the sixteen Länder, for example, worked with the federal   
government to draft new laws for prisons, wit h only the largest Länder taking full advantage of   
their new autonomy.54 This combination of close cooperation and regional autonomy was   
sustained through the COVID -19 pandemic, where the Länder’s responsibility for emergency   
management put them at the forefront of the state response.55   
The legislative body, the Bundesrat, is composed of representatives from the Lander   
governments, proportionate to the population size and the political composition of each Lander   
government. Through the Bundesrat, any laws that affect Länder interests can be rejected   
outright.56 This ensures a system of checks and balances, enabling Länder to participate in   
nationwide political objectives.   
   
49 Federal Ministry of the Interior, The Federal Public Service: An Attractive and Modern Employer ,   
2014.   
50 Effective Governance Forum, 2023.   
51 Arthur B. Gunlicks, The Länder and German Federalism (Manchester University Press, 2003).   
52 Kevin Muldoon -Smith et al., A System Wide Perspective of Local Government Finance in Germany   
(LGiU, 2023).   
53 Gunlicks, The Länder and German Federalism .   
54 Ed Turner and Carolyn Rowe, A Race to the Top, Middle or Bottom? The Consequences of   
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55 Katharina Kuhn and Irene Morlino, ‘Decentralisation in Times of Crisis: Asset Or Liability? The Case   
of Germany and Italy During Covid -19’, Swiss Political Science Review 28, no. 1 (2022).   
56 Gunlicks, The Länder and German Federalism .

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 But this also comes with clear trade -offs within the system . Länder’s effective veto power can   
lead to stalemates.57 Public and political appetite for a nuanced multi -tier system, with explicit   
commitment to trading -off central control against regional autonomy, is a hard-to-replicate   
feature of systems with a well -established ‘meso’ tier of governance . However, the very   
existence of this possible end -state demonstrates that a more decentralised approach is   
viable.   
The cultural norm of consensus -building at the heart of government means there is little central   
government appetite or incentive for direct control of all policy levers, particularly region -  
specific challenges. Instead, there is an expectation that regions will tend to take different   
approaches even to shared objectives, which makes devolved responsibility uncontroversial   
and frees central government capacity of the need to universalise citizens’ experience of pu blic   
services. Germany’s robust approach to fiscal equalisation between regions also ensures   
confidence that regional authorities taking alternative approaches will not lead to significant   
differences in living conditions.58   
   
 3.3 Dimensions of maturity   
   
For this framework to become the basis for a new way of understanding the maturity of local   
systems – and therefore overcome the ‘ga ps’ that prevent Whitehall from devolving power in   
more effective ways – a more granular way of thinking about the different dimensions of   
systemic maturity is required.   
In Figure 9 below, the domains of objective s, approaches, resource control, and accountability   
are each broken down into four dimensions of maturity . Indicators of local system maturity are   
developed where these intersect.   
   
Capacity   
‘Capacity ’ incorporates the structural and human resource abilities of a local governance   
system to design, implement, and manage policies effectively – in terms of the ‘gaps’ discussed   
in section 3, capacity here incorporates the idea of capability . It addresses both the functional   
capabilities and the representation of diverse perspectives in decision -making.   
   
   
57 Bundesrat, ‘A Constitutional Body within a Federal System’, 2023.   
58 Gunlicks, The Länder and German Federalism .

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Performance   
Performance assesses the efficacy of the governance system in delivering its promises and   
its adaptability to evolving context . A high -performing system is both results -driven and flexible.   
   
   
   
   
 Capacity system maturity indicators include:   
Technical and administrative capacity: The foundational abilities of the system to execute   
and manage policies, considering expertise, infrastructure, and procedural efficiencies.   
Inclusivity: Ensuring decision -making incorporates diverse perspectives, enhancing policy   
robustness by representing varied needs and challenges.   
Sustained experience: Churn and staff turnover are minimised to ensure continuity and   
steadily growing experience, as well as longer -term relationships with strategic and   
community partners.   
   
Performance system maturity indicators include :   
Agility : The ability to quickly respond and adapt to new challenges .   
Integration : Coordinated and cohesive interactions between different governance levels   
and sectors, promoting policy consistency and resource optimisation.   
Outcomes focus: Systems are not narrowly focused on measurable outputs but focus on   
the achievement of objectives and wider outcomes indicators to demonstrate good   
performance.   
Evidence driven: The best available evidence is used to inform decisions and judgements   
about policy, over and above other considerations – which means that efforts are also   
made to accumulate and make use of such evidence.

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 Figure 9: The proposed framework

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 Governance   
Governance underscores the ethics, transparency, and quality of decision -making processes.   
It ensures that power is exercised responsibly, with avenues for public engagement and   
scrutiny.   
   
   
   
Culture   
Stability reflects the resilience and continuity of local governance. A stable governance system   
maintains its functionality amid challenges, anchored by a constructive political culture and   
resistant to excessive volatility.   
   
 Governance system maturity indicators include:   
Transparency : Openness in decision -making, ensuring processes are understandable and   
accessible to stakeholders.   
Accountability : Mechanisms making decision makers answerable, ensuring that actions   
align with responsibilities.   
Feedback and redressal mechanisms : Platforms for various system participants to voice   
concerns, provide input, or seek redress for grievances – dispute resolution is effectively   
managed in a way that local people generally approve.   
Participation : Ensuring that stakeholders, especially citizens, have opportunities to   
influence and engage in governance processes.   
Cultural system maturity indicators include:   
   
Political culture : The shared values and behavio urs characterising local political   
processes, such as trust in institutions and civic participation.   
   
Constructive disagreement: Divisions – within or between political parties in governing   
positions – are not so profound as to preclude joint working or consensus -seeking around   
some local issues.   
   
Resilience : The system's capability to withstand shocks and disturbances, from economic   
downturns to political upheavals.   
   
Institutional continuity : Ensures effective and trusted functioning of governance institutions   
over time, regardless of transient political dynamics.   
   
Long -termism: Plans and funding decisions are – wherever possible – arranged with   
longer time horizons to allow for greater strategic purpose within the locality.   
   
Experimental: The system uses innovative approaches, runs pilots and evaluates them   
effectively, and is able to ‘fail well’ – stopping fast and learning from what doesn’t work.

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 In 2023, DLUHC published guidance on the scrutiny protocol for local areas that are the   
recipients of devolution deals.59 Missing from this guidance is a developed sense of the   
substantive aspects of systemic maturity that should form the basis for the more ambitious   
devolution which could allow central government to free resources for more strategic ends.   
Incorporating a range of indicators around particular aspects of local system capability could   
begin to fill in this gap.   
To complement the evolving landscape of regional authority devolution, the new local   
government scrutiny protocol guidance should incorporate a dynamic framework like the one   
outlined above in this report, which explicitly identifies the barriers against further devolution   
on Whitehall’s part and addresses them with – at this point broad – indicators of systemic   
maturity . Such an approach should be adaptable, allowing for the scale of devolution to match   
the readiness and capabilities of local system s. This approach would incentivi se the   
development of local governance capacity, ensuring that devolution aligns with local abilities   
and aspirations.   
   
   
   
   
   
   
   
59 Department for Levelling Up, Housing and Communities, Scrutiny Protocol , 2023. Recommendation 5: A new local empowerment function should be incubated by DLUHC ,   
in close collaboration with existing local government networks , with the aim to create   
processes that will replace devolution by deal-making .   
This local empowerment body should be specifically tasked with reviewing local systems   
wholescale and advising both central and local government about each system’s readiness   
for further devolution . Its recommendations should trigger a rapid response from relevant   
central and local decision -makers . Its reports should be designed to help develop and share   
areas of good practice within each local system , and transparently published to foster   
cross -sector learning.   
It should also be home to a check -in review function to respond to instances of local system   
failure and invitations from local leaders who believe their system is ready for further   
devolution .

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 Conclusion   
   
This report has argue d that the advancement of devolution is not merely an exercise in   
decentralisation, but a n overlooked aspect of any effort to reform the Whitehall system itself.   
The current overcentralised model is a bottleneck, hindering the potential for both strategic   
national governance and locally tailored policymaking.   
A more distributed governance model, made possible by the development of a coherent tier   
of regional authorities, has the potential to transform Whitehall from would -be omnipresent   
administrator into a strategic and focused overseer. This shift would allow Whitehall to focus   
on broad national priorities, delegating more specific, localised responsibilities to local   
government, which is so much more likely to be able to address unique community needs .   
The recommendations in this paper emphasise the necessity of rethinking policy design,   
evaluation, and implementation – establishing new frameworks to inform a new era for   
devolution in England . More broadly, and beyond such recommendations, a significant shift in   
the distribution of power within England would require central government to behave quite   
differently , adopting the role of a convenor, facilitator, and source of challenge to a confident   
new local government sector .   
Ultimately, the report sets out a path for a different Whitehall system , one less burdened by   
micromanagement and more focused on its core strategic roles. In this future, devolution   
emerges as a key catalyst for creating a more dynamic, efficient, and effective governance   
framework across England . The detail of this framework, and the varied local government and   
community systems within it, will be the subject of future Reform research.

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REFORM   
CLOSE ENOUGH TO CARE   
   
 March 2024 Rosie Beacon   
   
 A new structure for the English health and   
care system

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 2 ABOUT REFORM   
   
Reform is established as the leading Westminster think tank for public service reform. We   
believe that the State has a fundamental role to play in enabling individuals, families and   
communities to thrive. But our vision is one in which the State delivers only the services that   
it is best placed to deliver , within sound public finances, and that both decision -making and   
delivery is devolved to the most appropriate level. We are committed to driving systemic   
change that will deliver better outcomes for all.   
      
We are determinedly independent and strictly non -party in our approach. This is reflected in   
our cross -party Advisory Board and our events programme which seeks to convene   
likeminded reformers from across the political spectrum.      
    
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ABOUT REIMAGINING THE STATE   
   
After a decade of disruption, the country faces a moment of national reflection . For too long,   
Britain has been papering over the cracks in an outdated social and economic model, but   
while this may bring temporary respite, it doesn’t fix the foundations. In 1942 Beveridge   
stated: “a revolutionary moment in the world’s history is a time for revolutions, not for   
patching.” 80 years on, and in the wake of a devastating national crisis , that statement once   
again rings true. Now is the time to fix Britain’s foundations.   
   
Reform’s new programme, Reimagining the State , will p ut forward a bold new vision for the   
role and shape of the State . One that can create the conditions for strong, confident   
communities, dynamic, innovative markets, and transformative , sustainable public services.   
   
Reimagining Health is one of the major work streams within this programme.

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 3 ABOUT REIMAGINING HEALTH   
   
This paper is part of the Reimagining Health work stream. While the National Health Service   
was once visionary, as demand rises and outcomes deteriorate, a fundamental rethink is   
needed. The current model no longer works for patients, who too often struggle to access   
high-quality timely care; for medical staff, who feel disempowered, stressed, and burnt out;   
or for taxpayers, who foot an increasing bill for a service which is struggling to cope. In short,   
the structures and institutions designed to meet the challenges of the post -war world are not   
equipped to deal with our current and future health challenges.   
   
'Reimagining Health' seeks to explore how to transform England’s approach to health. It will   
consider how to move from a treatment -oriented model to one geared towards health   
creation, the changes necessary in healthcare to facilitate this, and how to build a fair and   
sustainable approach to funding . This paper is the first of several that seeks to   
fundamentally redesign the health and care system .   
   
Reimagining Health Council   
   
Reform is grateful to the expert members of the Reimagining Health Council who provide   
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 6 Recommendation 1: The Government should commit to phasing out NHS England as   
quickly as possible. The Department of Health and Social Care should take on NHS   
England’s remaining specialised commissioning functions, as well as responsibilities for   
setting core service entit lements, monitoring high level outcomes, determining resource   
allocation, and providing high level strategic support.   
   
Recommendation 2: As devolution deals mature, t he Government should commit to   
devolving all but a few specialist NHS services to an appropriate tier of local government.   
This should be achieved via a block grant lasting a minimum of five years. Local   
government should be free to decide their service mode l and how they wish to spend the   
grant, based on local needs, providing they meet a minimum service level set by the   
Department for Health and Social Care. Recommendations

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 7 1. Introduction   
In Reimagining Health: a framing paper , Reform set out the case for a radical new approach   
to health. Reform argued that institutions designed for the post -war era – centred on the   
provision of acute, episodic treatment – are ill-equipped to deal with the challenges of an   
ageing and multimorbid population. Such a one -size-fits-all model of health remains unsuited   
to the diverse and complex needs of England’s communities, and multiple restructures of the   
healthcare system have failed to shift the dial on health outcomes.   
   
To survive the challenges of the modern age, there is broad consensus that the health   
system must transition from a sickness service to a health creating service. The demand on   
the NHS must be reduced and diverted, not simply managed.   
   
Figure 1 contrasts our current approach to health with Reform ’s vision for a reimagined   
system.   
   
Figure 1: Reform ’s vision for a reimagined health system   
   
Source: Reform , Reimagining Health: a framing paper , 2022.   
   
There are many obstacles that undermine this transition – political will, financial capital, and   
the dominance of acute providers, among others – but structural incoherence in our health   
system sits at the heart of these. Services which treat illness are largely provided by the

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 8 NHS while those which boost health are largely provided by local government. This   
operational division affects both patients’ experience of care and impedes the ability of   
decision makers to develop services suited to the needs of an ageing, multimorbid   
population.   
   
The future of healthcare relies on health creating services and evidence indicates these are   
best situated at a local level. Despite numerous reforms in recent years to devolve and   
localise healthcare, it remains unusually centralised. That is because, whi le the conception   
of many of these reforms over the years is sound, the result is a system of delegation not   
devolution. So long as the centre is accountable for health outcomes, local systems are   
driven by meeting extensive centrally driven targets. These policies are not only divorced   
from health creation but also the distinct needs of demographically diverse communities.   
   
In this paper, Reform proposes a model that radically shifts the centre of gravity in the health   
system to local decision makers in a way that has not been achieved by Integrated Care   
Systems (ICSs). Crucially, the paper addresses who should be empowered, and the   
incentives th at are needed within the system in order to finally shift to a model that is   
preventative by default.   
   
The logic of devolution is that smaller entities , properly structured, are more agile and   
accountable than larger ones . Progress already made in health devolution and place -based   
policy delivery demonstrates that it can improve outcomes at a reduced cost, improve   
integration between different services and increase innovation.1 Indeed, by devolving   
healthcare, England would be catching up with many international comparators who have   
long accepted this logic, and are achieving better outcomes.2   
   
This paper investigates the structural obstacles that will need to be overcome. It sets out an   
alternative vision designed to align incentives in the system to prioritise health creation, re -  
orient healthcare to focus on primary and community services, improve healthcare   
outcomes, and help achieve long -run fiscal sustainability.   
   
It begins by describing the current structure of health and care provision in England, some   
core pathologies which afflict it, and past policy efforts to address them. It then sets out a   
case for change focused on developing a more devolved model of health and care,   
alongside an alternative approach to structuring our system to achieve the aims set out in   
Reimagining Health: a framing paper.   
   
While structural reform is essential, it is nonetheless one constituent part of a wider   
programme of reform. This paper is one of many in the Reimagining Health workstream that   
will fundamentally rethink how to deliver health and care to meet the needs of modern   
society, as the NHS faces the most critical turning point since its inception.   
   
1 Chris Naylor and Dan Wellings, A Citizen -Led Approach to Health and Care: Lessons from the   
Wigan Deal (The King’s Fund, 2019).   
2 Sebastian Rees, Patrick King, and Hashmath Hassan, Looking Outward: International Lessons for   
Health System Reform (Reform, 2023).

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 9 2. Where are we now and how did we get   
here?   
In order to describe the pathologies that face the English health system, it is important to   
briefly describe how the system is currently structured. This is not straightforward – decades   
of reorganisation and reform have left the English system with a com plicated structural   
inheritance.   
   
Though responsibility for health reaches far beyond the health and care system – and the   
recommendations put forward reflect that – this paper considers healthcare (largely the   
NHS), the public health system, and adult social care to be the three core components of   
England’s health system.   
   
2.1 The structure of England’s health system   
   
Understanding structure includes accountability and funding flows. Figure 2 provides a   
stylised structure of the system as a whole, but the sections below give a more   
comprehensive account of the structure of healthcare, social care and public health in   
England.   
   
Figure 2: Stylised structure of England’s health and care system   
Source: Department of Health and Social Care, Annual Reports and Accounts, 2021 -2, 2023.   
   
Funding   
Accountability

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 10 2.1.1 The role of the centre   
   
The departments   
   
Ultimate responsibility for England’s health and care system lies with the Secretary of State   
(SoS) for Health and Social Care, who heads up the Department of Health and Social Care   
(DHSC). The SoS, through DHSC , is responsible for overall policy for health, social care and   
public health.3   
   
The Department is supported in its oversight role by several enabling agencies and arm’s   
length bodies which shape national health and care policy. Figure 4 provides descriptions of   
a number of central bodies which help shape England’s approach to health a nd care.   
   
Figure 3: Selected central bodies   
   
   
Source: Department of Health and Social Care, Annual Reports and Accounts, 2021 -2, 2023.   
   
Alongside overseeing healthcare services, the Department is also responsible for public   
health and health protection policy. Two bodies oversee these functions in central   
government (following the disbanding of Public Health England in 2020).4 The UK Health   
Security Agency (UKHSA), an executive agency, is responsible for protecting the UK against   
health threats and infectious diseases.5   
   
3 National Audit Office, Departmental Overview 2020 -21: Department of Health and Social Care ,   
2022.   
4 Tom Powell, The Structure of the NHS in England (House of Commons Library, 2023).   
5 Niamh Foley, Bukky Balogun, and Thomas Powell, Office for Health Improvement and Disparities   
and Health Inequalities (House of Commons Library, 2022).

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 11 The Office for Health Improvement and Disparities (OHID) sits within the DHSC and is   
primarily responsible for improving population health and closing health inequalities. Its role   
includes, for example, work on obesity and nutrition, mental health, physic al activity, tobacco   
and alcohol. OHID is responsible for cross -government working to address the wider   
determinants of health as well as developing England’s specialist public health workforce,   
carrying out health surveillance (for instance, through its l ocal area health profiles and   
oversight of the national cancer surveillance service), and overseeing the coverage of the   
public health grant (see below).   
   
Responsibility for adult social care in central government is split between the DHSC and the   
Department for Levelling Up, Housing and Communities (DLUHC). The DHSC is responsible   
for adult social care policy, including improving integration between health and social care,   
supporting workforce development and monitoring and evaluating performance. Financial   
responsibility sits with DLUHC, which allocates resources and audits local authority spending   
on adult social care services.   
   
This audit includes expenditure from core grant funding (the Social Care Grant) and revenue   
raised by local authorities (for example, the adult social care precept).6 If local authorities fail   
to deliver services or cannot do so in a financially sustainable way, the Secretary of State for   
Levelling Up, Housing and Communities can intervene and run local services directly.   
   
NHS England   
   
Though the DHSC sets the NHS’s Mandate (see below), day -to-day management of the   
health service sits with NHS England (NHSE), an arm ’s-length body. The vast majority of the   
Department’s budget ( 86 per cent in 202 3-24) is passed on directly to NHSE.7 NHSE is   
responsible for commissioning some specialised health services, immunisation and   
screening programmes, and health services for those in secure settings. However, NHS   
England largely undertakes a performance management and agenda setting role for t he   
system. This involves both managing overall healthcare expenditure, establishing, and   
holding Integrated Care Boards to account, and setting priorities and providing operational   
guidance to systems and providers.   
   
Though NHSE was originally intended to be a commissioning and operational oversight   
body,8 it has increasingly taken on a policy function of its own, developing plans for health   
service reform in the Five Year Forward View (2014) and the Long Term Plan (2019).   
   
In recent years, the remit of NHSE has expanded significantly. In July 2022, NHSE took on   
NHS Improvement’s role of monitoring and managing provider performance in the NHS. In   
   
6 Jonathan Holmes, ‘Where Does the Buck Stop? Understanding Accountabilities and Structures in   
the National Health and Care System in England’, The King’s Fund , 18 August 2022.   
7 Stephen Rocks et al., Health Care Funding (Health Foundation, 2024).   
8 Nicholas Timmins, ‘The World’s Biggest Quango’: The First Five Years of NHS England (The King’s   
Fund and Institute for Government, 2018).

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 12 February 2023, Health Education England and NHS Digital, responsible for workforce   
development and data/technology respectively, also merged into NHS England.9   
   
NHS England is accountable to the Secretary of State for Health and Social Care and the   
DHSC for meeting its legal duties and fulfilling its mandate – accountability runs from   
NHSE’s accountable officer (Chief Executive) to the Department’s permanent secre tary.   
NHSE’s mandate is published and updated by the Secretary of State and sets out the   
objectives that the NHS is expected to deliver. This usually occurs annually, but under the   
terms of the 2022 Health and Care Act, the only requirement is that a manda te is always in   
place.10   
   
2.1.2 Regions and systems   
   
The regional level   
   
Though considerable power sits centrally, both England’s healthcare and public health   
systems have a regional tier.   
   
NHS England has seven regional offices which have day -to-day oversight of Integrated Care   
Boards. They agree objectives with ICBs, hold them to account, support their development   
and intervene where necessary.11   
   
OHID regional directors are members of NHS England’s regional teams and therefore play a   
core assurance role in monitoring how the Public Health Grant is being spent by local   
authorities.   
   
UKHSA has nine regional teams which provide support and expert advice to local authority   
DPHs and their teams on routine and acute health protection issues including outbreaks of   
communicable diseases, threats to health from environmental hazards and chemical,   
biological, radiological and nuclear threats and incidents.12   
   
The ‘system’ level   
   
Below the regions sit England’s 42 Integrated Care Systems, bodies which bring together   
health and care organisations to plan services within their geographical area. ICSs vary in   
their size and structure – for instance in the number of upper tier local au thorities within their   
   
9 NHS England, NHS Oversight Framework , 2022.   
10 Healthcare Financial Management Association, Introductory Guide to NHS Finance , 2023.   
11 NHS England, Operating Framework for NHS England , 2022.   
12 UK Health Security Agency, Contacts: UKHSA Pan -Regional Local Health Protection Services ,   
2021.

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 13 area and their overall population size (500,000 in Shropshire to 3.5 million in the North East   
and North Cumbria).13   
   
ICSs are made up of two statutory bodies – the Integrated Care Board (ICBs) and the   
Integrated Care Partnership (ICP) .   
   
NHS England passes most of its commissioning resources (£107.8 billion in 2022 -23) to   
ICBs who are responsible for the day -to-day running of NHS services within the NHS.14 ICSs   
have taken on the assets, liabilities and commissioning functions which previously sat with   
clinical commissioning groups (CCGs).   
   
The Health and Care Act (2022) and NHS England guidance set out minimum requirements   
for ICB membership.15 Each ICB must have a chair, chief executive, finance director,   
medical director, and nursing director, two non -executive members, and at least three   
‘partner’ members nominated by NHS trusts, primary medical services and local authorities   
in each area.16 At least one member of the board must have expertise in mental health   
services.17   
   
Beyond these statutory requirements, guidance on ICB membership is permissive. ICBs can   
choose to add additional roles reflecting local preference – for instance some areas include   
members of local Healthwatch or Directors of Public Health, on their boards.   
   
Integrated Care Partnerships (ICPs) bring together other representatives from the NHS, local   
government, and the VCSE and independent sector to develop an integrated care strategy.   
This strategy sets out how the assessed needs of the ICS area should be met by the   
functions of the ICB.18 The ICP draws on Joint Strategic Needs Assessments (prepared by   
local health and wellbeing boards) to inform the integrated care strategy.19 In turn, ICBs are   
required to use the integrated care strategy to prepare a five -year joint forward plan with   
trusts and local authorities in their area.20   
   
   
   
   
   
13 Phoebe Dunn et al., Integrated Care Systems: What Do They Look Like? (The Health Foundation,   
2022).   
14 Powell, The Structure of the NHS in England .   
15 NHS England, Guidance to Clinical Commissioning Groups on Preparing Integrated Care Board   
Constitutions , 2022.   
16 NHS England.   
17 Ibid.   
18 Department of Health and Social Care, Guidance on the Preparation of Integrated Care Strategies ,   
2022.   
19 Department of Health and Social Care.   
20 Department of Health and Social Care.

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 14 2.1.3 The local level   
   
Place -based NHS partnerships   
   
Beneath the bodies statutorily responsible for planning and commissioning health services   
(NHS England and Integrated Care Systems), ‘place -based partnerships’ are intended to join   
up services at a local level. These tend to match the areas covered by upper -tier or un itary   
local authorities. There are currently 175 place -based partnerships in England, covering   
populations of around 250,000 - 500,000.21   
   
Although the Health and Care Act (2022) does not require ICSs to create place -based   
partnerships, 39 of 42 ICSs in England contain them and there is an expectation that ICBs   
delegate some of their budgets and responsibilities to this level (though, again, there is no   
formal requirement for them to do so).22   
   
The role of place -based partnerships varies between ICSs – in some instances, most   
decision -making occurs at the place level and the ICS only makes decisions where planning   
for a larger population would lead to better outcomes. In West Yorkshire and Harrogate, for   
instance, the ICS has adopted a maximum delegation approach in which almost all of its £5   
billion budget is being put under the control of five place committees, covering the same   
footprints as the CCGs responsible for local budgets.23 In some Integrated Care Systems,   
efforts have been made to empower local authority leaders in decision -making. For instance,   
in Greater Manchester most of the constituent local authority chief executives also serve as   
Integrated Care System place -based leads.   
   
Alongside these partnerships, providers of NHS services are also increasingly working   
together in alliances. ‘Provider collaboratives’ bring together NHS trusts to work at scale to   
deliver services, reduce variation in performance, and improve access. Prim ary Care   
Networks (PCN), groups of GP practices, work together with community, mental health,   
social care, pharmacy, hospital and voluntary services in their areas. There are around   
1,250 PCNs covering populations of between 30,000 - 50,000.24   
   
Though moves to delegate responsibility to this more local tier mark a welcome shift in   
direction, these partnerships remain non -statutory. Integrated Care Boards remain   
accountable to NHS England for any resources they delegate downwards. This clearly   
places limitations on how flexible local budgets can be to local needs, at risk of divergence   
from central requirements or targets.   
   
   
21 Beccy Baird and Jake Beech, ‘Primary Care Networks Explained’, The King’s Fund , 20 November   
2020.   
22 Chris Naylor and Anna Charles, ‘Place -Based Partnerships Explained’, The King’s Fund , 3   
November 2022.   
23 Naylor and Charles.   
24 Baird and Beech, ‘Primary Care Networks Explained’.

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 15 Public health and social care   
   
For public health and social care, local authorities are both responsible and accountable for   
service provision.   
   
The commissioning and delivery of most public health functions sit with upper -tier local   
authorities. Local authorities are responsible for commissioning some sexual health services,   
public mental health services, physical activity, obesity services, drug and alcohol misuse   
services and nutrition programmes. These statutory duties are overseen by local Directors of   
Public Health (DsPH) who are chief officers in their local authority and principal advisers on   
all health matters to elected members and officer s.   
   
DsPH have a range of statutory responsibilities for health improvement, health protection,   
and public healthcare (e.g., commissioned sexual health, drug and alcohol services). They   
also perform a number of non -statutory duties, such as health visiting and school nursing,   
children’s weight management and oral health and sit on independent safeguarding   
boards.25   
   
Most of the funding for public health services comes through the ring -fenced public health   
grant, via the Department of Health and Social Care (currently set at £3.529 billion).26   
Alongside the core public health grant, authorities have been provided with specific time -  
limited funding for certain public health services – for instance, £780 million has been   
granted to local authorities over the next three years to improve drug serv ices in response to   
Dame Carol Black’s review.27   
   
Social care commissioning and delivery is also the responsibility of upper -tier local   
authorities (county councils, unitary authorities, London boroughs, and metropolitan   
districts). Local authorities are responsible for assessing people’s needs and, if in dividuals   
are eligible, funding their care. Some local authorities also help organise care services for   
self-funding individuals who need assistance to do so.   
   
Mechanisms for local accountability are stronger in social care than in the NHS. While the   
NHS is accountable to the public via NHS England, the Secretary of State, and ultimately   
Parliament, local authorities are directly accountable to the populations th ey serve in the   
case of adult social care.   
   
New powers of intervention were introduced through the Health and Care Act 2022 enabling   
the Secretary of State to intervene when they are satisfied that local authorities have failed   
to discharge the functions outlined in the Care Act 2014. However, these are governed by   
strict guidance and are only “ likely to be used in the most serious cases – for example,   
   
25 Department of Health and Social Care, Directors of Public Health in Local Government: Roles,   
Responsibilities and Context , 2023.   
26 Department of Health and Social Care, Public Health Grants to Local Authorities: 2023 to 2024 ,   
2023.   
27 House of Commons Public Accounts Committee, Alcohol Treatment Services , 2023.

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 16 where a serious and persistent risk to people’s safety has been identified, and other forms of   
support are insufficient to drive improvement.”28   
   
2.2 Structural pathologies in the health system   
   
Based on the above, non -exhaustive, examination of the structure of England’s health   
system, it is possible to discern its two key pathologies: a high degree of centralism and   
fragmentation between health creating and sickness services. These two features are   
closely linked – a top -down approach, particularly in the healthcare system, serves as a key   
barrier to driving the local flexibility necessary to truly integrate commissioning and delivery .   
   
2.2.1 Centralism   
   
While responsibilities for public health and social care sit locally, England’s healthcare   
system remains deeply centralised. As Nigel Edwards, the former Chief Executive of the   
Nuffield Trust notes, it is in its degree of centralism that the NHS differs most markedly from   
comparable systems: “what is different about the NHS in England is that none of these   
systems attempt to run a single NHS for such a lar ge population” .29 Figure 4 presents a   
matrix of functions which are centralised in the NHS.   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
28 Department of Health and Social Care, Operational Framework for Adult Social Care Intervention in   
Local Authorities , 2023.   
29 Nigel Edwards, Myth #2: ‘The NHS is a “sacred cow” that evades reform, and its exceptionalism is   
its weakness’ (Nuffield Trust, 2022).

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 17 Figure 4: Centralism matrix   
   
   
   
In many ways, centralism is encoded in the DNA of England’s healthcare system. Despite   
contestation in the years leading up to its formation over the balance between centralised   
and localised control, the NHS was conceived as a centrally controlled and financed system,   
geared to offer a consistent and standardised service across the country.30 This ambition for   
the health system is neatly encapsulated in the words of its founder Aneurin Bevan, who   
(perhaps apocryphally) announced that “if a bedpan is dropped in a hospital corridor in   
Tredegar, its reverberation should be heard around the Palace of Westminster”.31   
   
In the NHS’s early decades, this centralising ambition proved difficult to realise. While   
governments were able to control total spend, with little meaningful data on the performance   
   
30 Socialist Health Association, ‘Aneurin Bevan’s Speech on the Second Reading of the NHS Bill’, 30   
April 1946.   
31 Timmins, ‘The World’s Biggest Quango’: The First Five Years of NHS England .

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 18 of providers and a recognition that Whitehall lacked the capability to centrally manage the   
system, responsibility for day -to-day management largely rested with regional hospital   
boards.32   
   
However, from the 1970s onwards, top -down approaches to system management became   
more feasible and politically attractive. The rise of information technology and a significant   
increase in the amount of data available on system performance in real -time enco uraged   
both more proactive steering from the centre and attracted more intense media scrutiny on   
performance. Drives to strengthen oversight through target setting, performance   
improvement regimes and national regulation became commonplace.33   
   
Waves of reform since this time – whether through the development of primary care -led   
commissioning, the Foundation Trust model, or the emergence of ‘partnership’ working   
through Integrated Care Systems – have attempted to move away from a centralising model.   
However, none have been successful at fundamentally shifting power and respons ibility to   
the local level.   
   
The reasons for this are manifold but relate fundamentally to political and fiscal   
accountability. While functions and responsibilities have been delegated to local decision   
makers, accountability has continued to sit with central government through the DHSC, and   
in recent years through NHSE. Genuine devolution of accountability has not been attempted,   
even in areas with a higher degree of devolved spending power (such as Greater   
Manchester – see below).   
   
England’s peculiarly centralised approach to accountability in health is reflected in the   
activities of its central bodies. While NHS England’s Operating Framework stresses the   
importance of empowering and supporting local systems and cites “devolution” as a major   
change in its ways of working, the health service remains tightly managed from the centre.34   
   
Even where powers are formally delegated (to ICSs or NHS regions), the centre retains   
control over many aspects of service planning and provision. NHSE sets operational   
guidance and priorities for all NHS services and performance manages objectives through its   
Oversight Framework (containing 53 performance indicators for ICBs and 35 for trusts).35   
Top-down oversight leaves local systems with little room to design and deliver services to   
meet specific local needs. As one CCG Chief Executive told the NHS’s strategy unit: “We list   
all the national ‘must dos’ and allocate money to them. Then we argue a bout the small   
amount that’s left”.36   
   
   
32 Timmins, ‘The World’s Biggest Quango’: The First Five Years of NHS England .   
33 Rudolf Klein, ‘The National Health Service (NHS) at 70: Bevan’s Double -Edged Legacy’, Health   
Economics, Policy and Law 14, no. 1 (January 2018): 1 –10.   
34 NHSE, Operating framework, 2022   
35 NAO, Introducing Integrated Care Systems: Joining up Local Services to Improve Health   
Outcomes , 2022.   
36 Fraser Battye, ‘Localism and the NHS: A Case in Four Stories’, The Strategy Unit , 3 March 2021.

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 19 Centralised system oversight means that managerial capacity in the system is often   
expended on meeting the demands from above rather than meeting the needs of patients   
and communities. As the recent review into health and care leadership by General Sir   
Gordon Messenger noted, “ The sense of constant demands from above, including from   
politicians, creates an institutional instinct, particularly in the healthcare sector, to look   
upwards to furnish the needs of the hierarchy rather than downwards to the needs o f the   
service -user.”37   
   
Finally, while systems may wish to redesign services to meet the specific needs of their   
population – with their diverse geography, demography, infrastructure, assets and local civil   
society arrangements at neighbourhood and borough level – centralised approaches to   
payment limit their flexibility to do so. This is centralised through national contracts, pay   
settlements, and tariff rates for procedures. Siloed funding streams, set prices for services   
and rigid centralised contracting all act against transfo rmative local approaches to health   
delivery.   
   
Integrated care: one step forward or two steps back?   
   
The latest round of NHS reorganisation, which involved the development of Integrated Care   
Systems has been heralded by some as a decisive break from past patterns of centralised   
control. In theory, ICSs should focus on developing horizontal partnerships in their area   
rather than looking up to the centre. However, in their current form, ICSs will struggle to   
make good on this promise.   
   
As outlined above, Integrated Care Systems remain tightly managed by central government.   
Meeting NHS mandate targets and dealing with rigorous oversight arrangements takes   
precedence over addressing local priorities.38 Given that accountability from ICSs flows   
upwards to NHSE (and in turn to the Department and Secretary of State), this makes sense.   
However, it means that the role of ICSs amounts to a form of delegation – “the transfer of   
government decision -making and administrative authority and/or responsibility for carefully   
spelled out tasks to institutions and organisations that are either under its indirect control or   
independent” – rather than genuine devolution .39   
   
Breaking this cycle would involve embedding far more democratic accountability at the   
population level of ICSs, but progress here has been limited. In theory, local accountability is   
meant to be a core feature of ICSs, and local government leadership is wired into the   
structure of Integrated Care Systems in two ways.   
   
Firstly, there is mandatory representation of local government on ICBs, the bodies   
responsible for managing and allocating the NHS’s resources. While this is welcome, in   
   
37 Gordon Messenger and Linda Pollard, Health and Social Care Review: Leadership for a   
Collaborative and Inclusive Future (Department for Health and Social Care, 2022).   
38 NAO, Introducing Integrated Care Systems: Joining up Local Services to Improve Health   
Outcomes .   
39 Kieran Walshe et al., Devolving Health and Social Care: Learning from Greater Manchester , 2018.

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 20 practice Integrated Care Boards remain heavily NHS -dominated. Analysis by the County   
Councils Network found that of the 777 ICB members in England, 466 were NHS members,   
220 were non -executives, 82 were Local Authority officers, and only 9 were elected   
councillors.40   
   
Secondly, ICPs are meant to inform the strategic decision -making of the ICB and tend to be   
led by local government representatives. Helping shape an ICS’s vision and strategy is a   
valuable duty, but ICPs are severely disempowered relative to ICBs. They lack control over   
budgets and resource allocation, the key en ablers of system reform. As one Council leader   
in London notes, “You can’t have a load of health people sitting in one room with all of the   
money, and local government people sat next door talking a bout how wonderful it is to work   
together”.41   
   
Finally, it is not clear what (if any) repercussions ICBs will face if they do not use ICP   
guidance to inform decisions around funding allocations, service design and commissioning.   
Though Integrated Care Partnerships are clearly informing decision -making in some parts of   
the country, worryingly in May 2023 (a year after the formation of ICSs) 6 ICPs had never   
held a public meeting and 9 had not published any minutes or papers.42 The bodies   
responsible for injecting views on how to boost health still appear to be subservient to more   
powerful NHS -led boards.43   
   
Health ‘devolution’: in name only?   
   
Excepting the devolved nations, the most advanced move towards a decentralised approach   
to health and care in England has been seen in Greater Manchester. In 2015, the ten   
boroughs of Greater Manchester secured an agreement with NHS England to take “devolv ed   
control” over the £6 billion annual budget for health and social care for the 2.8 million people   
in the city region.44 This occurred at the same time as the GMCA took responsibility for a   
range of other public services including transport, planning, skills and economic regeneration   
and the position of an elected Mayor for Greater Manchester was established.   
   
This health ‘devolution’ agreement gave the Greater Manchester Health and Social Care   
Partnership, a new body, control over the joint commissioning of services. The partnership   
argued that taking on control of an integrated budget would allow it to radical ly advance   
population health, transform care in localities, standardise hospital and acute care, and   
standardise clinical support and back -office services.45   
   
40 IMPOWER and County Councils Network, The Evolving Role of County Authorities in Integrated   
Care Systems , 2022.   
41 Future Care Capital, ‘Councilors Fear Power Grab from NHS When ICSs Come into Force’, 18   
January 2022.   
42 Kate Bowie, ‘The Integrated Care Partnerships with No Public Meetings or Minutes’, Health   
Services Journal , 9 May 2023.   
43 Patricia Hewitt, The Hewitt Review: An Independent Review of Integrated Care Systems , 2023.   
44 Walshe et al., Devolving Health and Social Care: Learning from Greater Manchester .   
45 Walshe et al.

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 21 Emerging evidence finds that the Greater Manchester experiment has led to modest   
improvements in population health. A recent study in The Lancet found that two years after   
devolution life expectancy in Greater Manchester was 0.2 years higher than expected when   
compared with a synthetic control group with similar pre -devolution trends.46 In that period,   
Greater Manchester bucked a broader trend of declining life expectancy experienced   
elsewhere in England.   
   
However, whilst improvements in population health in Greater Manchester should be   
celebrated, the study does not point to a clear cause. It is therefore unclear to what extent   
the devolution of health -specific functions drove improved performance.   
   
Further, the settlement achieved between the city -region and NHS England does not amount   
to genuine devolution. A recent academic evaluation on the process in Greater Manchester   
described it as “a constrained or soft form of devolution, enacted entirely wi thin the existing   
legislative framework for the NHS in England”.47   
   
Rather than developing into a genuinely devolved system, Greater Manchester more closely   
resembles the governance model outlined in relation to Integrated Care Systems above.   
Accountability flows upwards to NHS England and the Department of Health and Soci al   
Care, rather than out to voters in the city region; system leaders must meet performance   
metrics, financial targets and service specifications, set centrally; and local NHS   
organisations are managed by NHS England rather than the local partnership. With out   
reforms to political accountability – and freedom – health devolution in Greater Manchester   
will therefore continue to exist in name only.   
   
2.2.2 A fragmented approach   
   
Alongside its high degree of centralisation, England’s health and care system is also   
fragmented. Services which treat illness (largely provided by the NHS) and those which   
boost health (largely provided by local government) are structurally divided. This affects   
both patients’ experience of care and the ability of decision makers and commissioners   
to develop holistic services suited to the needs of an ageing and multimorbid   
population.   
   
For this reason, in recent years government, the NHS and providers have increasingly   
emphasised the need to collaborate to join up health and care services and shift   
towards an “integrated care” model. Figure 5 presents a timeline of initiatives to   
improve integration over the last decade.   
   
   
46 Philip Britteon et al., ‘The Effect of Devolution on Health: A Generalised Synthetic Control Analysis   
of Greater Manchester, England’, The Lancet Public Health 7, no. 10 (October 2022).   
47 Walshe et al., Devolving Health and Social Care: Learning from Greater Manchester .

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 22 Figure 5: Timeline of integration   
   
   
However, integration efforts, spearheaded by ICSs are unlikely to succeed in their   
current form. As outlined above, ICSs are not true ‘partners of equals’ between the   
NHS and local government, either in their composition, decision -making and spending -  
related power, or in the metrics they are held to account on.   
   
Closing gaps between services requires shared responsibility and accountability   
between healthcare, public health and social care, but control of these services   
currently sits with different tiers of government. While some steps have been taken to   
integrat e payment mechanisms, funding for services still largely sits in siloed pots.   
2022   
2012   
 2013   
Health and Social Care Act   
Establishes local health and   
wellbeing boards with a duty to   
encourage integrated   
commissioning of health and   
social care services.   
 Better Care Fund   
Set up to pool funding   
between CCGs and local   
authorities and develop joint   
plans to prevent gaps in   
health and care provision and   
avoid emergency admissions.   
Sustainability and   
transformation plans   
STPs to be developed   
across 44 areas,   
encouraging collaboration   
to improve care and   
address funding pressures.   
Care Act   
Requires local authorities   
to promote integration of   
care and support services   
with health services.   
Greater Manchester   
Health ‘Devolution’   
Greater Manchester takes   
over its health and social   
care budget.   
NHS Long Term Plan   
NHS Long Term Plan   
commits STPs to   
becoming Integrated   
Care Systems (ICSs).   
City and Local   
Government Devolution   
Act   
Allows transfer of budget and   
powers to combined   
authorities through devolution   
deals.   
Integrated discharge   
funding   
Government announces   
integrated fund for ICSs and   
local authorities to improve   
discharge from hospitals.   
The Hewitt Review   
Government commissioned   
review sets out plans to   
better integrate finances,   
delivery mechanisms and   
governance structures for   
ICSs.   
2014   
2022   
2023   
Five Year Forward View   
Vision to shift services into the   
community. Multispecialty   
Community Providers   
intended to join up provision   
of health and social care.   
Health and Care Act   
Places ICSs on a statutory   
footing, ICSs become the   
main commissioners of   
healthcare services in   
England.   
2019   
Integration White   
Paper   
Sets out government’s   
plans to provide   
integrated care at “place   
level”.   
2015   
 2016   
Legislation   
 Funding   
 Strategy

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 23 Governance models and approaches to funding therefore lead to separate services   
working towards their own sets of organisational priorities rather than a cross -cutting   
health creation mission.

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 24 3. The case for change   
   
The section above described the structure of England’s health and care system and   
examined its two chief pathologies – its top -down, centralised approach and its high level of   
fragmentation.   
   
However, all complex systems possess structural flaws and there are significant challenges   
and trade -offs involved in moving towards a new system. Any further structural change must   
be justified by its potential to improve health and healthcare outcomes an d financial   
sustainability.   
   
3.1 The benefits of devolution   
   
Internationally, the devolution of health governance from a national to a regional and local   
level has been advocated as a strategy to enhance efficiency and improve population   
health.48 The logic of devolution is based on the presumption that “smaller organisations,   
properly structured and steered are inherently more agile and accountable than are larger   
organisations”.49   
   
The agility and accountability conferred by devolving responsibility for the health system to   
more local units can help improve outcomes, reduce cost, and transform our model of care.   
   
3.1.1 Improved outcomes at reduced cost   
   
Devolution has the potential to improve outcomes in our health system at a reduced cost.   
   
In the first instance, devolution allows policymakers to plan services which are better tailored   
to the needs of their local population. Local decision makers have significant “informational   
advantages” over more distant central policy makers – they are closer to service users and   
can use local institutional and comm unity knowledge to build more responsive approaches to   
health and care provision.50 For instance, communities with a higher proportion of elderly or   
young people could develop service offers which better cater for their needs than a one -size-  
fits-all, nationally -led approach allows.   
   
Secondly, strong accountability at a local level (particularly where some revenue is   
generated locally) provides incentives to improve quality and contain cost. Under the current   
model, accountability chains are long, and arrangements are convoluted. While healthcare   
   
48 Yao Wei et al., ‘The Impact of Devolution on Experienced Health and Well -Being’, Social Science &   
Medicine 333 (September 2023): 202, https://doi.org/10.1016/j.socscimed.2023.116139.   
49 Richard Saltman, Vaida Bankauskaite, and Karsten Vrangbaek, Decentralization in Health Care   
(European Observatory on Health Systems and Policies, 2007).   
50 OECD, Decentralisation and Regionalisation in Portugal: What Reform Scenarios? , 2020.

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 25 providers are technically accountable to local populations, in practice they look to the centre   
for guidance. Under a devolved system, lines of accountability to local communities would be   
far more direct – citizens would have a clearer say in who managed their local health   
economy .   
   
Matching services to the needs of local populations and strengthening accountability at this   
level can in turn increase the efficiency of service provision. By better allocating resources to   
meet specific local demands, decision makers can decrease costs a nd be held to account   
over whether services are optimising value for money. Though savings will not be realised   
immediately, and devolution may require initial pump -priming investment, with the right   
support, shifting decision -making to a local level can i mprove allocative efficiency.   
   
3.1.2 The innovation imperative   
   
The NHS was set up on a principle of ‘universalising the best’ – a national system, so the   
argument goes, should be able to rapidly identify innovation and best practice and then scale   
it so that all citizens benefit.   
   
There are some instances in which this is the case. The high level of focused expertise that   
can be marshalled centrally and the economies of scale that national bodies can generate   
can stimulate innovation. From funding high -cost, high -reward research to identifying and   
procuring new technologies to enhance care, centralised bodies play a vital role in system   
transformation.   
   
However, nationally standardised systems, administered and regulated centrally may find it   
more difficult to spread innovation. In the first instance, top -down systems tend to centralise   
risk and raise the costs of reform. Unless all systems are in a posit ion to make   
transformative change, innovation may be put off. More localised systems are better able to   
experiment – risks of failure are smaller, and systems can move at their own pace towards   
change, rather than a pace dictated by the centre.51   
   
Secondly, while some forms of innovation – particularly those which require resource   
commitments that could not be sustained by a sub -unit within a system, like the application   
of advanced technologies – do benefit from scale, much of the potential for inn ovation in   
health and care comes from localised service redesign. This form of innovation is enabled by   
close collaboration between citizens, service users and decision makers.   
   
This is far more easily facilitated at a smaller rather than larger scale. Existing relationships   
between individuals, organisations, and decision makers facilitate open communication and   
collaboration between partners, and a smaller number of stakeholders makes achieving   
consensus easier. In turn, smaller organisations can more quickly and flexibly adapt their   
approach than larger organisations.   
   
51 Simon Kaye, Think Big, Act Small: Elinor Ostrom’s Radical Vision for Community Power (New   
Local, 2020).

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 26 While co -production with service users is key to the rhetoric of NHS England and the   
Department of Health and Social Care,52 collaboration informed redesign will always be   
limited at the national level. New approaches must be developed in partnership with   
communities rather than imposed on them.   
   
Finally, forms of productivity -enhancing process innovation may be more easily achieved in   
a system that grants higher levels of local autonomy. While some barriers to productivity –   
the slow adoption of technology, insufficient managerial and administrati ve investment, and   
undercapitalisation – exist across the system,53 bottlenecks to boosting performance are   
often locally specific. Rigid adherence to central guidance and upward management on   
processes, not outcomes, stands in the way of achieving sustained improvements in   
productivity.   
   
3.1.3 Improving integration   
   
As discussed in Section 2.2.2, achieving better integration within healthcare, and between   
healthcare and other public services has been a key policy aim in recent decades. However,   
progress in this area has been limited.   
   
A number of obstacles stand in the way of integrated service provision – the NHS, local   
government, and care providers have very different organisational cultures, are beholden to   
different regulatory regimes, and often face legal and technical difficultie s when sharing   
information.54   
   
However, one of the key barriers to transformation is structural. Different lines of   
accountability and funding models between healthcare, public health, and social care   
obstruct attempts at integration. The parcelling up of funding between these services – and,   
indeed, other services which create health – contributes to a siloed approach, ill -suited to the   
health challenges of our age.   
   
There has been some progress in overcoming siloes and increasing flexibility in   
commissioning in recent years. The introduction of the Better Care Fund (BCF) in 2015,   
which pools funding for health and social care, has allowed commissioners to plan more   
integrated services. However, with a projected budget of just over £7.2 billion, the BCF   
represents only a small fraction of overall NHS and social care expenditure.55 Further, given   
it can only be used to integrate health and care services, its potential as a vehicle for wider   
health creation is limited.   
   
   
52 NHS England, Co-Production: An Introduction , 2023.   
53 Tim Horton, Anita Mehay, and Will Warburton, Agility: The Missing Ingredient for NHS Productivity   
(The Health Foundation, 2021).   
54 Sarah Reed et al., Integrating Health and Social Care: A Comparison of Policy and Progress across   
the Four Countries of the UK (Nuffield Trust, 2021).   
55 Department for Levelling Up, Housing & Communities and Department for Health and Social Care,   
2022 to 2023 Better Care Fund Policy Framework , 2022.

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 27 The delegation of Greater Manchester’s health and care budget exhibits similar   
characteristics. Budgetary integration across health and care can aid commissioners in   
developing a more holistic approach to support. However, flexibility – and the potential o f a   
localised model – remains curtailed by a failure to join up accountability and funding streams   
between healthcare and the wider determinants of population health.56   
   
True integration requires bringing together budgets and accountability for healthcare and   
local government -provided services across a geographic area. This would provide local   
decision makers with a high degree of flexibility to shift resources into those areas most   
likely to boost population health. For instance, given the close link between worklessness   
and poor health, an integrated commissioner could choose to prioritise investment in work   
coaching over formal mental health provision to achieve a superior outcome.57   
   
3.2 Unfulfilled promises   
   
Although the theoretical benefits of a more devolved approach are often recognised,   
proponents of the current model argue that a centralised model has a number of distinct   
advantages. These relate chiefly to equity and efficiency.   
   
However, it is clear that the current system is not meeting these expectations. Despite the   
aspirations of its founders, three quarters of a century on, our centralised system has not   
succeeded in either closing growing health gaps between communities or standardising   
high-quality care.   
   
3.2.1 A postcode lottery   
   
Arguments for centralism in England’s approach to health are premised on an assumption   
that a universal, national offer reduces inequalities between areas. A centrally driven   
approach to performance monitoring, resource distribution, and provider management, the   
argument runs, should help prevent variation in care q uality and health outcomes across the   
system. Proponents of this view argue that removing elements of central control would lead   
to a ‘postcode lottery’ in our health system.   
   
Yet England’s centralised approach has not prevented the emergence of wide variations in   
access to and the quality of care, nor in health outcomes. Though some variation in care   
quality and access can be expected in any health system, the extent of dispari ties between   
regions of England on key indicators is difficult to square with the vision of a ‘national’ health   
service.   
   
56 Walshe et al., Devolving Health and Social Care: Learning from Greater Manchester .   
57 Lord Michael Farmer, The Importance of Strengthening Prisoners’ Family Ties to Prevent   
Reoffending and Reduce Intergenerational Crime , 2017.

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 28 The percentage of cancers diagnosed in stage 1 or 2 is twice as high in West Suffolk as it is   
in Slough, whilst those admitted to hospital for a stroke in East Staffordshire are more than   
twice as likely to die after 30 days than in neighbouring North Staf fordshire.58   
   
Variations in access are also considerable – patients in the Birmingham and Solihull   
Integrated Care System are almost twice as likely to be on a wait list for elective treatment   
as those in Frimley. In Gloucestershire, Sheffield, and Derby and Derbyshire nearly one in   
ten GP appointments take place more than a month after they are booked, whereas this   
number drops to one in fifty in Liverpool or North Central London.59 Most concerningly, there   
is a large variation in health outcomes throughout England as Figure 6 shows.   
   
Figure 6: Health outcomes by region   
   
   
   
58 NHS Right Care and Public Health England, NHS Atlas of Variation in Healthcare , 2015.   
59 NHS Right Care and Public Health England. 00.511.522.533.544.555.56  
West  
MidlandsYorkshire  
and the  
HumberNorth  
WestEast  
MidlandsNorth  
EastLondon East of  
EnglandSouth  
EastSouth  
WestInfant mortality rate per 1,000

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 29   
Source: Office for Health Improvement and Disparities, Public Health Outcomes Framework , 2023.60   
   
Even within regions, variations in outcomes are stark. For instance, in London, women born   
in Wandsworth can expect to live more than a decade longer in good health than those born   
in Tower Hamlets.61 In the North West, people aged under 75 in Blackpool are three times   
more likely to die of preventable causes than those living in Cheshire East.62   
   
Determining the causes of divergent health outcomes, and differentiated levels of care   
quality and access is difficult. In some instances, variation relates to local and regional   
demography and underlying population health – for instance, given the close a ssociation   
between deprivation and morbidity, areas in which a higher proportion of the population live   
in poverty are likely to experience poorer health outcomes (see below).63   
   
Nonetheless, an examination of health and healthcare related outcomes reveals that a   
centrally -managed, ‘standardised’ service offer has been unable to close persistent health   
gaps between regions and points to a clear conclusion: sizeable variations in po pulation   
health require differentiated, locally specific solutions.   
   
3.2.2 Differentiated service needs   
   
The challenge of closing gaps in access, quality, and outcomes is accentuated by trying to   
make a standardised model fit the needs of very different populations throughout England.   
Different demographic profiles, levels and types of morbidity, and health b ehaviours lead to   
highly divergent requirements for health services.   
   
60 Office for Health Improvement and Disparities, Public Health Outcomes Framework , 2023.   
61 Office for Health Improvement and Disparities.   
62 Office for Health Improvement and Disparities.   
63 Evangelos Kontopantelis et al., ‘Chronic Morbidity, Deprivation and Primary Medical Care Spending   
in England in 2015 -16: A Cross -Sectional Spatial Analysis’, BMC Medicine 16, no. 1 (14 February   
2018): 19, https://doi.org/10.1186/s12916 -017-0996 -0. 565758596061626364656667  
North  
EastYorkshire  
and the  
HumberNorth  
WestWest  
MidlandsEast  
MidlandsLondon East of  
EnglandSouth  
WestSouth  
EastHealthy life expectancy at birth

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 30 29.6 per cent of Dorset’s population is over the age of 65, whereas only 11.9 per cent of   
Londoners are in this age category. 85.6 per cent of working -age adults in West Berkshire   
are in employment, whereas that number drops to just 62.9 per cent of workin g-age adults in   
Middlesbrough. The percentage of adults reporting a long -term Musculoskeletal (MSK)   
problem in Redcar and Cleveland (25.9 per cent) is more than double that reported in   
Reading (11.7 per cent).64   
   
Although allocations of health spending in England (for instance, funding allocated to   
Integrated Care Boards, funding for general practice and the core public health grant) are   
weighted according to factors including demography, morbidity, and deprivation , rigid   
centrally imposed service specifications and regulation make genuine innovation to meet   
needs difficult.65   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
   
64 Office for Health Improvement and Disparities, Public Health Outcomes Framework .   
65 NHS England, Technical Guide to Allocation Formulae and Convergence For 2022/23 to 2024/25   
Revenue Allocations , 2022.

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 31 4. Making change happen   
The above section demonstrates the value of moving towards a far more devolved and   
integrated model of health. This chapter considers how to make change happen and focuses   
on two necessary transformations: shifting the role of central government and devolving   
power and responsibility to regional decision m akers.   
   
4.1 Radically shift the role of the centre   
   
Despite a long -term rhetorical commitment to move responsibility and resources out of the   
centre and into local systems, England’s health system has grown increasingly top -heavy in   
recent years.   
   
Between March 2018 and October 2023, the number of full -time equivalent staff working in   
central bodies increased by 25 per cent .66 The number of staff working for NHS England   
alone almost tripled in this period – from 5,776 to 1 5,630 , whilst the number working for the   
core department over doubled – from 1,462 to 3 ,237.67   
   
Though an increase in staffing to meet the operational requirements of the COVID -19   
pandemic is understandable, a rapid growth of central functions is not in line with developing   
an operating model based on empowering local decision makers.   
   
Redefining and slimming the role of the centre is a crucial first step in shifting this approach.   
This section outlines what a revamped , and s limmed down, centre should do.   
   
4.1.1 What should sit at the centre?   
   
The above chapters have outlined why a future model of health should be based on an   
assumption of subsidiarity – that accountability and decision -making responsibilities should   
sit as close to patients and communities as possible.   
   
However, decision makers should be aware of ‘the fantasy of optimum scale’ – attempting to   
determine the ideal scale at which all functions should sit.68 Instead, they should consider   
what scale works best for the function in question.   
   
66 These central bodies include: DHSC, CQC, NHS Digital, Health Education England, Health   
Research Authority, Human Fertilisation and Embryology Authority, Human Tissue Authority, MHRA,   
NICE, NHS B&T, NHSBSA, NHS England, NHS Resolution, UKHSA (and previousl y PHE).   
67 Department of Health and Social Care, DHSC Workforce Information: March 2018 , 2019;   
Department of Health and Social Care, DHSC: Workforce Management Information October 2023 ,   
2023.   
68 Michiel De Vries, ‘The Rise and Fall of Decentralization: A Comparative Analysis of Arguments and   
Practices in European Countries’, European Journal of Political Research 38, no. 2 (October 2000).

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 32 Even in highly devolved health systems, national level bodies retain an important role and   
there are a number of areas where a centralised approach adds genuine value. These   
functions tend to exhibit a number of common characteristics :   
• they benefit from the economies of scale that can only be achieved centrally ;   
• they require a high degree of specialist input ;   
• they facilitate necessary standardisation across the system ; and/or   
• they require a high level of interface with other national functions.   
   
Core regulatory functions   
   
As is the case in almost all health systems, there is a strong rationale for retaining a number   
of core regulatory functions at the centre.   
   
The regulation of medical treatments on both safety (through the MHRA) and clinical/cost   
effectiveness grounds (through NICE) should continue as a central function. The   
complexities involved in carrying out health technology assessment and the high degree of   
duplication of responsibilities likely to emerge between regional bodies, make moving away   
from a centralised approach undesirable.   
   
Though comprehensive devolution should involve granting more powers over workforce   
planning (see below), the centre should also retain its role in professional regulation and   
accreditation, including maintaining the medical register (via the GMC) and setti ng standards   
for training and development. These functions benefit from a high level of standardisation   
and ensure flexibility for professionals working across systems.   
   
Though responsibilities for provider inspection could theoretically be devolved to a regional   
tier (as is the case in Spain), a standardised national approach to service assessment   
through the CQC should continue (albeit with a higher degree of sensitivity to local planning   
decisions).   
   
The regulation of specialised services such as human embryo, in -vitro fertilisation and donor   
insemination clinics and research establishments (through the Human Fertilisation and   
Embryology Authority) and the removal, disposal and storage of human bodies, organs and   
tissues (through the Human Tissue Authority) should continue to sit centrally.   
   
Core commercial functions   
   
In general, commercial decision -making (including management of capital budgets) best sits   
with regional and local systems. However, there are instances in which the economies of   
scale that can be achieved centrally justify a national approach.   
   
For instance, NHS England’s Commercial Medicines Director, as the chief purchaser of   
pharmaceuticals in England, can achieve better value for money in procurement than   
systems or trusts acting in isolation.

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 33 This same logic applies in the case of major, cross -cutting infrastructure projects such as the   
acquisition of comprehensive data architecture and patient record systems. Centralised   
purchasing helps drive down costs and reduces unnecessary duplication in the system, as   
well as ensuring greater interoperability across systems.   
   
Core clinical functions   
   
The centre should also retain a select number of clinical functions – most notably the   
commissioning of highly specialised care.   
   
Much of NHS England’s specialised commissioning budget – which covers 154 services   
accessed by people with rare and complex health needs – is currently being delegated to   
multi -ICB collaborations. However, for extremely rare conditions (such as Alström syn drome   
or pseudomyxoma peritonei) and/or for services which can only be carried out at a small   
number of trusts (such as proton beam therapy or heart and lung transplantation), there are   
few benefits to be gained from devolution.   
   
Core data and digital functions   
   
While improving digital capability is vital across the health system, the centre has an   
important role to play in developing a full national health data infrastructure, bringing   
together disparate sets of data generated both in healthcare and across the wi der   
determinants of health. The centre should also continue to be responsible for developing   
interoperable, electronic health records to help providers and systems plan care and   
individuals manage their own health and care needs.   
   
Core public health functions   
   
Finally, the centre has a vital role to play in carrying out core public health duties. Functions   
which require a high level of specialist input and require significant interfacing with other   
central bodies such as monitoring and responding to future infec tious diseases or dealing   
with biological, nuclear, chemical, and radiological threats all benefit from a high level of   
central oversight.   
   
However, as noted in recent Reform research, in the case of national health emergencies,   
central bodies should confine their remit to providing information, guidance and support to   
local and regional systems rather than attempting to centrally manage their response.69   
   
In addition to its central role in health protection, the centre should retain responsibilities for   
a small number of health improvement duties.   
   
   
69 James Sweetland and Hashmath Hassan, Health Security from the Ground up: 5 Lessons for the   
Future of UKHSA (Reform, 2023).

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 34 Firstly, in line with arguments made above, the centre should retain responsibility for   
compiling comprehensive population health datasets. OHID’s existing ‘Fingertips’ dataset,   
which collates a wide range of public health data serves as a vital tool for p olicymakers   
nationally and locally to track variation in need, target resources and interventions, and   
evaluate policy. Further development of this data infrastructure nationally will continue to   
drive improvement.   
   
Secondly, while most efforts at behaviour change and prevention are best organised locally,   
the centre should play a role in organising public health campaigns which affect the nation   
as a whole. For instance, national media campaigns in areas such as alcohol risk reduction,   
smoking cessation and sexual health awareness have all proved highly cost -effective when   
overseen centrally.   
   
4.1.2 What should change at the centre?   
   
The major shifts required at the centre involve the Department of Health and Social Care   
and NHS England. As noted above, it is these bodies which have grown most quickly in   
recent years and whose functions should be streamlined or devolved.   
   
Going forward, the centre should move away from being a system ‘controller’ and towards   
being an enabler of a regional approach. This would require it to focus on four   
responsibilities: setting core service entitlements, monitoring overall system performan ce,   
determining resource allocations, and strategic coordination. The centre should also reserve   
extraordinary powers for intervention in the event of service failure.   
   
Setting core entitlements   
   
A revamped centre would define a comprehensive package of benefits available to patients   
across the entire system and minimum universal service standards. The national approach   
to entitlement setting could be based on the existing NHS constitution which pr ovides for   
seven principles that set out the rights and responsibilities of patients and staff. The   
constitution guarantees a comprehensive, universal service on the basis of clinical need not   
ability to pay and sets out a range of national service entitle ments .   
Central policymakers could also make use of international examples of centrally determined   
benefits packages. In Italy, for instance, while health responsibilities are devolved to the   
regions, the central Ministry of Health is responsible for setting out a basic benefits package   
– the LEA ( Livelli essenziali di assistenza).70 Benefits covered include pharmaceuticals,   
inpatient care, preventive medicine, outpatient specialist care, maternity care, home care,   
primary care and hospice care. Regions can offer services not included in the national   
scheme but must finance those serv ices themselves.   
   
   
   
   
70 Ministera della Saluto, ‘National Health Service: The LEAs’, Web Page, 30 January 2019.

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 35 Monitoring high -level outcomes   
   
Local systems are best placed to set outcomes for services designed to meet the needs of   
their communities. However, the centre has an important role to play in monitoring   
performance against a small number of high -level national targets.   
   
These targets should be based on a range of population health and healthcare related   
outcomes such as improvements to healthy life expectancy, reductions in preventable   
mortality, and survival rates for high -incidence conditions such as cancer and stroke r ather   
than outputs (such as the number of procedures carried out).   
   
A number of relevant measures are already collated in the NHS Outcomes Framework, the   
Public Health Outcomes Framework, and the Adult Social Care Outcomes Framework.   
Existing arrangements (which already overlap) could therefore be amalgamated and   
slimmed t o develop an overall performance framework.   
   
Resource allocation   
   
In a more decentralised model, the centre would necessarily take on the role of effectively   
and equitably allocating resources between regional systems. Under a more devolved   
governance model, regions would ideally partly fund their own health and care ser vices with   
central government playing an equalising role.   
   
Similarly, as part of a wider approach to public service devolution, central government   
should move away from allocating specific resources for specific areas (health, skills, justice   
for instance). This would mirror the settlements struck with the devolve d nations who are   
able to decide on their own spending allocations.   
   
However, before wider devolutionary arrangements emerge in England’s regions, central   
health and care bodies will play a role in allocating resources. NHS England’s allocation of   
resources to ICBs which weights funding according to demographic and service user profiles   
in regions provides a useful basis for a future approach.   
   
High -level strategic support   
   
While the centre’s role as a manager of performance should be limited, national bodies   
should continue to provide high -level strategic support to regional systems and providers.   
Developing a comprehensive and interoperable data infrastructure has been a core aim of   
policymaking in recent yea rs and this could aid the development of national advisory   
programmes to improve care quality and outcomes.   
   
Existing national programmes such as Getting It Right First Time (GIRFT) show the potential   
of a high -level centralised support function. GIRFT uses data and clinical input to identify   
unwarranted variation in the way services are delivered across the NHS. Findings on   
unwarranted variation are used to design strategies to improve care and deliver efficiencies.

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 36 GIRFT teams are able to support trusts, commissioners and integrated care systems to   
deliver the improvements recommended and best practice guidance is shared across the   
system to promote transformation.   
   
Alongside providing strategic support at a national level, the centre should also play a role as   
a coordinator and manager of inter -jurisdictional relationships – for instance, where care for   
complex patients must be co -ordinated across a number of differe nt areas. Systems may   
choose to pool resources to provide care for patients with highly specialised needs and   
central government facilitation may be necessary to advise in this area.   
   
4.1.3 A reformed centre   
   
Devolution would not see sweeping changes to the role of a number of core national bodies   
– as explained above, national health technology assessment functions (through NICE and   
the MHRA), high level health protection and promotion responsibilities (throug h UKHSA and   
OHID), and core regulatory duties all benefit from centralisation.   
   
However, there is a strong case for the devolution of many of the healthcare specific   
functions currently carried out centrally. A devolved settlement would have significant   
implications for NHS England and the core department, whose roles would be slimmed, or   
become largely redundant.   
   
Devolution of core commissioning and planning functions would catalyse a significant   
reduction in headcount in national bodies. Progress is already being made in this area. The   
merger of NHS Digital, Health Education and NHS England in 2023 provides opport unities to   
reduce duplication and it is expected that by 2023 -4, the new organisation will be 30 -40 per   
cent smaller than the current combined size of the three bodies.71   
   
However, under this assumption, the new organisation would still have around 10,000   
central staff. To fulfil the roles outlined above would require substantially fewer staff and a   
redistribution of managerial and administrative capacity to the regional level.   
   
With a reduction in headcount, a streamlining of central roles, and extensive devolution to   
local systems, the existence of an independent, central commissioning board, NHS England,   
would become redundant. NHS England’s specialised commissioning responsibi lities would   
   
71 NHS England, ‘Health Education England and NHS England Complete Merger’, Press release, 3   
April 2023. Recommendation 1: The Government should commit to phasing out NHS England as   
quickly as possible . The Department of Health and Social Care should take on NHS   
England’s remaining specialised commissioning functions, as well as responsibilities for   
setting core service entitlements, monitoring high level outcomes, determining resource   
allocation, and p roviding high level strategic support.

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 37 be integrated into the Department of Health and Social Care alongside the other, high -level   
strategic functions outlined above.   
   
4.2 Genuine devolution   
   
In Section 2, this paper described existing reforms to decentralise power – through   
Integrated Care Systems and health ‘devolution’ to Greater Manchester. Though both of   
these reform efforts mark a move towards a new approach, they will not in and of   
thems elves shift the dial.   
   
Making change requires the devolution of political accountability and a far higher degree of   
financial and strategic flexibility than the current system allows . It is these that can in turn   
drive behaviour change.   
   
If services are directly accountable to local people via a democratic mechanism, decisions   
taken by those running them must satisfy the needs and priorities of that specific population.   
This then complements the technocratic accountability outlined in the previous section on   
the role of the centre . Currently the system leans too hard on the latter, exacerbating its   
centralised tendencies.   
   
While political devolution should be the direction of travel, a number of barriers must be   
overcome to make this a reality.   
   
4.2.1 Barriers to devolution   
   
Diversity in local authorities   
   
Moving towards a devolved model of health and care is made difficult by the complicated   
and often confusing administrative landscape of local government in England .72   
   
In most countries with a more devolved approach to health and care, sub -national units of   
administration are (largely) standardised.   
   
All parts of Spain, for instance, are covered by a regional authority (autonomous community   
(AC)) and a municipal government ( ayuntamiento ). These units have distinct responsibilities   
– the ACs are responsible for planning and managing health services, while the   
municipalities have responsibility for environmental health and certain health protection   
duties.73 In Norway, primary, preventive and nursing care responsibilities sit with the   
country’s 428 municipalities, while the national government is responsible for hospital and   
specialty care (managed through four Regional Health Authorities).74   
   
72 Jack Newman and Michael Kenny, Devolving English Government (Institute for Government, 2023).   
73 Gobierno de Espana, National Health System Spain , 2008.   
74 Ingrid Sperre Saunes, Marina Karanikolos, and Anna Sagan, Norway: Health System Review   
(European Observatory on Health Systems and Policies, 2020).

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In England, the structure of local government varies from area to area. There are five   
different types of local authority in England (county councils, district councils, and ‘single -tier’   
authorities including unitaries, metropolitan districts, and London boroughs) each with their   
own responsibilities.75 Additionally, the Greater London Authority and, over the last decade,   
the emergence of combined authorities , that bring together councils to plan services on a   
larger footprint has added to this complicated landscape.76   
   
If health devolution is to become the norm across England, either a higher degree of   
standardisation in models of local governance must emerge, or policymakers will need to be   
comfortable with devolution taking different forms in different parts of the cou ntry.77   
   
Wider lack of coterminosity   
   
Various efforts at public service decentralisation and delegation have also left England with a   
range of other statutory and non -statutory bodies with mismatched geographic boundaries.78   
Though there has been an ambition to develop joined -up public services across regions and   
places, the boundaries of NHS regions and integrated care boards, school commissioners,   
and fire and police force areas are not coterminous.   
   
A lack of coterminosity between boundaries affects the ability to plan and deliver integrated   
public services. Shared accountability, communication between commissioners and decision   
makers, and collaboration with communities and service users are all made more difficult   
where governance boundaries do not match. Moving to a more integrated model will require   
ensuring a higher degree of coterminosity between services that create health and treat   
illness.   
   
Limited fiscal devolution   
   
One driver of England’s centralised approach to accountability in healthcare is its limited   
approach to fiscal devolution. Where revenue is largely collected by central government,   
national political leaders are likely to be held more strongly to account f or spending (even   
where responsibility for service commissioning is delegated to a sub -national area).79   
   
Countries with more devolved approaches to health tend to raise a higher proportion of total   
tax revenue at a local and regional level. More than a third of all tax revenues in Sweden and   
   
75 Department for Levelling Up, Housing and Communities, Guidance: Local Government Structure   
and Elections , 2023.   
76 National Audit Office, Progress in Setting up Combined Authorities , 2017.   
77 Health Devolution Commission, Levelling Up Health: Report and Recommendations of the Health   
Devolution Commission on the Government’s Proposed Health and Care Bill , 2021.   
78 British Academy, Governing England: Devolution and Mayors in England , 2017.   
79 Jessica Studdert, Fiscal Devolution: Why We Need It and How to Make It Work (New Local, 2023).

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 39 Norway are collected sub -nationally.80 This compares with around 5 per cent of tax revenue   
in the UK.81   
   
Fiscal devolution is not a precondition for health devolution – in both Spain and Italy,   
financing for devolved systems is largely drawn from central government tax revenue.   
However, an ability to raise revenue to meet local priorities can be a core enable r of system   
transformation, and reduce the requirements for financial oversight required in centralised   
states.   
   
4.3 Navigating the road ahead   
   
Over the last decade, a number of proposals have been put forward to facilitate the   
devolution of health and care responsibilities in England.82. However, these proposals have   
not sufficiently mapped out the structural changes necessary to carry out devolution. The   
remainder of this paper seeks to fill in this gap, setting out some proposals for a new system.   
In the examples explored above and the models proposed below, the location of   
accountability and budgets is key. This is because to deliver a health system based on   
maximising the health of the population, decisions about health priorities and services must   
be taken at a smaller scale. To achieve this, the system must be devolved , and t o create the   
conditions for effective devolution, international evidence suggests both budgets and   
accountability must be devolved.83   
   
That means that c areful consideration must be given to where power lies within, and how   
money flows through, the system. Decisions about these will determine, to a large extent,   
what services are incentivised. One of the keys issues within the current system – helping to   
explain why it has consistently failed to make the shift away from acute towards more   
preventative services – is the siloed funding model. This lacks the incentive for resource to   
be shifted downstream. By seeking greater integration between primary and sec ondary care,   
the ICS model is attempting to tackle this, but as discussed above, there is no requirement   
to pool budgets and the funding models for each remain separate .   
   
This paper presents two options for devolution of healthcare which experiment with different   
incentives, based on a variety of international approaches.   
   
   
80 OECD, Tax Autonomy of State and Local Government , 2018.   
81 OECD.   
82 Harry Quilter -Pinner and Becca Antink, Devo -Health: Where Next? (IPPR, 2017); Ian Smith,   
Stephen Smith, and Phillip Blond, How to Improve the Health and Wellbeing of the UK Population:   
Devolution and Reform of Health and Social Care (Respublica, 2020); New Local Government   
Network and Collaborate, Get Well Soon: Reimagining Place -Based Health , 2016.   
83 Dolorez Jimenez -Rubio and Pilar Garcia -Gomez, ‘Decentralization of Health Care Systems and   
Health Outcomes: Evidence from a Natural Experiment’, Social Science & Medicine 188 (September   
2017): 69 –81.; Rees, King, and Hassan, Looking Outward: International Lessons for Health System   
Reform . (Reform, 2023).

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 40 Further analysis as part of the Reimagining Health – and in conjunction with Reform’s   
Reimagining the Local State programme – will seek to identify the most effective model for   
the England’s healthcare system.   
   
4.3.1 Combined authority as ACO   
   
Accountable Care Organisations (ACOs) are alliances of care providers that are collectively   
accountable for quality and costs across all care, and originally inspired what are now known   
as Integrated Care Systems in the UK.   
   
ACOs are predicated on the idea that integrating care creates stronger incentives for cost   
savings – and therefore prevention – than healthcare models that pay per procedure carried   
out. This is because , generally, ACOs develop a care management approach targeting   
patients at risk of avoidable hospital admission or A&E attendance in order to reduce overall   
costs.84   
   
In the context of ageing populations and increasing chronic illness, it is therefore considered   
a more appropriate healthcare model than one which does not explicitly disincentivise   
patients from entering secondary care.   
   
ACOs have three core characteristics. First, they involve a provider or group of providers   
that collaborate to meet the needs of a defined population. Second, these providers take   
responsibility for a budget allocated by a commissioner or alliance of commi ssioners to   
deliver a range of services to that population. Third, ACOs work under a contract that   
specifies the outcomes and other objectives they are required to achieve within the budget   
extending over a number of years.85   
   
ACOs were designed so that providers share in the overall savings or suffer from cost over -  
runs. This incentivises outcomes rather than activity. It also incentivises cost saving as they   
can keep the savings to spend how they wish. In turn, by incentivisin g cost reduction across   
the system, the model incentivises prevention as the most cost -effective way to provide   
care.86 This overcomes the challenge of a non -integrated system in which each   
organisational silo faces a different set of constraints and incentives.   
   
A model for England   
   
In England, combined authorities would act as the ACO, responsible for a single budget and   
able to retain savings, but also responsible for overspends. This would incentivise a shift   
away from the NHS’s current hospital -centric model, towards a more community - and   
primary care -dominant model. The incentive would be for the system to invest in lower cost   
health and social care interventions upstream, and as savings are secured from reduced   
   
84 Stephen Shortell et al., Accountable Care Organisations in the United States and England: Testing,   
Evaluating and Learning What Works (The King’s Fund, 2014).   
85 Steven Wyatt, Risk and Reward Sharing for NHS Integrated Care Systems (Strategy Unit, 2018).   
86 Shortell et al., Accountable Care Organisations in the United States and England: Testing,   
Evaluating and Learning What Works .

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 41 acute demand, authorities could increasingly invest in health creation initiatives (i.e. pooling   
healthcare and other public service budgets) .   
   
Figure 8: Simplified model with combined authority as ACO   
   
   
   
The role of the combined authority   
   
Traditionally, ACOs have been an alliance of providers rather than a government. However,   
as previously outlined, it is precisely this division between local government (responsible for   
public health and other health creating services) and NHS providers (responsible for treating   
illness) that continues to undermine the shift to prevention. In addi tion, a combined authority   
is directly accountable to its local population via its elected leader (s).   
   
The combined authority would be the optimal vehicle for the ACO model as it offers the   
advantage of being more decentralised than the current approach, but still provides the   
benefits of scale when it comes to planning services.   
   
This is in line with other decentralised models, including Spain and Sweden. In Spain, 17   
autonomous communities are responsible for overseeing and commissioning all health   
services, while in Sweden , 21 regional ‘counties’ are responsible for financing and delivering

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 42 health services to residents.87 In both instances, regions may delegate functions to lower   
tiers of government (municipalities) but retain ultimate accountability for spending and   
performance.   
   
Currently, devolved mayoral regions cover around 41 per cent of England’s population, a   
number which will rise to 60 per cent if the five deals concluded in 2022 are implemented,   
meaning the majority of England’s population will have a mayor for the first time.88   
   
A regional devolution model in England would go with the grain of these developments – a   
single, non -ringfenced health and care budget including funding for secondary care, primary   
care, public health and social care could be devolved to the combined authority level.   
Combined authorities would be responsible for commissioning all healthcare services in their   
region and meeting centrally set minimum service specifications and targets. Combined   
authorities could choose to delegate responsibility to their cons tituent local authorities, but   
would remain ultimately accountable for system performance.   
   
The potential drawback of a single regional ACO model is that the benefits of place -based   
commissioning and service co -design with local communities require smaller populations   
than those of city regions. Realising the benefits of much more localised servi ce design –   
remembering that need can look very different even from ward to ward – would require   
combined authorities to delegate community service commissioning to local authorities.   
   
Nonetheless, the case for moving towards a combined authority -led model is clear –   
combined authorities are the main institutional vehicle established to drive the devolution   
agenda, they have clear and visible democratic leadership via their mayors, and, as   
collective organisations with cabinets made up of leaders from their constituent local   
authorities, they are able to pool the knowledge and resources of local areas to plan more   
tailored services.   
   
Funding settlement   
   
A critical element of this system would be a longer term funding settlement. In the current   
system, despite the decentralisation of budgets to ICBs, national tariffs and contracting lock   
resources into existing ways of working. Current financial models are valuable in driving   
activity in particular areas (for instance, activity -based hospital payment models incentivise   
reducing treatment backlogs) but do little to help reorient our health system around the   
principles of population health management.   
   
Moving to a new approach would involve granting each regional ACO a single block of   
funding and financial freedoms to design payment models to meet their local needs. This   
   
87 Enrique Bernal -Delgado et al., Spain: Health System Review (European Observatory on Health   
Systems and Policies, 2018); Anders Anell, Anna Glenngard, and Sherry Merkur, Sweden: Health   
System Review (European Observatory on Health Systems and Policies, 2012).   
88 Department for Levelling Up, Housing & Communities, 60% of England Now Covered by Historic   
Devolution Deals , 2024.

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 43 makes it easier to make longer term decisions and plan effectively, in turn providing better   
value for money. ACOs would ideally be free to move away from centrally imposed   
arrangements such as the national tariff (for secondary care payment) or nationally   
determined contracts in General Practice. These block grants should be allocated for a   
minimum of five years in order to provide confidence to areas to invest for the longer -term   
and to allow for the benefits of doing so to emerge.   
   
Integrating funding pools between primary and secondary care is paramount. Local areas   
should have the flexibility to spend this money in ways best suited to boosting population   
health in their area. Given their control of many of the services which act as core levers for   
improving population health, including housing, children’s services, leisure and cultural   
services, planning and local transport, local authorities may choose to prioritise non -  
healthcare spending to boost outcomes.   
   
There is a risk that integrating funding pools between primary and secondary care may see   
the latter prioritised over the former. However, as below, incentives can be explicitly   
designed into the system to prevent this.   
   
Additional incentives   
   
In addition to the inherent incentives noted above, additional financial incentives can be   
applied to further drive the desired shift towards early intervention and prevention.   
   
The first measure relates to controls on hospital spending, based on those used in Israel.   
   
Israel has a mandatory insurance -based system with all Israelis required to be a member of   
one of four competing non -profit health plans known as Health Maintenance Organisations   
(HMOs). HMOs provide a state mandated benefit package which includes hospital , primary,   
speciality and mental healthcare (primary care and GP visits are free of charge within the   
plans, but specialist care attracts a small co -payment).89   
   
HMOs are naturally incentivised to invest resources upstream as while hospitals are not   
owned by HMOs, they are reimbursed by them for delivering care. It is therefore more   
affordable for HMOs to prevent patients requiring hospital care, and where specialist care is   
needed, to deliver it outside of a hospital setting.90   
   
This has resulted in investment in specialist and emergency care outside hospitals and   
home hospitalisation. In 2018, there was an expansion in the use of home hospitalisation by   
HMOs, as a cost reducing and clinically beneficial alternative to treating pa tients in hospital   
   
89 Roosa Tikkanen et al., International Health Care System Profiles: Israel (The Commonwealth Fund,   
2020).   
90 Bruce Rosen, Ruth Waitzberg, and Sherry Merkur, Israel: Health System Review (European   
Observatory on Health Systems and Policies, 2015).

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 44 wards.91 The Ministry of Health now also provides specific financial incentives for HMOs to   
develop their capacity to support home hospitalisations.92   
   
This drive to keep people out of expensive hospital settings is furthered by central   
government controls over hospital resource expenditure and resources. There are rigorous   
controls on key inputs such as hospital beds and expensive medical equipment, and caps on   
physician and nurse positions in hospitals. This, again, is designed to free resources to   
invest in comprehensive primary and community care services.93 The result is a significant   
proportion of speciality care provided in community settings. Many surgical and diagnostic   
procedures, specialist follow -up care, and complex chronic care management takes place in   
integrated multi -speciality clinics provided by the health plans.   
   
The second measure relates to incentives for reductions in hospital use, based on those   
used in Denmark.   
   
While this is still relatively small in scale and empirical evidence of its effectiveness is limited,   
creating financial incentives for preventative interventions would be worth testing in an   
English ACO model.   
   
In Denmark, while 77 per cent of the funding for health still comes from block grants that are   
adjusted for demographic and social differences, a small portion of state funding for regional   
and municipal services is tied to specific priority areas and targ ets.   
   
In 2019, Denmark introduced a new scheme for national funding which is contingent on five   
general criteria: fewer hospital admissions per citizen, less in -hospital treatment for chronic   
care patients, fewer unnecessary readmissions within 30 days, increase d use of   
telemedicine, and better integration of IT across regional and municipal sectors.94 A similar   
fund in England could be sufficiently broad to allow combined authorities to tailor solutions to   
their specific demographic needs, but specific enough to further incentivise prevention.   
   
4.3.2 Split devolution co-financing model   
   
An alternative to the regional ACO is a split devolution model with a co -financing   
mechanism. Earlier, this paper argued that decision makers should avoid the ‘fantasy of the   
optimum scale’, instead recognising that different functions in a health system benefit from   
being situated at different levels of governance. Under a split model of devolution, functions   
could be separated based on the scale at which they are best organised.   
   
   
91 Rees, King, and Hassan, Looking Outward: International Lessons for Health System Reform .   
92 Iris Megido, Avichai Soudri, and Adriana Prodan, ‘Management of Community -Based Home   
Hospitalization (CBHH) in Israeli Public Health System’, International Journal of Comparative   
Management 20, no. 5 (December 2019): 544 –56.   
93 Tikkanen et al., International Health Care System Profiles: Israel .   
94Roosa Tikkanen et al., International Health Care System Profiles: Denmark (The Commonwealth   
Fund, 2020).

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 45 In this model, those functions that require a higher degree of centralism (commissioning   
secondary care, comprehensive workforce planning) would sit with a regional tier, whilst   
those which benefit from specific tailoring to local need (out -of-hospital car e, health   
improvement) would sit with a more local tier of government.   
   
However, this governance split, which would also require a budget split, risks losing the   
inbuilt incentive towards prevention that a single budget provides. To address this, co -  
financing for hospitals between different tiers of government has started to e merge as an   
incentive to reduce hospital admissions and drive investment upstream. An incentives fund,   
similar to the ACO model, can further reinforce a shift to prevention.   
   
A model for England   
   
In England, the combined authority would provide the regional tier, while upper -tier local   
authorities would provide the local tier.   
   
Figure 9: Split devolution co -financing model   
   
   
   
The split devolution model   
   
Currently, responsibility for ‘out -of-hospital’ care sits with a range of bodies and   
commissioners. Social care services are commissioned by local government, whilst most

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 46 primary and community care is commissioned by the NHS. However, given the   
interdependencies between these services, under the proposed model, primary, community,   
and social care services would be brought into a single commissioning system.   
   
Local authorities would become the core commissioner of out -of-hospital services, allowing   
them to design approaches best suited to their local circumstances. For instance, some local   
areas may choose to invest in services which directly integrate health and social care   
responsibilities, others may choose to develop c ommunity hub models for integrated care.   
   
Existing bodies can also provide institutions to effectively commission and oversee services.   
Integrated commissioning could be carried out by joint Health and Wellbeing Boards   
(HWBs), which already exist as statutory bodies in every upper -tier local autho rity and are   
responsible for approving spending of the Better Care Fund. HWBs in some parts of the   
country have already taken on responsibilities for joint commissioning – in Wigan, for   
instance, health and care budgets have been brought together in a Sect ion 75 pooled and   
aligned budget arrangement and extended to include housing and leisure services.95 In   
Newham, services for children with chronic illnesses such as diabetes, asthma and epilepsy   
are jointly commissioned by the NHS and local authority.96   
   
Combined authorities would then be responsible for the provision of hospital and specialist   
care, which is better suited to a larger population scale.   
   
Funding   
   
Similar to the ACO model, central government should provide a combination of block funding   
to both regional and local government over a longer term funding settlement period of at   
least five years.   
   
Over time, as activity in community and primary care settings is increased – whether via   
successful prevention or increases in non -hospital based secondary care – the block grants   
would be adjusted, with more going to the local tier.   
   
Additional incentives   
   
There are two ways to incentivise prevention in this model. The first measure is co -financing.   
In Denmark, the regions are responsible for hospital and other specialised care, while the   
municipalities are responsible for a majority of out -of-hospital care, as well as prevention,   
health promotion and rehabilitation outside of hospitals. In order to incentiv ise preventive   
services and reduce hospitalisation , a system of municipal co -financing, where municipalities   
must pay a share of the costs each time an individual is admitted to a regional hospital , was   
implemented .   
   
   
95 Local Government Association, ‘Wigan Health and Wellbeing Board’, 3 July 2019.   
96 Office for Health Improvement and Disparities, Public Health Outcomes Framework .

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 47 There has been limited research on the effectiveness of co -financing, but the empirical   
evidence that does exist is tentatively optimistic. Research in 2013 showed that 48 per cent   
of local authorities estimate that the local co -financing has had an impact on their health   
strategy to some extent, while 22 per cent estimate that it has had a substantial impact on   
their health strategy. This is matched by growing expenditures on public health among the   
municipalities – overall it appears that the municipaliti es increased their public health efforts   
after the reform.97   
   
In order to further incentivise a reduction in hospitalisation, and ensure local areas are able   
to make the co -payments, the block grant allocation should, at least in the early settlements,   
reflect this – i.e. a proportion of the hospital funding should b e allocated to the local tier. This   
would help smooth the transition.   
   
The second measure is, as in the above ACO model, funding tied to specific priority areas   
and targets. In this model, such incentives are likely even more important given the risks of a   
split budget, and they would need to be applied to both the regional a nd local level   
separately, and therefore require specific incentives for secondary and primary care.   
   
Figure 10: Evaluating options for reform   
   
   
   
   
   
   
   
   
97Karsten Vrangbaek and Laerke Mette Sorensen, ‘Does Municipal Co -Financing Reduce   
Hospitalisation Rates in Denmark?’, Scandinavian Journal of Public Health 41, no. 6 (2013).

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 Recommendation 2: As devolution deals mature, the Government should commit to   
devolving all but a few specialist NHS services to an appropriate tier of local government.   
This should be achieved via a block grant lasting a minimum of five years. Local   
government should be free to decide their service mode l and how they wish to spend the   
grant, based on local needs, providing they meet a minimum service level set by the   
Department for Health and Social Care.

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 49 5. Conclusion   
Changes to the governance , accountability and funding model will not be a panacea for   
current health woes – serious attention must be paid to developing new models for   
healthcare delivery, driving increased productivity across the system, and building a   
workforce equipped for the challenges of the 21st century. However, transforming England’s   
approach to health will require confronting a number of deep -seated structural obstacles.   
   
Shifting the location of power and accountability so that the health system looks out to   
service users and citizens rather than up to national government; dissolving the artificial   
divide between those institutions responsible for creating health and those responsible for   
dealing with illness; and developing an approach to funding and resource allocation which   
incentivises health maximising investment are all vital elements of a genuine programme for   
reform.   
   
This paper has set out an alternative vision for England’s health system in which local   
systems rather than national government become the key agents of change. Bringing all out -  
of-hospital care services and public health into one commissioning body can help catalyse a   
shift tow ards a more integrated, place -based model.   
   
Moving towards a devolved model will require detailed and careful planning by policymakers,   
and will necessarily involve confronting difficult trade -offs. Though local authorities already   
possess the capacity to commission and deliver essential care and pu blic health services,   
capability and capacity building will be required to ensure that the local state is equipped to   
take on a much broader set of responsibilities.   
   
While many of the changes envisaged in this paper could be carried out under current   
legislation, as a more devolved approach to health and care provision develops , there may   
emerge a need to pass comprehensive legislation. Finally, given the high level of public and   
political sensitivity tied up with health system reform, it is clear that a new model would face   
significant challenge from existing interests.   
   
However, in spite of these challenges, exploring a more devolved settlement is vital. Without   
fundamental change, our centralised health system will prove unable to withstand the   
challenges of the future.

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 ABOUT REIMAGINING WHITE HALL   
This paper is part of the Reimagining Whitehall work stream. To effectively reimagine the State,   
major change must occur in the behaviours, processes, and structures of central government.   
This paper examines how the Government should use Whitehall to rapidly scale up adoption   
of Artificial Intelligence throughout public services . It provides a comprehensive set of   
recommendations for radically overhauling how the State approaches AI -powered technology   
with greater central leadership, more flexible funding, and a less risk -averse approach to   
testing .   
   
Reimagining Whitehall Steering group   
Reform is grateful to the expert members of the Reimagining Whitehall Steering Group who   
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endorsement of every argument or recommendation put forward.   
   
   
   
   
   
 Dr Henry Kippin , Chief Executive,   
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Secretary, Department for Exiting the   
European Union

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Interviewees   
We would like to thank all 37 interviewees for giving their time and candid insights to support   
this research paper.   
   
The list of interviewees is as follows:   
• Mike Bracken, Founding Partner, Public Digital , former Executive Director of the UK   
Government Digital Service and former Government Chief Data Officer   
• Dave Bradley, Head of Policy, Teach First   
• Seb Ba rker, Co-Founder & Chief Operating Officer, Beam   
• Jonathan Bright , Fellow and Head of AI for Public Services , Alan Turing Institute   
• Alex Chalmers, Platform Lead, Air Street Capital   
• Rupert Chaplin, Head of Data Science, NHS Digital   
• Rachel Coldicutt, Executive Director, Careful Troubl e   
• Alan Davies, Executive Advisor, Health Innovation Kent Surrey Sussex   
• Fiona Deans , Consultant and executive coach, former Chief Operating Officer,   
Government Digital Service.   
• Josh ua Entsminger, PhD student in innovation and public policy, Institute for   
Innovation and Public Purpose   
• Richard Evans, Public Policy & Public Affairs Lead, Palantir   
• Deb Fish, Research Fellow, Defence, Science and Technology Laboratory   
• Tom Forth, Co-Founder and CTO, The Data City and Head of Data, Open Innovations   
• Laura Gilbert, Director of Data Science at 10 Downing Street, & Director of the   
Incubator for AI, Cabinet Office.   
• Gina Gill, Chief Strategy Officer, Central Digital and Data Office, Cabinet Office   
• Andy Gregory, Deputy Director, Data Services and Analytics, Home Office   
• Hugh Harvey, Managing Director, Hardian Health   
• Scott Hayden, Head of Teaching, Learning and Digital, Basingstoke College of   
Technology   
• Ben Henshall, Deputy Director Data Science & AI , 10 Downing Street   
• Ruth Kelly, Chief Analyst, National Audit Office   
• Simon King, Director of AI and Innovation, Department for Work and Pensions   
• Paul Maltby, Director of Public Services, Faculty   
• Archit Mehra, Data & AI Consulting Lead, Methods Analytics   
• Kameswarie Nunna, Director – Data Science, Simulation and AI, Newton Europe   
• Sian Rodway , Chief Operating Officer, MDRx

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 • Richard Sargeant, Managing Director and Partner, Boston Consulting Group   
• Renate Samson, Special Projects Lead, Ada Lovelace Institute   
• Ryan Shea, Managing Director, PUBLIC   
• Tom Shinner, COO, Entrepreneur First and former Director for Policy and Delivery   
Coordination at the Department for Exiting the European Union   
• Simon Staffell, Director of Government Affairs, Microsoft   
• Nora Stern, Co -Founder, Affiniti AI   
• Mark Thompson, Professor in Digital Economy, University of Exeter   
   
and six other interviewees who wished to remain anonymous.

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 METHODOLOGY    
   
In addition to semi -structured interviews and desk research, this paper draws on the findings   
from responses to six Freedom of Information ( FOI) requests , and procurement data   
aggregated by T ussell.   
   
FOI requests   
   
Four FOI requests were sent to each of 17 departments and one executive non -departmental   
public body listed below . These were:   
   
• Cabinet Office   
• Department for Business and Trade   
• Department for Culture, Media and Sport   
• Department for Education   
• Department for Energy Security and Net Zero   
• Department for Environment, Food & Rural Affairs   
• Department for Levelling Up, Housing and Communities   
• Department for Science, Innovation and Technology   
• Department for Transport   
• Department for Work and Pensions   
• Department of Health and Social Care   
• Foreign, Commonwealth & Development Office   
• HM Revenu e & Customs   
• HM Treasury   
• Home Office   
• Ministry of Defence   
• Ministry of Justice   
• NHS England   
   
A fifth FOI request was sent to each of the Department for Business and Trade, Department   
for Environment, Food & Rural Affairs, Department for Work and Pensions, HM Revenue &   
Customs, Home Office and the Ministry of Justice.   
   
A sixth FOI request was sent only to the Cabinet Office.   
   
Information on the requests and responses is contained in Appendix 3, published separately   
on Reform’s website (reform.uk). The analysis is based o n responses received up until 1   
August 2024 .   
   
Procurement data   
   
Tussell aggregates data on government contracts and spending . They provided Reform with   
breakdowns of this data for several categories of government procurement spending. The   
full set of analysis can be found in Appendix 2, published separately on Reform’s website.   
More information about Tussell’s data platform can be found at www.tussell.com.

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 Recommendations   
 Recommendation 1: The Government should establish a Government Data and AI   
Service (GDAIS), as a separate function within CDDO, sitting alongside the Government   
Digital Service. Its remit should be driving AI adoption across the public sector, and it should   
be led by a Government Chief AI Officer. The GDAIS should incorporate the current   
Incubator for AI (i.AI).   
Recommendation 2: GDAIS should recruit Programme Directors to lead AI adoptio n, with   
one leading each of the priority use cases identified in this paper. The Programme Directors   
should work across all departments for which the use case is relevant, working in   
collaboration with the sector - or service -specific expertise held in that department.   
Recommendation 3: The GDAIS should take on the responsibility for applying digital   
spend controls to all new spend with a contract value above £100,000 , including spending   
on AI consultancy.   
Recommendation 4: The Government Data & AI Service should be tasked with publishing   
guidance on AI adoption .   
Within GDAIS , there should be:   
• A team of specialists who serve as the point of contact with each department,   
understand its business and pipeline of projects, and advise on the spend control   
process.   
• A central team which collects evaluations of AI from across government, and   
assures commonly used off -the-shelf and open source AI products on behalf of   
central government, making these resources available to government departments   
and public bodies.   
Recommendation 5: Government should announce a new AI Transformation Fund, and   
HM Treasury should allocate GDAIS an additional budget of £1 billion between 2025 -26   
and 2027 -28 to finance it.   
The Fund should be available for projects which already have an existing evidence base,   
and demonstrably high productivity -boosting potential. There should be flexibility in what   
kinds of spending the Fund is used for, provided they support the scaling up of AI adoption   
in defined use cases.   
Recommendation 6: HMT should agree an overall business case for investment with   
GDAIS, based on the Programme Directors’ aggregate understanding of the value for   
money case for investment in their use cases. This business case should meet the   
recommendations of the Willets Review of the DSIT Business Case Process.   
Recommendation 7: GDAIS Programme Directors should have the flexibility to allocate   
funding to projects in departments and public bodies which demonstrate the potential to   
represent good value for money, without reverting to HMT sign off. They should identify   
these opportun ities by scouting them from those organisations.   
Recommendation 8: Within funding they commit to projects, GDAIS Programme Directors   
should then have the flexibility to allocate funding to whatever capabilities are needed to   
deliver the project. This could include additional staff in GDAIS or the department,   
contracted su pport, software licenses, data curation and remediating legacy IT.

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 Recommendation 9: GDAIS should establish a cross -government Specialist   
Development Scheme for key AI roles, as outlined in the Reform paper Making the grade .   
To attract candidates to join the civil service on these terms, GDAIS should pre -agree pay   
frameworks for crucial AI roles with the Cabinet Office, which are at least in line with the   
levels paid for the AI Safety Institute and Incubator for AI.   
Recommendation 10: GDAIS should create a new cross -government procurement   
framework for AI adoption in government, with different lots for supporting services. The   
framework should take advantage of the new Competitive Flexible Procedure to allow   
public bodies to bring in p roviders on a trial basis to test their services.   
Recommendation 11: Each GDAIS Programme Director should establish an ‘AI Sandbox’   
for the use case they lead, an environment to bring together public sector organisations   
and prospective partners to discuss ideas, meet prospective users and test sample data.   
Recommendation 12: GDAIS should develop and run a new procurement framework   
exclusively designed for the procurement of off -the-shelf AI tools and enabling   
infrastructure, with an extremely light -touch initial process for trialling and experimenting   
with new products before going out to a full competitive process. This should be in   
recognition that the financial commitments required to experiment with products available   
via license fee are inherently much lower than other kinds of procurement, so less risky .   
Recommendation 13: GDAIS’s central guidance and support function should assess off -  
the-shelf and open source AI products and enabling infrastructure, and provide a list of   
approved (‘kitemarked’) products with supporting assessments to public bodies to support   
their procurem ent decisions.   
Recommendation 14: GDAIS should produce and publish a single, simple set of   
principles for using AI in public services.   
Recommendation 15: Departments and public bodies should publish their own policies,   
applying these central principles to their own specific circumstances.   
Recommendation 16: Government legal advice , internal processes and documents   
(including Data Protection Impact Assessments) should give equal parity to the risks of not   
using AI or automated processing, as they do to the risks of using AI to partially or   
completely automate the process. This should be based on the performance and risks of   
the current system and processes used.   
Recommendation 17: Government internal processes and documents for data sharing,   
including Data Sharing Agreements and DPIAs should require officials to also assess the   
risks of not sharing data, and give these equal parity with the risks involved in any new   
sharing.   
Recommendation 18: The GDAIS should publish central government guidance on the   
principles of evaluating AI, including benchmarking the performance of AI against the   
performance of humans doing the same task, and evaluating against human performance   
on an ongoing basis once im plemented via control groups.   
Recommendation 19: Every central government body should appoint a single named   
Algorithm Owner , with appropriate AI literacy , for each AI algorithm in use in their   
organisation and provide them with core training on the requirements of their role .

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 1. Introduction   
   
1.1 The potential of AI   
   
Artificial Intelligence (AI) is fundamentally transform ing the economy and society .   
While m achine learning models can make mistakes in classifying and predicting the future,   
and Generative AI models often ‘hallucinate’ and fail in other complex ways, AI is nevertheless   
surpass ing human performance on many tasks .1 AI capabilities continue to grow apace,   
underpinned by the huge growth in investment – more than $25 billion was invested in the   
sector in 2023 , nearly nine times the amount invested in 2022 and about 30 times that invested   
in 2019.2   
The potential of AI to transform government is no less great. Much has been written about its   
potential applications and corresponding benefits , but at a time of performance and fiscal   
crisis, it is in boosting productivity that AI’s greatest potential lies. Along with enabling public   
services to be more efficient, it can also relieve pressure on burdened services, automate low -  
value administrative tasks, and help government support more citizens, patients and users.   
Public debt stands at 101.3 per cent of GDP,3 and the tax burden at a post -war high.4 But most   
worrying, despite spending increase s, public services remain in a dire state. Pre-existing   
stagnant performance has been worsened by the effects of the Covid -19 pandemic, creating   
large backlogs and bottlenecks across the public sector. The Office for National Statistics   
(ONS) assesses public service productivity as still lower in 2023 than it was in 1997 .5   
The productivity challenge is complicated by Baumol’s cost disease , which stipulates that   
labour -intensive services expe rience continually rising costs even while productivity remains   
stagnant.6 Applied to the public sector , this means that the cost of services will continue to rise   
to maintain the same level of output, and performance can only increase if spending does.   
Public services need a radical productivity boost which decouples them from this productivity   
trap.   
AI is well placed to enable this transformative reset. The National Audit Office (NAO) reported   
an internal government assessment that a third of tasks in the civil service could be   
automated ,7 and some estimates suggest that AI could provide £200 billion worth of public   
sector productivity improvements over the next five years.8 Previous work by Reform has   
   
1 Stanford Institute for Human -Centered AI, Artificial Intelligence Index Report 2024 , 2024.   
2 Ibid.   
3 Office for National Statistics, ‘UK Government Debt and Deficit: December 2023’, Web Page, 30   
April 2024.   
4 Office for Budget Responsibility, Economic and Fiscal Outlook March 2024 , 2024.   
5 Office for National Statistics, ‘Public Service Productivity, Quarterly, UK: January to March 2024’,   
Web Page, 15 July 2024.   
6 William J. Baumol and William G. Bowen, Performing Arts: The Economic Dilemma (New York: The   
Twentieth Century Fund, 1966).   
7 National Audit Office, Use of Artificial Intelligence in Government , 2024.   
8 Alexander Iosad, David Railton, and Tom Westgarth, Governing in the Age of AI: A New Model to   
Transform the State (Tony Blair Institute for Global Change, 2024).

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 highlighted , for example, the scale of the opportunity for AI in public services such as the NHS .9   
The prize, if executed well, is huge.   
Previous debates about AI’s role have been complicated by AI having no universally accepted   
definition, and the term is often used to refer to many different processes defined in software .   
For the purposes of this paper, Reform use the definition outlined by the Defence Science and   
Technology Laboratory (Dstl):   
Theories and techniques developed to allow computer systems to perform   
tasks normally requiring human or biological intelligence.10   
This is necessarily a broad definition of AI . It is broader than the well-publicised Generative AI   
models such as Chat -GPT. It also includes technologies which are common in most   
commercially -available software, including rules -based decision tools. Conflating these   
technologies is unavoidable , given the distinction between AI and other kinds of software will   
become more blurred over time.   
   
More detailed definitions of common types of AI, and relevant categories like machine learning   
and data science, are provided in Appendix 1 .   
   
1.2 AI in government   
   
The 2019 -2024 Conservative Government recognised the opportunity presented by AI. New   
guidance and strategy documents have been issued, for example the National AI Strategy in   
2021,11 A pro-innovation approach to AI regulatio n in 2023 ,12 and the Generative AI Framework   
for HM Government in 2024.13 And n ew bodies were established to attract data science   
expertise into government , for example the Incubator for Artificial Intelligence (i.AI) and the AI   
Safety Institute (AISI ).   
Overall, however , the State’s focus has been on the contribution AI can make to economic   
growth and positioning the UK to have key capabilities to evaluate AI safety.   
These are undeniably important. Adopting AI throughout the private sector is crucial to   
unlocking economic growth . Research suggests that wide integration of AI across the   
economy could deliver an economic boost of 13 per cent of GDP ,14 and a five year delay in   
adoption could reduce the size of the economic impact by more than £150 billion by 2035.15   
Likewise, UK-based capacity to evaluate the safety of frontier AI models will be similarly crucial   
to future economic success , geopolitic al security and social cohesion .   
However, the use of AI to drive public sector productivity , despite considerable interest,   
remains a somewhat neglected area . Early measures to establish the Incubator for AI ( i.AI),   
   
9 Eleonora Harwich and Kate Laylock, Thinking on Its Own: AI in the NHS (Reform, 2018).   
10 Defence, Science and Technology Laboratory, The Dstl Biscuit Book: Artificial Intelligence, Data   
Science and (Mostly) Machine Learning , 2019.   
11 HM Government, National AI Strategy , 2021.   
12 Department for Science, Innovation and Technology, A Pro -Innovation Approach to AI Regulation ,   
2023.   
13 HM Government and Central Digital and Data Office, Generative AI Framework for HM   
Government , 2024.   
14 Carsten Jung and Bhargav Srinivasa Desikan, Transformed by AI (Institute for Public Policy   
Research, 2024).   
15 Microsoft and Public First, Unlocking the UK’s AI Potential , 2024.

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 publi sh the Generative AI Framewor k, and widen the remit of CDDO and the Responsible   
Technology Adoption Unit (now part of the AI Opportunities Unit) are promising.16 But i.AI is   
too small to drive significant ‘top-down ’ technological change , the guidance disincentivises   
‘bottom -up’ AI adoption , and wider remits for CDDO and the AI Opportunities Unit will only   
work if they are appropriately resourced.   
   
1.3 The limitations of digital transformation in government   
   
The Government has a mixed track record of technological adoption. Successes include the   
establishment of GOV.UK by the Government Digital Service (GDS) in 2012 , which unified   
hundreds of different public -facing applications into shared platforms . The Driver and Vehicle   
Licensing Agency (DVLA) was one of the first government bodies to bring its IT in -house, and   
during the Covid -19 pandemic they managed to digitise the service to change addresses on   
vehicle log books . The new process took six weeks compared to the previous six months .17   
Furthermore , the pandemic highlighted the ability for fast technological innovation at scale, for   
example the Covid -19 Early Warning System fed by data from NHS trusts across the country ;   
the mass testing programme which at its peak was processing more than 1 00,000 tests a   
day;18 and the NHS App , which is estimated to have prevented around one million cases,   
44,000 hospitalisations and 9,600 deaths in its first year.19   
Despite these successes, failures are much more common. Examples include the NHS   
National Programme for IT, which is estimated to have cost upwards of £9.8 billion;20 the   
introduction of the National Law Enforcement Data S ervice (NLEDS), which has seen its costs   
increase by 68 per cent and is long overdue to replace the Police National Computer ;21 and   
the Digital Services at the Border (DSAB) programme, which has been delayed by three years   
and total costs have increased by £173 million.22 These challenges are well known, yet as the   
NAO characterise it , “despite 25 years of government strategies and countless attempts to   
deliver digital business change successfully, our reports show a consistent pattern of   
underperformance”.23   
That is because the root causes of these and other failures remain. Legacy IT systems make   
technological change harder to achieve without disruption ,24 and data contained within   
government systems is often of poor quality and hard to access .25 While some progress has   
been made on skills , with over 50 per cent of Fast Stream hires having STEM degrees in   
   
16 Department for Science, Innovation and Technology, ‘AI Expert to Lead Action Plan to Ensure UK Reaps the   
Benefits of Artificial Intelligence’, Web Page, 26 July 2024.   
17 Driver and Vehicle Licensing Agency, ‘DLVA’s IT Transformation – Our Story so Far’, Web Page, 3   
August 2022.   
18 Department of Health and Social Care, ‘Daily Tests Processed and Testing Capacity (UK): 20 March   
to 22 September 2020’, Web Page, 24 September 2020.   
19 Michelle Kendall et al., ‘Epidemiological Impacts of the NHS COVID -19 App in England and Wales   
Throughout Its First Year’, Nature Communications 14 (2023).   
20 Public Accounts Committee, The Dismantled National Programme for IT in the NHS , 2013.   
21 National Audit Office, ‘The National Law Enforcement Data Programme’, Web Page, 10 September   
2021.   
22 Public Accounts Committee, Digital Services at the Border , 2021.   
23 National Audit Office, The Challenges in Implementing Digital Change , 2021.   
24 Financial Conduct Authority, Implementing Technology Change , 2021.   
25 National Audit Office, Challenges in Using Data Across Government , 2019.

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 2023 ,26 and government’s Digital and Data Profession grew by 19 per cent between April 2022   
and April 202 3,27 there remains a widely recognised shortage of digital and technological   
expertise – less than 4 per cent of civil servants are digital professionals compared with an   
industry average of between 8 and 12 per cent .28 And many of the barriers to reform that   
impede Whitehall delivery more generally also apply to digital programmes , including a lack   
of clarity over who is responsible for change and insufficient investment in change   
management.29   
   
1.4 Getting the basics righ t and prioritising productivity   
   
AI can fundamentally transform public services, many of which could be rebuilt from the   
ground -up to take advantage of the emerging technologies in this field. However , in many   
areas the State is not ready to make that kind of radical transformation , and an iterative   
approach is essential to see short -term benefits to services which are struggling to meet   
current demands.   
Recent proposals to government — for example from Labour for the Long Term30 and the Tony   
Blair Institute31 — have focused on investment in sovereign foundational AI models (e.g. Large   
Language Models) to keep pace with a rapidly advancing technology, and mitigate the risks of   
losing access to models provided by companies based in the United States . The risks of this   
happening are hard to assess, as is the Government’s ability to build models which could   
reasonably compete with rapidly -improving foundational model s built by the private sector .   
Given government’s mixed record o n technological adoption, and the scale of the fiscal and   
performance challenge s in public services, it would be prudent for Whitehall to focus on scaling   
up the deployment of AI applications which are already well tested but not yet integrated in the   
public sector . In short, rather than experimenting with fast evolving, cutting -edge AI, the core   
focus in government should be on applying and scaling those technologies that can have the   
biggest , near -term impact on productivity .   
Specifically that means government should ruthlessly prioritis e deploying AI in areas that:   
(a) have an existing evidence base for effectiveness ; and   
(b) can realise productivity benefits within two or three years of deployment .   
   
The use cases listed below in Figure 1 fit these criteria .  
   
26 Cabinet Office, ‘Civil Service Fast Stream Exceeds Target to Boost STEM Expertise Across   
Government’, Web Page, 25 October 2023.   
27 Central Digital and Data Office, Transforming for a Digital Future: 2022 to 2025 Roadmap for Digital   
and Data - Updated September 2023 , 2023.   
28 National Audit Office, Digital Transformation in Government: Addressing the Barriers to Efficiency ,   
2023.   
29 Charlotte Pickles and James Sweetland, Breaking Down the Barriers: Why Whitehall Is so Hard to   
Reform (Reform, 2023).   
30 Haydn Belfield, Great British Cloud and BritGPT: The UK’s AI Industrial Strategy Must Play to Our   
Ambitions (Labour for the Long Term, 2023).   
31 Iosad, Railton, and Westgarth, Governing in the Age of AI: A New Model to Transform the State .

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Figure 1: Use cases for AI in public services which are already being tested32   
Use case Description Size of the prize State of play Examples   
Business   
planning Mapping and   
predicting demand   
for public services at   
a business level and   
planning how to   
resource it .   
   
Examples include   
highlighting crime   
hotspot areas /times   
and managing A&E   
priority lists . Research suggests that   
effective targeting of crime   
hotspots can reduce violence   
against the person and   
robbery offences by 7 per   
cent.33   
   
 There is signification variation in how this   
business planning is done in different public   
sector bodies and parts of public services .   
   
For example, several police forces have   
experimented with using predictive algorithms34   
and some NHS trusts have experimented with   
algorithm s to support triaging patients.35 It is   
unlikely that one standardised approach would   
work across all sectors. From October 2022 to September 2023 AI was applied to the   
footage from every camera in Willesden Green Tube Station . The AI   
had the ability to identify up to 77 different use cases , ranging from   
significant incidents , for example fare evasion, to more minor   
occurrences, for example litter. 19,000 alerts were issued in real time   
to station staff to act on.36   
   
PredPol is a company which uses algorithms to predict crime   
locations. During a four month trial using the software , Kent Police   
achieved a 6 per cent reduction in crime , and PredPol claims that it   
can improve crime detection by 10 to 50 per cent in some cities.37   
Assessment   
streamlining Increasing the speed   
at which decisions   
can be made.   
   
Examples include   
processing asylum   
claims, Universal   
Credit Claims, and   
assessing the   
outputs of diagnostic   
tests (e.g. examining   
chest X -rays). In December 2022 there were   
1,237 caseworkers working on   
asylum claims. On average,   
every member of staff made   
only four decisions a month.38   
   
In April 2023 there were 1.6   
million people in Engl and   
waiting for a diagnostic test   
and 431,000 had been waiting   
more than six week s.39 Decisions in government are currently mainly   
made by specialist professionals, consulting   
data and guidance. Some AI applications which   
support them are being trialled, for example the   
AI Diagnostic Fund is pro viding £21 million in   
funding to speed up the roll out of AI diagnostic   
tools across 64 NHS trusts .40   
   
And in May 2023 a ‘hackathon’ was organised   
by the Home Office to explore possible ways AI   
could help reduce the asylum backlog.41 In Jobcentres, an AI tool called ‘a -cubed’ trawls thousands of pieces   
of guidance to give work coaches information on the best support to   
help claimants into work quicker .42   
   
AQA are trialling whether AI can be used to provide “quality   
assurance” to humans marking GCSE and A -level exams.43   
   
   
32 Other use cases Reform researched demonstrated some evidence base, such as the use of AI tools to support document retrieval and analysis in a polic y   
context, however the benefits case for widespread automation of these functions is not yet well established.   
33 Olivia Jeffrey et al., Evaluation Report on Grip and Bespoke -Funded Hot Spot Policing (Home Office, 2024).   
34 Patricia Nilsson, ‘First UK Police Force to Try Predictive Policing Ends Contract’, Financial Times , 26 November 2018.   
35 The NHS AI Lab, ‘Using AI to Improve Back Office Efficiency in the NHS’, Web Page, 11 February 2022.   
36 Matt Burgess, ‘London Underground Is Testing Real -Time AI Surveillance Tools to Spot Crime’, WIRED , 8 February 2024.   
37 Mark Smith, ‘Can We Predict When and Where a Crime Will Take Place?’, BBC News , 30 October 2018.   
38 Tom Sasse, Rhys Clyne, and Sachin Savur, ‘Asylum Backlog’, Web Page, 24 February 2023.   
39 British Medical Association, ‘NHS Diagnostics Data Analysis’, Web Page, 4 October 2023.   
40 The NHS AI Lab, ‘AI Diagnostic Fund’, Web Page   
41 Amina Memon et al., ‘Artificial Intelligence (AI) in the Asylum System’, Medical, Science and the Law 64, no. 2 (2024).   
42 Isabella McRae, ‘DWP Ramps up AI Use to “Bring the Future to the Welfare System” and Push People Into Work’, The Big Issue , 21 May 2024.   
43 Cerys Turner, ‘GCSEs 2024: Exam Board to Trial AI in Summer Exams’, TES Magazine , 15 March 2024.

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Evaluation will be needed for effectiveness and   
bias in different case working environments.   
Process   
automation Automating basic   
tasks. Examples   
include checking   
documents uploaded   
to GOV.UK and   
exam marking . Exam markers for OCR are   
paid between £240 and   
£1,500 for a full allocation of   
papers (between 200 and 450   
scripts) .44 No consistent use of AI, with two major barriers   
being legacy infrastructure and the funding to   
replace it.   
   
   
 NHS England’s Transformation Directorate has published guidance   
on applying robotic process automation in health .45   
   
HM Land Registr y partially automates the process for assessing   
applications to change the registry, and over 40 per cent of   
applications are completed within minutes.46   
Chatbots &   
automated   
call centres Providing AI chatbots   
and call centres. More than 35,000 people work   
for the Department for Work   
and Pensions’ in-house   
contact centre. A growing number of web chats and call   
centres are handled or partially hand led by AI in   
the private sector, but public sector adoption is   
slower. In 2023 Derby City Council deployed phone -based AI and chatbots   
Darcie and Ali. Derby has handle d 43 per cent of traditional phone   
conversations automatically, exceeding the target of 20 per cent. 47   
Translation /   
transcription Providing AI   
translation and   
transcription   
services . Example s   
include real-time   
translation of asylum,   
social care and   
criminal justice   
interviews . The NHS spent at least £114   
million on interpreters and   
translation services from   
2019 -20 to 2021 -22.48   
   
London Boroughs rated   
transcription of meeting notes   
as the highest priority use   
case for AI in social care.49 Multiple AI t ranslation and transcription   
companies operate outside of government,   
however there is no evidence of uptake in   
central government . It will be important to prove   
translation services are effective for sensitive   
and technical details (e.g. medical symptoms). Haringey Council has deployed AI to translate documents, reducing   
the cost of a ten page translation from £120 to 21p. 50   
   
The gastroenterology team at King’s College Hospital have used   
Hepian’s AI -driven platform to provide a transcription service.51 This   
has decreased the time doctors spend writing letters, allowing them   
to refocus on more valuable tasks.   
Coding co -  
pilots Assisting developers   
with writing code. Digital, Data and Technology   
is the third largest government   
profession after Operational   
Delivery and Policy , with a   
headcount of 23,155 (4.7 per   
cent). It is unclear how much internally developed   
government code is produced using co -pilots.   
The Generative AI Framework for HM   
Government advises civil servants to review the   
output of any co -pilot models to ensure it does   
not breach intellectual property law .52 GitHub Copilot provides assistance to government software   
developers writing code. It has been used by more than one million   
developers and generated over three billion lines of accepted cod e.   
Users accept nearly 30 per cent of code suggestions from GitHub ,   
increasing productivity by reducing the time taken writing bespoke   
code . 53   
   
44 OCR, ‘Examiners’, Web Page.   
45 McRae, ‘DWP Ramps up AI Use to “Bring the Future to the Welfare System” and Push People Into Work’.   
46 HM Land Registry, ‘HM Land Registry: Processing Times’, 19 July 2024.   
47 Microsoft, Harnessing the Power of AI for the Public Sector , 2024.   
48 TaxPayers’ Alliance, NHS Spending on Interpreters and Translation Services , 2023.   
49 London Office of Technology and Innovation & Faculty, Opportunities for AI in Adult Social Care Services , 2024.   
50 Microsoft, Harnessing the Power of AI for the Public Sector .   
51 NHS England, ‘Using an AI -Driven Dictation Platform to Free up Clinicians’ Time’, Web Page, n.d.   
52 HM Government and Central Digital and Data Office, Generative AI Framework for HM Government .   
53 Thomas Dohmke, ‘The Economic Impact of the AI -Powered Developer Lifecycle and Lessons From GitHub CoPilot’, Web Page, 14 May 2024.

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 2. Leadership , delivery and governance   
   
There is no clear accountability for driving AI adoption across government, and responsibility   
for leading the agenda is split between multiple bodies in Whitehall. The implementation of   
digital change is almost entirely devolved to Whitehall departments, local authorities, NHS   
services, police forces and multi -academy trusts . Central government, now led by the   
Department for Science, Innovation and Technology (DSIT) , currently plays a very limited role   
in setting standards, piloting projects and delivering some enterprise services across   
government. The new AI Opportunities Unit , bringing together previously separate teams in   
DSIT (including i.AI , which has moved from the Cabinet Office) could be an opportunity to lead   
more from the centre.   
It is not possible to centralise all AI adoption across the public sector. But t o radically scale up   
AI in government , more central leadership is needed to address the systemic barriers to AI   
adoption .   
   
2.1 The digital centre of government   
   
Central government leadership of AI in public services is underpowered to deliver change top -  
down across large parts of public services. Establishing i.AI is a good start, but with its current   
level of resourcing it is insufficient to drive overall cross -government adoption. W ith around   
70 staff and a budget of £101 million over five year s, its focus to -date has been on internal   
consultancy and supporting departments to pilot new projects .54   
Alongside this, the Central Digital and Data Office (CDDO) oversees government strategy ,   
sets common digital and technology standards, and produces central guidance to support the   
public sector in AI adoption – for example, in publishing the government’s Generative AI   
Framework in 2024 . The Government Digital Service (GDS) provide s common digital products   
such as GOV.UK to other government departments , including instances where AI may need   
to be integrated into those enterprise systems.55   
Under the new Labour Government, i.AI, CDDO and GDS have all been moved from the   
Cabinet Office into the Department for Science, Innovation and Technology (DSIT) – locating   
them alongside the policy functions responsible for AI policy within the wider economy , and   
R&D funding for private and public AI initiatives .56   
Interviewees for the paper, and participants in Reform research roundtables, were optimistic   
that this move would be positive for AI adoption in public services. Encouragingly, one   
interviewee said “DSIT Ministers seem to place a clear priority on digital in government”.   
This is important , and many case studies , as well as interviewees, highlight the role that former   
Cabinet Office minister Frances Maude played in the success of GDS in its early days.57 One   
   
54 National Audit Office, Use of Artificial Intelligence in Government .   
55 Ibid.   
56 Department for Science, Innovation and Technology, ‘DSIT Bolstered to Better Serve the British   
Public Through Science and Technology’, Web Page, 8 July 2024.   
57 Paul Maltby, ‘Reasons to Be Optimistic About DSIT and the New Digit al Centre of Government’,   
Web Page, 24 July 2024.

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 interviewee noted in particular the importance of sustained political leadership by a figure with   
deep private sector expertise : Maude was responsible for digitising public services for five   
years between 2010 and 2015 , and so “had t he clear mandate to force through difficult   
changes in how departments worked with each other ”. Another noted “how important Francis   
Maude was ”, lamenting that “ since then, most ministers haven’t known what GDS did”.   
However, r ather than focusing on the case for locating AI leadership in DSIT, most   
interviewees focused on the disadvantages of retaining it in the Cabinet Office , a department   
which one described as “overstretched… trying to do forty different things, of which digital is   
just one”. In previous Reform research , one senior interviewee characterised the Cabinet   
Office as a “uniquely dysfunctional organisation” , while o ne former permanent secretary   
argued it isn’t “an ‘out there’… sort of organisation. In its central function, it is solving problems   
for the Cabinet Office, not for departments .”58   
This calls into question its power as a central ‘convening force’ in government , and suggests   
an organisation ill -suited to the responsibility of leading AI adoption throughout public services .   
As one former GDS leader has written, “a Cabinet Office email address alone is insufficient to   
imprint effective and strong leadership over Whitehall .”59   
The strongest case for moving AI responsibility to DSIT (along with digital transformation more   
broadly) is the concentration of scarce talent in one location. According to one civil servant   
interviewed for this paper, “CDDO and i.AI will have more colleagues who are actually   
interested and knowledgeable about technology”, contrasting it with a Cabinet Office culture   
which was only interested in “whether you could reduce your team’s headcount by five people   
next year”. Government AI capabilities should rema in in DSIT.   
   
2.2 Leadership in departments, agencies and public bodies   
   
Most operational decisio ns about how to build and deploy software (including AI) are made by   
public bodies themselves – government departments, local authorities, NHS organisations,   
schools and police forces, not to mention a long list of non -departmental public bodies   
(NDPBs). The absence of a substantial, capable centre driving AI deployment means nearly   
all the delivery risk lies with these bodies, “with ultimate responsibility for delivery residing with   
the Permanent Secretary or Accounting Officer in each department .”60 Last year , the   
government established an AI Directors’ Policy Board, comprised of nominated Directors   
responsible for AI in each government department. Its remit includes policy development, risk   
management, and transparency and coordination.61   
However, there is little evidence to support the belief that radical transformatio n through AI will   
happen organically . Given the State’s bottom -up digital transformation has been slow – with   
only ten of government ’s ‘top 75’ services deemed to be at a ‘great’ standard and 45 requiring   
   
58 Pickles and Sweetland, Breaking Down the Barriers: Why Whitehall Is so Hard to Reform .   
59 Maltby, ‘Reasons to Be Optimistic About DSIT and the New Digitial Centre of Government’.   
60 Central Digital and Data Office, Transforming for a Digital Future: 2022 to 2025 Roadmap for Digital   
and Data - Updated September 2023 .   
61 See Appendix 3

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 ‘significant improvement’62 – it is unlikely that AI adoption will be any swifter if it works the   
same way.   
Whilst Generative AI models entered the public consciousness in 2022 with the early demo of   
ChatGPT, other kinds of machine learning software have been used in public services for   
many years. The Department for Work and Pensions (DWP) set up their Intelligent Automation   
Garage in 2017 to grow automation across the department.63 Yet d espite this awareness , as   
Marc Warner, CEO of Faculty , put it in a panel discussion, “the State is still basically nowhere   
on AI, it is still struggling with the more basic digital revolution” .64 Interviewees were particularly   
critical of the incentives for government departments and public bodies to transform   
themselves – as one interviewee put it :   
If you’re a leader in [department], you might be able to make your department   
more efficient a nd cheaper through AI. But you would have to take a lot of risk   
to do that, it might not pay off. Instead, why wouldn’t you just ask for more   
money in next year’s budget to improve frontline services?   
Yet it is inevitable that most change will happen this way – the sheer breadth of public services   
means no central body can drive all change , and most public services have their own digital   
teams, albeit with varying capabilities . Encouragingly, m ultiple interviewees were keen to   
contrast how different the present day is to the early days of GDS , when “most of government   
didn’t have in -house capability, or was locked into bad contracts to use private companies’   
technology”.   
Over time, more of the public sector will adopt AI, but without reform it is like ly to be at too   
slow a pace . Many of the recommendations throughout this paper are thus aimed at   
overhauling the incentives for government bodies to adopt AI locally , in order to speed up the   
implementation, at scale, of tried and tested productivity boosting technology .   
   
2.3 Rebuilding central leadership   
   
All this means that a government which is determined to see more AI adoption will need more   
capability centrally .   
Our research identified four roles the digital centre of government should play in driving AI   
adoption across public services :   
1. Leadership   
2. Prioritisation   
3. Oversight and control   
4. Guidance and support   
   
 2.3.1 Leadership   
   
i.AI, CDDO and GDS together provide a connected but complex landscape of different   
organisations supporting AI adoption at the centre of government.   
   
62 Public Accounts Committee, Digital Transformation in Government: Addressing the Barriers to   
Efficiency , 2023.   
63 DWP Digital, ‘Intelligent Automation Garage: Using Automation for Good’, Web Page.   
64 Civic Future, ‘Should the State Play More of a Role in the Economy?’, Web Page, 29 June 2024.

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 The GDS was originally set up in 2011 based on Martha Lane Fox’s review of Directgov (the   
precursor to GOV.UK), which recommended the creation of what became GDS in response to   
“the reinvention of the internet and behaviour of users” .65 It aspired to a “service culture” in   
government, which focused on the needs of citizens rather than government departments.   
GDS delivered substantial progress in a short space of time , with many examples in common   
use today. Its pioneering impact is evidenced by its international influence: t he GDS model   
was the direct inspiration for the United States Digital Service,66 and similar visions to its   
founding principles are echoed in the Singaporean Open Government Products team67 and   
the Canadian Digital Service .68 While some counties, such as Estonia and New Zealand, have   
had successful digital transformation without a central digital unit, these faced fewer obstacles   
with legacy IT infrastructure or found other ways to create the same principles of a central   
digital unit .69   
Separating GDS into two functions, by creating CDDO in parallel and splitting responsibility   
for delivery and for governance was intended to give clarity. It came from a 2020 report by the   
Digital Economy Council, which suggested that GDS had “to some extent lost its way” after   
going through several different incarnations since it was established in 2011 .70   
In his 2023 review of civil service governance, Francis Maude said this caused confusion :   
The centre is now frequently providing multiple (and mixed) signals. In digital,   
for example, the split between the Government Digital Service (GDS) and   
Central Digital and Data Office (CDDO) creates a largely artiﬁcial split between   
functional leadership and delivery. The lack of a uniﬁed organisational structure   
degrades the strength of leadership that can be provided by the centre, and   
absorbs signiﬁcant amounts of officials’ time in brokering internal coordination   
rather than delivery .71   
Some interviewees felt t he establishment of i.AI in 2023 , whilst a very welcome capacity boost,   
complicate d things further by providing a central leadership function for AI that is separate to   
these other areas of digital services. Some argued that AI shouldn’t be seen as separate to   
overall digital service transformation : “it’s just a different kind of software, it still needs to follow   
the same core principles of digital in government – being centred around the user, and   
developed as a service”.   
Another interviewee pointed out that AI faced exactly the same delivery challenges as earlier   
digital technologies continued to, and s o should be left to the same teams to lead : “regardless   
of the technology, the issues don’t change. In the 2010s, GDS was trying to ‘fix the plumbing’,   
get the right skills in, and set standards. AI is exactly the same ”.   
Indeed, many thought separating AI from other digital service delivery came with risks –   
particularly the risk of “AI being the solution in search of a problem” . “AI doesn’t need different   
things from digital technology in government ”, argued one interviewee, “we always get excited   
   
65 Martha Lane Fox, Directgov 2010 and Beyond: Revolution Not Evolution , 2010.   
66 Tim O’Reilly, ‘The UK Needs to Double Down on the GDS, Not Dismantle It’, Web Page, 16 August   
2016.   
67 Open Government Products, ‘About Us’, Web Page, n.d.   
68 Canadian Digital Service, ‘Digital Products for the Government of Canada’, Web Page, n.d.   
69 Andrew Bennett and Chris Yiu, Transforming Government for the 21st Century (Tony Blair Institute   
for Global Change, 2019).   
70 National Audit Office, Digital Transformation in Government: Addressing the Barriers to Efficiency .   
71 Francis Maude, Independent Review of Governance and Accountability in the Civil Service , 2023.

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 by new technologies – in five years, it will be robotics” . Another interviewee told said that “a   
lot of Generative AI is hype, and willingness to get that into government seems misguided”,   
and that in contrast other kinds of intelligent software “like rules -based technology and neural   
networks, are already used in parts of government. Some parts h ave been using those for   
some time now, largely without incident”.   
The same interviewee told said that the kinds of AI which were in use in government were   
“mostly DevOps, most of the time. Once you manage data and build models well, and start to   
get the feedback from people, it stops becoming a magic black box and becomes about   
laborious processes of data management, testing and learning” – in other words, not an   
innovation but a routine part of digital transformation.   
The overarching message from int erviews is that AI development in government , and therefore   
i.AI, should not have separate leadership to wider digital development, and that the separation   
of CDDO and GDS confuses the accountability of leading the system and deploying services.   
However it is equally clear that AI should retain a distinct focus from the kind of cross -cutting   
digital services GDS now offers, because the kinds of AI used in government are not yet as   
mature as GOV.UK or One Login , and need to be built from the ground up.   
This deman ds a different kind of leadership role. Government no longer needs an   
entrepreneurial GDS to drive overall digital transformation, because it has much more in -  
house digital capability, but it does lack the specific capability to drive in -house AI adoption,   
and needs an approach like the early years of GDS . As one interviewee told us : “It is false to   
claim that we either need dedicated AI programmes in government, or to just leave AI to the   
existing digital programmes. The government’s traditional digital approach needs to be   
updated to catch up with how AI has changed the world”. And given the centrality of improving   
the quality and accessibility of government data ( see Chapter 5), data governance policy   
should not be separated from leading AI adoption.   
Within DSIT, teams transforming government digital services should be brought together to   
provide clear central leadership. Within DSIT ’s overall leadership of the system, GDS should   
continue its focus on maintaining shared digital products on behalf of the government. And to   
build on the initial work GDS and CDDO have done to support the AI adoption , a Government   
Data and AI Service (GDAIS) should be set up within CDDO but separate to GDS , to lead   
government’s efforts to adopt AI across the public sector. This should be built out from the   
existing i.AI team, and GDAIS’ internal leadership function should work with the AI   
Opportunities Unit to delivery of public sector commitments in the government’s upcoming AI   
Opportunities Action Plan .72   
   
   
   
   
   
   
72 Department for Science, Innovation and Technology, ‘AI Expert to Lead Action Plan to Ensure UK   
Reaps the Benefits of Artificial Intelligence’. Recommendation 1: The Government should establish a Government Data and AI   
Service (GDAIS), as a separate function within CDDO, sitting alongside the Government   
Digital Service. Its remit should be driving AI adoption across the public sector, and it should   
be led by a Government Chief AI Officer. The GDAIS should incorporate the current   
Incubator for AI (i.AI).

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 2.3.2 Prioritisation   
   
The leadership of AI in government should force ruthless prioritisation of the use cases   
outlined in Chapter 1 , where , if successfully integrated, proven technologies can feasibly   
deliver sizeable impact in a short time frame . Trade-offs may need to be made between the   
scale of the potential in these areas, and how amenable they are to change.   
Some use cases are entirely within the gift of Whitehall to operationalise, such as AI generated   
summari es of policy advice for Ministers, but represent relatively low overall economic value   
(“tinkering around the edges”, as one interviewee put it) . However, there are some areas   
where public services are controlled directly by central government, and represent big   
opportunities for productivity improvement via AI – the large operational functions of DWP , HM   
Revenue& Customs (HMRC) and the Home Office in particular. There are then other high -  
impact opportunities in local public services , where central government has fewer levers to   
drive transformation top -down.   
A leadership structure for AI in government needs to be able to drive change in both of these,   
although the scale of opportunity and levers available in each case will determine the kinds of   
AI it can feasibly deliver.   
A digital centre of government with clear priorities does not need to detract from the efforts of   
the rest of government. GDAIS can still let “1,000 AI pilots flourish” across the public sector,73   
while being rigorous in focusing its time and investment on those ideas which matter most to   
central government – pilots are only valuable if they can be scaled up into business -as-usual   
services.   
   
This requires a model which is laser -focused on those opportunities which are identified as   
having the greatest evidence base and realisable benefits (the tests identified in Chapter 1) .   
GDAIS should recruit Programme Directors who are focused on cross -cutting use, rather than   
on a sector basis ( e.g. criminal justice, tax). This approach will provide the focus and drive   
required to identify and scale those technologies across government, rather than relying on   
each Programme Director to be a subject -matter expert in the many different kinds of use case   
which a given department or area of public services would have.   
   
   
   
2.3.3 Oversight and control   
   
It is clear that, even within departments, there is little oversight and control of how AI is   
contributing to a future vision of public services . Here is a particularly stark example from one   
interviewee :   
We were working with [government agency] to build a machine -learning triage   
tool, and their senior leadership team asked us to come in and talk about the   
future of AI and how it could change their business. On the same day we went   
   
73 Christopher McKeon, ‘Let 1,000 AI Pilots Flourish to Help Public Sector, Says Labour MP’,   
Independent , 9 August 2023. Recommendation 2: GDAIS should recruit Programme Directors to lead AI adoptio n, with   
one leading each of the priority use cases identified in this paper. The Programme Directors   
should work across all departments for which the use case is relevant , working in   
collaboration with the sector - or service -specific expertise held in that department.

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 in to talk to their board , [government agency] abruptly emailed us to tell us they   
were cancelling the project due to budget cuts. Their own leadership didn’t   
know .   
Several people interviewed mentioned the role that ‘spend control’ processes played in the   
early years of GDS , to ensure public spending wasn’t being wasted on contracts which were   
not aligned with the vision of shared services. Spend control processes are still used, applied   
to spend ing above £100,000 on digital and £1,000,000 on technology which is not business   
as usual. These, along with any which meet criteria such as being “novel and contentious ”, go   
into a joint assurance process between the department and CDDO.74 CDDO is already   
developing its spend controls to identify high -risk AI use cases, and ensure these are given   
appropriate scrutiny .75   
Interviewees stated that historically these controls were exercised much more strictly than   
they are today. Spend control processes should be continued and moved into the new GDAIS ,   
so that it can ensure digital technology being developed is in line with the government’s   
strategy for data and AI adoption – for example, common approaches to standards and   
interoperability , evaluation of model performance, and the right balance of procurement and   
in-house delivery .   
Spend controls should not only be a tool for ensuring that spending is aligned with the   
government’s technical objectives, but also that it is focused on those suppliers who are best   
suited to the kind of technical innovation required to implement AI . Two interviewees   
highlighted that AI development work was sometimes tendered via large consultancy   
frameworks like MCF3, which does not explicitly mention Artificial Intelligence in any of the   
nine lot descriptions .76 The same interviewees felt this was contracted in this way because it   
was convenient for officials to use those providers, rather than the providers being best -placed   
to build AI software . These consultancy frameworks should also be in scope of GDAIS spend   
control s when th ey are used for technology consultancy .   
   
   
   
   
 2.3.4 Guidance and support   
   
Despite the diminished role of GDS, one of its most significant legac ies, as one interviewee   
stressed, is the clear set of standards and guidance it produced, which diffused across central ,   
and ultimately much of local , government. The GDS Service Manual77 exists to support public   
sector digital teams in meeting the requirements of the Service Standard .78   
In contrast, while AI adoption requires different technical solutions to products like GOV.UK   
and One Login , government lacks the same clear guidance for teams adopting AI in public   
   
74 Central Digital and Data Office, ‘Digital and Technology Spend Controls (Version 5)’, Web Page, 21   
July 2023.   
75 National Audit Office, Use of Artificial Intelligence in Government .   
76 Crown Commercial Service, Management Consultancy Framework Three (MCF3) , 2021.   
77 Government Digital Service, ‘Service Manual’, n.d.   
78 Government Digital Service, ‘Service Standard’, n.d. Recommendation 3: The Government Data & AI Service should take on the responsibility   
for applying digital spend controls to all new spend with a contract value above £100,000 ,   
including spending on AI consultancy.

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 services as the Service Standard which supports those products; a topic further discuss ed in   
Chapter 5 . Such guidance is best produced centrally and adapted in departments within   
central government – and ideally the model is also powerful enough to influence local   
government .   
Given the shortage of specialist AI, digital and technical skills in government, a central pool of   
resource to support government departments with AI adoption is best located in GDAIS . This   
could also be a forum for spreading best practice and learning . One interviewee said they   
were convinced that of the many pilot initiatives being discussed across government, plenty   
had already been tried , but because learning was not diffused throughout the system , those   
projects were likely to be repeated again by accident.   
This central pool of resource would also provide capacity to challenge many of the structural   
barriers to AI adoption discussed in this paper – around technical development capacity,   
procurement, financing, performance and evaluation. Martha Lane Fox’s original call for GDS   
involved “ SWAT teams ” who would be “ given a remit to support and challenge departments   
and agencies delivering the first wave of digital only services ”.79 Today this is needed for AI.   
In order to professionalise the current teams and networks focused on AI adoption in   
government, GDAIS should become the professional home for AI in government. Interviewees   
argued that AI was still largely seen as the domain of science and analysts in government ,   
given it is still largely funded from public R&D budgets at pilot stage. However, as projects   
scale into live services, different kinds of skills are required to manage them to those needed   
in the early stages of pro totyping solutions , particularly when it comes to integrating AI into the   
large, operational service s.   
Given the strength of feeling among interviewees that AI should not be seen as separate to   
wider digital service transformation, it is clear that the Digital, Data and Technology profession ,   
now led by CDDO, is the best home for professional support for AI experts within government,   
with input into professional standards and training from the Analysis Function and Scien ce and   
Engineering Professions as well .80   
   
   
   
   
   
79 Lane Fox, Directgov 2010 and Beyond: Revolution Not Evolution .   
80 Cabinet Office, ‘Government Professions’, Web Page, 16 February 2024. Recommendation 4: The Government Data & AI Service should be tasked with publishing   
guidance on AI adoption .   
   
Within the Service, there should be:   
   
• A team of specialists who serve as the point of contact with each department,   
understand its business and pipeline of projects, and advise on the spend control   
process.   
• A central team which collects evaluations of AI from across government, and   
assures commonly used off -the-shelf and open source AI products on behalf of   
central government, making these resources available to government departments   
and public bodies.

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3. Funding   
   
3.1 Realistically assessing the prize   
   
Government investment in AI should be proportionate to the scale of the opportunity , but in   
practice the right level is challenging to judge. The re is a temptation to overstate the   
opportunity given the growth rate of frontier technology , but an assessment of the benefits   
needs to be realistic .81 As Professor Karen Yeung argued, application by the State must not   
“rest on a naïve belief that the adoption of AI is valuable in and of itself, without first identifying   
and evaluating the specific concrete benefits that adoption of these systems can be expected   
to deliver” .82   
Conversely, many feel that there are large savings opportunities, but simpler forms of digital   
technology could realise them , with one interviewee suggesting that the inclusion of AI was   
too often “putting lipstick on a pig ”. This is likely a symptom of immature uses of commonplace   
generative AI tasks, rather than the kind of targeted deployments this paper recommends.   
There are a wide range of estimates for the benefits of full -scale AI adoption in the State. At   
this early stage in adoption , it would be unwise to anchor expectations to a specific overall   
figure . Instead , the business case should be built for investment in specific activities.   
Nonetheless, the scale of the estimates illustrates that the potential prize for government is   
large .   
Public First estimates that AI adoption could provide as much as £12 billion in savings from   
the public sector by 2030, and up to £17 billion by 2035 .83 This is based on using a generative   
AI model to classify the probability that LLMs could significantly reduce the time it takes for   
workers to complete 17,000 combinations of tasks, then aggregating the se at occupation level .   
Based on a similar methodology , the National Audit Office referenced internal CDDO analysis   
which suggested almost one third of tasks in the civil service could be automated.84 Recent   
research built on this , applying that estimate to the overall £175 billion of public expenditure   
on workforces (both the civil service, and wider public sector) to assess that the productivity   
benefits could be as high as £40 billion a year after discounting investment , and that in DWP   
specifically as much as 40 per cent of tasks could be automated .85   
Whilst serving as the Chief Operating Officer for the Civil Service, in a speech to Reform , Alex   
Chisholm estimated that AI and automation could save up to £4.8 billion a year, by reducing   
government’s operational delivery costs by 31 per cent.86 Then outgoing Government Chief   
People Officer, Rupert McNeil , told the Public Administration and Constitutional Affairs   
Committee that “by the mid to late 2030s, the civil service should be about 150,000 people”,   
   
81 OpenAI, ‘GPT4o - Demo’, Web Page, May 2024.   
 Karen Yeung, ‘Written Evidence to the Public Accounts Committee: Use of Artificial Intelligence in   
Government’, Web Page, May 2024. Yeung.   
83 Microsoft and Public First, Unlocking the UK’s AI Potential ..   
84 National Audit Office, Use of Artificial Intelligence in Government .   
85Iosad, Railton, and Westgarth, Governing in the Age of AI: A New Model to Transform the State .   
86 Sam Trendall, ‘AI Could Save £5bn a Year and Take Workload from “Tens of Thousands” of Jobs,   
Government Ops Chief Says’, Public Technology (blog), November 2023.

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 taking into account the opportunities of AI and automation – a reduction of nearly 70 per cent   
compared to 2023.87   
Estimates from within government are simila rly significant . Dr Laura Gilbert, Director of Data   
Science at 10 Downing Street, and Director of the Incubator for AI, told the Financial Times   
that “whilst there was a general target for a 3.55 times return on investment on AI… “some of   
the early tools are more like a 200 times return on investment”.88   
However, interviewees expressed scepticism about the value o f many of these high -level   
estimates, which were felt to be unrealistic. Indeed, the benefits which central government   
hopes to realise from current investments are much less ambitious . The previous   
Government’s announcements of a public sector productivity drive in the 2024 Spring Budget   
relied on AI and automation for much of the costed returns , expecting to realise £1.8 billion of   
estimated benefits by 2029 for a cost of £800 million , a more modest 2.25 times return on   
investment (ROI) .89   
Much of the scepticism of the public servants interviewed was based on querying the State’s   
capacity to actually deliver the benefits, with some noting that, if the estimates are less   
ambitious, the cost -benefit analysis may no longer stand up. As one official reflected “if you   
can replace 10 per cent of a team with AI, but you need to hire more civil servants with   
expensive tech skills to build and run it, plus more software overhead, so will it really save   
money overall ?”   
Several interviewees singled out health, the largest frontline service, as an area where scaling   
AI was hard because the system had not established the value of many technologies. One   
interviewee said “not many companies have actually done health economic studies which   
assess the benefits of the technology. This is where most companies [selling into the NHS]   
fail”. Another summarised it this way :   
The health system is filled with proofs of concept. But we’ve proven the   
concept, we know you can put predictive tools in the hands of clinicians and   
managers, and they can perform better. What we need is proof of value , and   
to do that we need longer studies and more investment in evaluating them .   
Clearly, within government some areas will be much more amenable to AI adoption than   
others, and these are the areas likely to deliver best value for money. Instead of building the   
case for investment on broad estimates across the public sector, HM Treasury (HMT) should   
consider the cost of investment on specific use cases where the technology is already proven,   
and focus investment on prototyping and rapidly scaling up adoption.90 To give three concrete   
examples:   
• The European Commission’s translation unit has decreased in size by 17 per cent over   
the last decade as a result of their use of machine translation systems91   
   
87 Rupert McNeil, Oral Evidence: Civil Service Human Resources, HC 1399 (Public Administration and   
Constitutional Affairs Committee, 2023).   
88 Lucy Fisher, ‘UK Government to Trial “red Box” AI Tools to Improve Ministerial Efficiency’, Financial   
Times , 28 February 2024.   
 HM Treasury, ‘£1.8 Billion Benefits through Public Sector Productivity Drive’, 2 March 2024. HM   
Treasury.   
   
91 Gregorio Sorgi, ‘EU Gives More Power to AI Translation Machines’, Politicio , 15 June 2023.

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 • Klarna’s chatbot is estimated to be performing the work of 700 full time equivalent   
employees in answering customer queries about payments and online financial   
services .92   
• Developers using Github Copilot to develop new code in other government s are   
already estimated to work 55 per cent faste r.93   
This approach does not require bullish assumptions about future technological innovation ,   
instead rooting the case for investment in practical case studies of the technologies already   
applied in the public , and comparable parts of the private , sector.   
   
3.2 State of play   
   
It is impossible to create a complete bottom -up assessment of current government spending   
on AI, because this spending is so disaggregated. But there are patterns in the parts of the   
system where data is available .   
Headline investments in the public sector to build AI capability are either focused on evaluating   
foundational models through the £100 million of initial investment in the AI Safety Institute,94   
or the early capabilities to pilot and scale new tools through the Incubator for AI funded with   
£100 million over five years.95 But government AI spending is likely to be much larger than this   
– it is just hidden in overall digital spending contracts, which are rarely broken down by the   
kinds of software used.   
Data obtained from Tussell’s procurement data platform (Figures 2, 3 and 4 , full data in   
Appendix 2) enables a partial breakdown . Overall IT procurement, which will include   
outsourced AI development, has been slowly increasing for several years, rising to £13.6   
billion in 2023 , from £8.1 billion in 2017 . Central government dominates the market, spending   
£7.9 billion, with health services spending £3.5 billion and local government £2.2 billion . Much   
of this cost will not be new spend, with plenty go ing to servicing legacy IT projects and   
programme s which are outdated and expensive to run, but also expensive to remediate and   
replace.   
Within overall digital spending, another indicator which is important for AI adoption is cloud   
services. It is significantly easier to train, develop and deploy AI models in cloud infrastructure,   
on data held ther e, and to integrate those models into wider digital services hosted in the   
cloud . The final quarter of 2023 saw three of the larger operational government departments   
– the Home Office, DWP and HMRC – all award cloud services contracts to Amazon Web   
Services (AWS) , meaning overall spending in 2023 was significantly higher than previous   
years – £2.1 billion compared to £1.5 billion in 2022.   
It is particularly difficult to identify total spend ing on procuring AI technology specifically.   
Notably, t he value of contracts which mention AI or associated keywords in their   
documentation appears to be decreasing . After an increas e in late 2020 and throughout 2021,   
spending has fallen off – in 2023 contracts awarded were valued at £172 million, compared to   
   
92Jack Kelly, ‘Klarna’s AI Assistant Is Doing The Job Of 700 Workers, Company Says’, Forbes , 4   
March 2024.   
93Andrew Weiss, ‘Empowering Developers in Government with GitHub Copilot’, Github, n.d.   
94Department for Science, Innovation and Technology, ‘Global Leaders Agree to Launch First   
International Network of AI Safety Institutes to Boost Cooperation of AI’, 21 May 2024.   
95Cabinet Office, ‘Whitehall Set to Bring in AI and Data Experts under Plans to Turbocharge   
Productivity’, 19 July 2023.

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 £358 million (more than double) in 2021. Although this increase coincides with the Covid -19   
pandemic, the four largest contracts awarded in 2021 do not mention Covid -19, and so growth   
cannot be directly correlated. However the sample size of figures that support this market is   
fairly low – 806 contracts in total between 2017 and 2023 – making it harder to estimate the   
actual value in any given year.   
Nonetheless , despite reduced spending, the number of contracts awarded has increased –   
from 180 contracts in 2021 to 201 in 2023. This inversion has contributed to a fall in the   
average contract value, from £248,000 to £126,000 . There has also been a reduc tion in the   
median contract duration from 17 months to 11 months.   
   
Figure 2: Total Awarded AI value by Central Government, Local Government and NHS   
in England, 2017 to 2023   
   
   
Figure 3: Total Awarded AI volume by Central Government, Local Government and NHS   
in England, 2017 to 2023   
   
   
2m  
1m  
198m  
7m  
1m  
6m  
3m  
2m  
9m  
5m  
12m  
11m  
5m  
6m  
6m  
56m  
89m  
114m  
75m  
80m  
90m  
139m  
18m  
14m  
18m  
89m  
34m  
31m  
0m50m100m150m200m250m  
Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4  
2017 2018 2019 2020 2021 2022 2023Pounds (£)  
611  
3510 9 81320  
920  
1119 20173641  
33525475  
41 40  
3062  
3754  
48  
Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4Q1Q2Q3Q4  
2017 2018 2019 2020 2021 2022 2023

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Figure 4: Median awarded contract value for AI services, by Central Government in   
England, 2017 to 2023   
   
   
This appears to support reports from interviewee s that the majority of government investment   
is going into pilots, and not into scaling up products. Crucially, interviewees felt this was a   
function of internal public sector bureaucracy, rather than a failing of individual pilots. One   
described the process as “ companies win a tender to pilot software, it works well, the buyer in   
government says ‘thank you very much, we’ll let you know when we next put out a call’, and   
they never hear back”. The specific challenges with procurement approaches like this are   
covered in Chapter 4 , but the failure to scale from pilots has both cultu ral and financial causes .   
One interviewee explained that the incentive in government are to “pilot AI in your team   
because it makes you cool, not because it’ll do anything ”. Others claimed it was a symptom of   
digital funding being squeezed overall, and so “ the problem is not what to start, but what to   
stop, and therefore what you can afford to scale up. Proofs of concept are cheap, financially   
and politically. Stopping [other programmes to scale up a pilot] is costly .”96 One department   
interviewee mentioned how in previous Spending Reviews, GDS had played an important role   
in ensuring that departments’ bids properly prioritised legacy IT remediation and other crucial   
enabling investments, a practice which should be continued to ensure investment is not   
misallocated to AI without the right infras tructure to deploy it.   
Overall there was broad consensus that constraint on public finances had reduced the scope   
to innovate and then scale up, and as a result many pilots were commissioned with very little   
prospect of being scaled even if they were to prove their value . This is an example of the   
   
96 Two separate interviewees believed too many pilots were funded from underspends in the final   
quarter of the financial year, although this did not match the data obtained by Tussell, which instead   
shows th e most value being awarded in Q2 of the calendar year, i.e. the first quarter of the   
government’s financial year. 62k51k97k205k248k  
120k126k  
0k50k100k150k200k250k300k  
2017 2018 2019 2020 2021 2022 2023Pounds (£)

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 “initiativitis ” which Dame Louise Casey has described as not changing anything, but existing   
because it “makes governments feel better” .97   
This paralysis is evident in the numbers : of the public bodies using AI in government which   
the NAO surveyed, only 37 per cent have one or more use case fully deployed – the rest were   
either piloting (25 per cent) or at an even earlier stage .98   
The status quo of many small projects, and no obvious route to scale AI in the public sector,   
is unsatisfactory. One interviewee said that public services should be imploring the   
government to “end this sea of random pilots” . Another was sceptical that there was not   
significant duplication among the existing pilots, calling for a “systemic study of pilots funded   
by the government, to understand what we have and haven’t learned”. Steps have been taken   
in this direction, for example a cross -government group e stablished to share learning on a   
pilot of a generative AI tool, however there is currently no systematised process for   
disseminating knowledge on AI opportunities within government.99   
The result is a ‘valley of death’ for AI projects in government, similar to the concept originally   
discussed in US defence procurement .100 There is relatively plentiful investment to fund R&D   
activity and applied research in the form of pilots, but no clear path to transition projects into   
full-service deployments . And often investment is focused on the most novel and exciting new   
technologies, rather than more easily available ‘quick win s’: “some senior leaders ask for   
things that are impossible to deliver” while “ignoring things that could be readily delivered and   
easily provide benefit, but are not deemed sufficiently exciting.”   
   
This “leap -frogging” means that creating new things, such as the National Covid -19 Chest   
Imaging Database, is often prioritised above rolling out basic -but-essential universal services   
like electronic prescribing, which would deliver instant efficiencies f or GPs and patients   
alike.”101   
   
3.3 Funding to scale   
   
Focusing business transformation investment in applications which have a strong evidence   
base, and where implementation is likely to have the lowest technical and operational barriers   
to adoption , should build confidence. Yet even with this focus , public funding is insufficient to   
scale AI products, and leaders in departments and frontline services have no direct incentive   
to prioritise development over their day -to-day spending pressures.   
A former official characterised the public sector approach as the opposite of how a technology   
company would fund software :   
The government are obsessed with protecting frontline budgets, so [they]   
squeeze the small amount you have available for transformation every year.   
But in the private sector, they would do the opposite, because you can always   
   
97 Alona Ferber, ‘Louise Casey: The Tories Are Done - and They Need to Go Away for a While’, New   
Statesman , 29 November 2023.   
98 National Audit Office, Use of Artificial Intelligence in Government .   
99 National Audit Office.   
100 Eric Lofgren, ‘Explaining the Valley of Death in Defense Technology’, Acquisition Talk (blog), 9   
December 2019.   
101 Natalie Bryom, Rachel Coldicutt, and Sarah Gold, People First, Always: Delivering Better,   
Cheaper, More Accessible Public Services , 2024.

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 control your change budget, but if you don’t focus on getting your annual run   
costs down then they’ll keep growing .   
With an incomplete understanding of current spending along with varying estimates of the   
level of benefits, it is not straightforward to cost the additi onal investment the government   
should make to deliver widespread AI adoption in public services. However, based on the   
scale of current estimates for spending (low hundreds of millions) compared to the benefits   
available from going further (into the billions) , government is clearly missing an opportunity.   
Recent estimate s of productivity benefits vary from £17 billion by 20 35 to £40 billion a year   
(net of investment), though these are likely to be the upper limit possible with existing   
technology .102 The benefits which can be realised in the short term , from proven technology,   
are likely to be an order of magnitude smaller, closer to Alex Chisholm’s estimate of £4.8 billion   
a year.103 This is particularly true given the government’s tendency to wards optimism bias in   
scoping the benefits of a transformation project, and the costs of realising them.104 Given this   
paper’s recommendation that the Government start by focusing on applications of AI which   
are feasible in the short term, and have an existing evidence base, the return on investment   
should be in line with government’s current target of an average Return on Investment of   
3.55x.105   
The Government should establish an AI Transformation Fund , with an additional £1 billion   
between 2025 -26 and 2027 -28, to pilot and scale up adoption of AI. This is a proportionate   
investment to the realistic scale of benefits in the short -term. It should only be deployed in   
those areas where there is existing evidence of benefit, and where the path to testing and   
adoption in public services is identified – in other words, it should not fund experimental new   
kinds of AI technology which would be c lassified a s R&D. Within these areas, the Fund can   
pilot new approaches if necessary , but should predominantly be used to scale up successful   
existing pilots into full -service solutions.   
While the Fund should be focused on the use cases outlined in Chapter 1, it should be flexible   
for investment in whatever technology is most important to facilitate scaling up those use   
cases in government, including core infrastructure like cloud and hosting, and hiring additional   
civil servants to create more in -house technical capability.   
The majority of the Fund would be a one -off cost over the three year period, and should be   
treated as investment. However, s ome of this spending will translate into ongoing run -costs –   
for example, staff hired to run AI services and continuously improve them, license fees for off -  
the-shelf products, and cloud infrastructure to host data and software . Often Capital DEL   
budgets are used to fund business transformation, however research shows that “ some   
departments have challenged using capital budgets for GenAI projects on the basis that there   
is no ‘asset’ at the end of them, due to the limited use of code , with legal teams making the   
case that prompts do not count in the way that code does ”.106   
Particularly given the importance of building in -house capability and procuring more flexibly   
through off -the-shelf products, a significant proportion of the fund should be accounted for as   
Resource DEL – the category of spending which can be allocated to those activities. This will   
   
102 Iosad, Railton, and Westgarth, Governing in the Age of AI: A New Model to Transform the State .   
103 Trendall, ‘AI Could Save £5bn a Year and Take Workload from “Tens of Thousands” of Jobs,   
Government Ops Chief Says’.   
104 The Behavioural Insights Team, A Review of Optimism Bias, Planning Fallacy, Sunk Cost Bias and   
Groupthink in Project Delivery and Organisational Decision Making (Department for Transport, 2017).   
105 Fisher, ‘UK Government to Trial “red Box” AI Tools to Improve Ministerial Efficiency’.   
106 Paradigm Junction & PUBLIC, Buying Generative AI in Government , 2024.

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 ensure that the budget classification of the Fund does not bias it’s use against the kinds of AI   
adoption which are better value for money overall.   
The AI Transformation Fund should be managed by the GDAIS, and allocated to fund projects   
in departments and public services which have the greatest potential value for money. Central   
allocation is essential to reduce the risk of duplicating efforts across government, or funding   
being repurposed by departments for other projects. The Fund should not be allocated entirely   
up-front, with the majority of funding held back to scale up successful projects. However, the   
default assumption should be that successful projects supported by the Fund are scaled up,   
rather than requiring further approvals and bids. The following section discusses the process   
for allocating funding.   
Given that funds will only be allocated to projects with high , near -term (two to three years)   
Return on Investment potential , and that this will be based on evidence from existing   
applications, this increase in expenditure should be more than covered by the savings   
accrued. However, GDAIS could consider options for offset ting some of the cost, such as   
closing down separate and underperforming funds which support pilot -only projects, or top -  
slicing existing government department technology budgets to finance the Fund.   
   
   
3.4 Picking winners   
   
The usual approach of encouraging departments to proactively bid into a central fund is   
insufficient, not least because the incentives to bid are not there. Cat Little, then Second   
Permanent Secretary at HM Treasury , told the Public Accounts Committee that the Treasury   
was disappointed with the track record of the Shared Outcomes Fund, which only had 28 bids   
in SR21 despite HMT delivering training and guidance to over a thousand finance officials on   
how to submit one.107   
Interviewees said they lacked the internal capacity to build the case for investment and   
manage the negotiations , without certainty of securing funding , often taking several months .   
This is compounded by how restrict ive that spend ing often is, with one saying “ sure, the   
Treasury might give me the money to buy in some consultants to build a tool, but they won’t   
fund me to hire people to administer that contract, or manage the tool in live service. So why   
should [department] bid when it costs us?”   
Interviewees also stressed that processes based on current business cases were too slow,   
with one saying : “it takes us eighteen months to build a business case. Then a year -long   
procurement after that . By the time that’s done, the technology has just moved on ”. The   
   
107 Public Accounts Committee, Oral Evidence: Cross -Government Working , HC 75 (London: The   
Stationery Office, 2023). Recommendation 5: Government should announce a new AI Transformation Fund, and   
HM Treasury should allocate GDAIS an additional budget of £1 billion between 2025 -26   
and 2027 -28 to finance it.   
   
The Fund should be available for projects which already have an existing evidence base,   
and demonstrably high productivity -boosting potential. There should be flexibility in what   
kinds of spending the Fund is used for, provided they support the scaling up of AI adoption   
in defined use cases.

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 unsuitability of the business case process for digital transformation in particular is well   
documented, including how they lock projects into fixed and unrealistic timeframes, and are   
not used as dynamic and live documents .108 Far from being rigorous, these processes do not   
sacrifice speed to improve quality – in fact often the opposite is true.   
Despite the Treasury’s Guide to Developing the Project Business Case stating that the process   
should be “flexible and scaleable” ,109 interviewees said this was not the case, and most   
departments practiced annual reapprovals which ran into the hundreds of pages for digital   
programmes. One reflected that “if officials are meant to bring all major changes to the   
departments’ portfolio board for approval, but the board only meets once every two months,   
that’s hardly going to work. Digital change is too quick for that”.   
Others were more sceptical of the value of the business case process at accurately   
establishing value for money, its core purpose as outlined in the Treasury’s Green Book . One   
interviewee described a bid for hundreds of millions of funding from HM Treasury for a digital   
transformation programme, after which the Treasury told them “you should have added   
another zero, then we would have taken it seriously. That’s just too small f or us to fund”.   
Another interviewee argued that the business case process has been designed for major   
infrastructure programmes, where “ [the government] is committing hundreds of millions of   
pounds, and once you’ve started the costs to stop are very high. That’s not true where I work   
– software is pretty cheap to build, and costs little to stop building if it’s not going anywhere.   
Most of our suppliers are p aid for the time they work on the project anyway, if you close it down   
they stop charging”.   
One interviewee reflected :   
The majority [of business cases] are rubbish. They aren’t feasible or real.   
[Officials] never set out the real costs of delivering or running the thing, because   
they are incentivised to make everything have a cashable return on investment   
to get it through the Treasury. Then, once the project has started, it can’t be   
stopped. It just drives the wrong behaviour.   
The adverse effects of this approach are well -documented. In The Radical How , Andrew   
Greenway and Tom Loosemore blamed the high levels of ‘friction’ in the business case   
approvals process for pervasive “sunk cost fallacy”, where if government “spends enough   
money on a programme… it can take on a life of its own, regardless of whether it is the right   
thing to do”. 110   
Given the importance of spending public money well, the business case process must be   
rigorous . However it must also be proportionate, and in the case of digital projects in particular,   
much quicker. The Treasury should therefore agree a robust allocation process with GDAIS ,   
after which the Fund should operate on a portfolio basis akin to that of the Advanced Research   
and Invention Agency ( ARIA ) – leaving project level funding decisions to GDAIS. The business   
cases used by G DAIS should be simple and quick t o produce and evaluate. GDAIS should   
reflect the recommendations made by Lord Willets in his excellent review of the DSIT Business   
Case process .111   
   
108 Sally Howes and Tess Kidney Bishop, ‘The Hidden Obstacles to Government Digital   
Transformation’, October 2018.   
109 HM Treasury, ‘Guide to Developing the Project Business Case’, 2018.   
110 Andrew Greenway and Tom Loosemore, The Radical How (Public Digital, Nesta, 2024).   
111 David Willetts, Independent Review of the DSIT Business Case and Approvals Process , 2024.

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 The AI Transformation Fund should be gradually allocated to projects over time by Programme   
Directors, based on opportunities they identify within government. Given the risk of   
departments and public services focusing on use cases which are “tinkering around the edges”   
(see Chapter 2.3.2) because of aversion to the operational risks of adoption (see Chapter 5.3),   
Programme Directors should be supporte d by a team to assess which opportunities are truly   
transformational, and to address the barriers preventing adoption in the highest value areas.   
These teams will need to be hybrids of digital specialists and those with expertise in business   
transformation.   
While the Fund will focus on projects where there is a high confidence of success, AI is still an   
experimental technology being deployed in a challenging delivery environment, and so it is   
likely some projects will fail . The crucial point is that those projects which do succeed will know   
that there is funding available to scale up and realise the full benefits of operating as a mature   
AI-powered service , something which is currently lacking.   
This would operate like a presumption in favour of funding successful projects . There are   
parallels between this and the way venture capitalists fund startups – proceeding to fund future   
investment rounds if the startup is successful, and abandoning it if not . The difference is that   
the AI Transformation Fund is targeted at projects in which the technology is already proven,   
so the failure rate should not be exceptionally high.   
   
   
 Recommendation 6: HMT should agree an overall business case for investment with   
GDAIS , based on the Programme Directors’ aggregate understanding of the value for   
money case for investment in their use cases. This business case should meet the   
recommendations of the Willets Review of the DSIT Business Case Process.   
   
Recommendation 7: GDAIS Programme Directors should have the flexibility to allocate   
funding to projects in departments and public bodies which demonstrate the potential to   
represent good value for money , without reverting to HMT sign off . They should identify   
these opportunities by scouting them from those organisations .   
   
Recommendation 8: Within funding they commit to projects, GDAIS Programme Directors   
should then have the flexibility to allocate funding to whatever capabilities are needed to   
deliver the project . This could includ e additional staff in GDAIS or the department,   
contracted support, software licenses, data curation and remediating legacy IT .

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 4. Build it, buy it , rent it   
   
4.1 Who should develop AI for government?   
   
The government resources software development, including AI, through different   
mechanisms:   
1. Building AI in -house , using civil servants or other public sector staff to build and   
maintain the product.   
2. Buying in support from the private sector to build bespoke software. This is gradually   
shifting from a system which incentivised the entire outsourcing of software   
development to the private sector, to procuring consultancy support to co -develop AI   
with internal staff, and owning the intellectual property in government.   
3. ‘Renting’ AI capabilities through commercial off -the-shelf products, or using open -  
source tools and paying for the integration locally.   
Broadly, interviewees felt like the current balance was skewed too heavily towards using the   
private sector, and the public sector needed more in -house capability. Without that, they   
believed it would continue to be a bad customer for software developed in the private sector,   
and not have sufficient capacity to test and procure off -the-shelf solutions for use in   
government .   
However, circumstances will always vary operationally, and different departments and   
agencies will require different combinations of resources to build AI products in their   
environment. Government should not be prescriptive on the right approach, and instead   
should make all options easier to use effectively.   
   
4.2 Building it: i n house capability   
   
Government does not have extensive in -house capabilities to build and deploy AI software.   
The Digital, Data and Technology (DDaT) profession has grown by nearly 20 per cent since   
April 2022 , but still has vacancy rates above its target of 10 per cent.112 As the NAO   
characterised it, “there is a major digital skill s shortage in the UK, and skilled digital   
professionals command a premium in the market, making it hard for departments to recruit”.   
One interviewee for this paper said that “in some DDaT functions, the vacancy rates are 30 or   
40 per cent, and the majority of roles that are filled are filled by contractors rather than staff”.   
CDDO reported to the NAO in 2023 that 37 per cent of government recruitment campaigns for   
digital roles were unsuccessful” .113   
The Civil Service People Plan commits the civil service to becoming an organisation where   
“specialists are offered the tools and training to deepen their expertise” and to develop a new   
reward strategy which would “act to attract talent to the Civil Servic e”, however limited details   
are available.114 Different functions are already permitted some pay flexibility, with the Digital,   
   
112 Jim Dunton, ‘Cabinet Office Flags Digital Successes with Three -Year Roadmap’, Civil Service   
World , 29 September 2023.   
113 Public Accounts Committee, Digital Transformation in Government: Addressing the Barriers to   
Efficiency .   
114 Cabinet Office, Civil Service People Plan 2024 -2027 , 2024,

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 Data and Technology Function having a separate pay framework for its six most critical   
roles .115   
The salary disparities are even more pronounced in the field of AI . This skillset is in particularly   
high demand, and many top machine learning engineers make salaries 10 times what they   
would be paid in the civil service – last year OpenAI researchers were reportedly hired on over   
$800,000 a year.116 Even in the UK, one technologist interviewed estimated that the equivalent   
compensation for some AI engineers in government would be £650,000. Plenty are paid even   
more than that – Marc Warner estimated a “top quartile engineer with five years of experience   
in Silicon Valley can get four or five million dollars a year in salary… you have to offer those   
people a lot, a really powerful mission to ge t them… into the public sector, and some sensible   
salary”.117   
As discussed in previous Reform research, the government can offer higher salaries, but there   
are many barriers to this – mainly the significant bureaucracy involved in agreeing higher pay   
cases, with multiple approvals to add additional ‘allowances’ for exception skills, which do not   
follow talented individuals throughout their career and must be reapplied for when jobs   
change .118 This is an unappealing prospect for candidates who can command much higher   
salaries, with much more certainty and no bureaucratic hoop -jumping , in the private sector.   
Conversely , one interviewe e said that many businesses which required less competitive digital   
skills actually get away with paying less than the civil service because “you’d have to pay those   
people even more to work in government! Developers want to write code, not sit in meetings   
or make Powerpoint”. Another interviewee believed that technologists weren’t valued in   
government, saying “the civil service won’t accept that people with exceptional tech talent   
have other options… you have to value their contributions or they will leave” – citing the   
example of civil servants who were expected to develop AI on laptops which they were not   
allowed to use Python on .119 They acknowledged that it was often assumed that if software   
engineers left they were easily replaced – contrary to the evidence on how hard it is to recruit   
specialist skills like AI development .   
Clearly, culture and the incentives for progression are badly aligned for technical expertise in   
the civil service. And, as also set out in previous Reform work, career progression within the   
civil service is currently often dependent upon leaving one’s area of expertise or increasing   
the share of one’s time devoted to management responsibilities.120 This has been referred to   
as “a professional ceiling where they can rise no further – the upper pay bands of the civil   
service being largely reserved for generalists, with generalists’ strengths”.121 This places limits   
upon the time AI experts can devote to AI and contrasts poorly with private sector companies,   
for example Microsoft which ha s separate career paths for engineers who want to focus purely   
upon developing their technical skills , not manage people.122   
   
115 Joe Hill, Charlotte Pickles, and Sean Eke, Making the grade: prioritising performance in Whitehall   
(Reform, 2024).   
116 Jo Constanz, ‘OpenAI Engineers Earning $800,000 a Year Turn Rare Skillset Into Leverage’,   
Yahoo Finance , 22 November 2023.   
117 Civic Future, ‘Should the State Play More of a Role in the Economy?’ , You Tube, 12 July 2024   
118 Hill, Pickles, and Eke, Making the grade: prioritising performance in Whitehall .   
119 Python is a computer programming language, which is commonly used for developing software   
which uses data science and machine learning techniques.   
120 Hill, Pickles, and Eke, Making the grade: prioritising performance in Whitehall .   
121 Greenway and Loosemore, The Radical How .   
122 Chris Walden, ‘How Individual Contributors Can Become Brilliant Technical Leaders’, 24 June   
2020.

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 It is unrealistic to benchmark public sector pay to the heights that exceptional skills could   
command in the private sector , but “there is only so far you can stretch the elastic”, as John   
Kingman commented .123 One interviewee reported that they had benchmarked what they   
offered in the civil service at about 30 per cent less than equivalent roles in the private sector,   
and that seemed to be successful at attracting some people who were highly motivated by   
public service.   
Encouragingly, i nterviewees said that elements of government had made progress on this,   
and that the Incubator for AI had previously been able to agree higher salaries for recruits with   
deep technical skills. The AI Safety Institute has attracted a team with impressive technical   
credentials into government, and offers salaries of up to £135,000 for engineers to join –   
salaries which would be exceptional for many Senior Civil Servants .124   
These approaches should be replicated much more widely in government . Building on   
Reform’s recommendations in Making the grade, government should expand the approach to   
pay used by the AI Safety Institute to similar technical roles in GDAIS , and put exceptional   
talent on a Specialist Development Scheme where their pay and progression is overseen on   
a case by case basis by the functional leader in their department .125   
This model is likely to be considerably cheaper overall than continuing the current dependence   
on private sector help, given the considerable mark -up which private businesses have to   
charge on top of the salaries they pay . One interviewee noted this was particularly true of   
“super agencies” which hired ex -civil servants, then contracted them back into government,   
full-time, at a significant markup to pay them more and cover business overheads .   
   
   
   
4.3 Buy it: better partnerships with the private sector   
   
The private sector is still likely to play a key role in capacity and expertise for scaling AI across   
government. Indeed, a public sector with more in -house capability should be a more intelligent   
customer of the private sector, preventing the endless cycle of projects being procured, piloted   
then stopped and eventually restarted. Many of the failings of procurement come from poor   
decision -making about the value of different kinds of AI, based on insufficient internal   
understanding.   
Most government digital spending is with large IT companies , who develop and manage   
enterprise software for government. However, the total percentage of the market the top 10   
suppliers own has fallen from 68 per cent in 2017 to 45 per cent in 20 23, opening up more   
room for suppliers and other SMEs to provide more specialist services to government , many   
of which have specialist capability in AI.   
   
123 Institute for Government, Why Is Civil Service Reform so Hard? Sir John Kingman in Conversation   
with Bronwen Maddox , 2020.   
124 AI Safety Institute, ‘Careers’, Web Page, n.d.   
125 Hill, Pickles, and Eke, Making the grade: Prioritising Performance in Whitehall . Recommendation 9: GDAIS should establish a cross -government Specialist   
Development Scheme for key AI roles , as outlined in the Reform paper Making the grade .   
To attract candidates to join the civil service on these terms, GDAIS should pre -agree pay   
frameworks for crucial AI roles with the Cabinet Office , which are at least in line with the   
levels paid for the AI Safety Institute and Incubator for AI.

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Figure 5: IT procurement spend by Central Government in England, by supplier type ,   
2017 to 2023   
   
   
Since 2011, the Government has moved away from big, end -to-end contracts to build software   
tools. Now, it uses a more diverse range of suppliers, requir ing intellectual property rights for   
software to be owned by the government, and co-producing technology with civil servants –   
all enabled through procurement approaches like the Digital Marketplace.126   
However, because of the lack of internal government capacity to run software, several   
interviewees discussed how private sector expertise was still often misused. One mentioned   
how there were “whole teams run by contractors or companies delivering managed service   
contracts but for BAU [business -as-usual] processes, just because we didn’t have funding   
certainty year to year to be allowed to hire civil servants . That’s a very costly way to run those   
services” . Another said these problems were even more pronounced in local government,   
where there is a real shortage of funding for digital change, meaning many areas are unable   
to fund any service transformation. Instead , “lots of the data about people, revenue, payments   
and housing is all held in bespoke, private sector service s, which prevent s it being brought in   
house… decades long outsourcing has hollowed out any local technology capacity”.   
A former official mentioned their endless frustration that “after a company has come in and   
built a product, the civil service has nobody to take it on, meaning it is never used and the   
same software has to be built again years later”. And whilst more flexible, consultancy -based   
procurements make it easier to avoid supplier lock -in, the incentives created by the   
   
126 Government Digital Service, ‘Buying and Selling on the Digital Marketplace’, November 2020. 68%  
61%  
56%  
49% 49%  
46% 45%  
28%33%37%  
43%43%45% 45%  
4%6% 7% 8% 9% 9% 9%  
0%10%20%30%40%50%60%70%80%  
2017 2018 2019 2020 2021 2022 2023  
Top 10 Other SME

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 commonplace “time and materials ”127 contracts are for suppliers to take longer to produce   
software so they can bill more to the buyer, and to ‘upsell’ them on solutions they do not need.   
The key challenge to more efficient procurement seems to be that large, monolithic contracts   
are still hard to get into, and hard to get out of. This makes the market much harder to enter   
for disruptive SMEs with unusual products, who do not have the ‘runway’ (budget) to survive   
long procurement processes. It also places a lot of risk on the initial contracting decision – if a   
public authority picks the wrong supplier, and they do a bad job, then exiting the contract and   
tendering a new one could take 12 to 18 months, causing the project to start over. Andrew   
Greenway and Tom Loosemore are right that “we need procurement systems that support   
nimbler, more open marketplaces ,”128 which would be easier for private companies to enter,   
and easier for government clients to exit if needed. Procurement needs to be much more   
experimental and iterative as government buyers do not always understand precisely what   
they need, and will only learn by working through it collaboratively, making long-term contracts   
undesirable .   
More accessible procurement need not come at the price of sacrificing quality – often long   
procurement processes undermine quality rather than ensure it . As PUBLIC outlined :   
There are good reasons for which suppliers with no previous government   
experience are often excluded from procurements (high risk) but on a project   
which has low monetary value and low access to sensitive data (constrained   
impact) these standard operating procedures can and should s afely be   
bypassed. By contrast, failure to override this requirement may reduce the   
vendor pool to larger suppliers who may have no greater expertise with the new   
technology and be less responsive to changing technological capabilities .129   
To address this, the Government should make use of measures in t he Procurement Act , which   
comes into effect in October 2024 . The Competitive Flexible Procedure for tendering for   
innovation or product development allows for adjustment of requirements, and prototyping of   
solutions, in the early stages of a contract – letting government pay suppliers whil e they   
conduct initial tests to see what can be achieved .130 This should be embraced for AI   
development work, to allow government bodies to iteratively develop their requirements over   
flexible, shorter contract arrangements rather than commit to multi -year programmes which   
neither party understands well.   
These should be made available through a new AI procurement framework, with lots targeted   
at innovative SMEs and larger software companies capable of scaling up products. It should   
incentivise joint working between multiple suppliers with different technical capabilities, and   
be open on a rolling basis – one interviewee mentioned that a company they worked with had   
looked for ways to sell AI into the NHS, found out there was only one procurement framework,   
and it was closed to new joiners for the next four years.   
In addition, to improve suppliers understanding of the public services they want to work with   
pre-tender, GDAIS should establish AI Sandboxes for each Programme they are overseeing -   
like the local authority sandbox proposed by the London Office of Technology and Innovation   
(LOTI) .131 These would arrang e prospective supplier discussions with staff, leaders and   
   
127 Government Digital Service, ‘How to Pay for Digital Outcomes and Specialists Services’, July 2016.   
128 Greenway and Loosemore, The Radical How .   
129 PUBLIC, Buying Generative AI in Government .   
130 ‘Procurement Bill: Competitive Flexible Procedure, How Will This Work in Practice?’, Browne   
Jacobson (blog), 27 September 2023.   
131 Eddie Copeland, ‘It’s Time We Had a Local Authority Sandbox’, LOTI (blog), 13 January 2024.

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 workers, and access to digital environments where they can experiment with anonymised data   
and user -facing applications.   
   
   
   
4.4 Rent it: using off -the-shelf and open -source products   
   
However, the distinction of building AI in -house or procuring a bespoke product from the   
private sector is an outdated model, which no longer reflects how most software is bought in   
the private sector. The rise of Software as a Service (SaaS), available on demand for   
businesses through licenses, is one of the most acute transformations of the tech sector –   
“subscription businesses grew more than 300 per cent from 2012 -2018, about five times faster   
than t he revenues of S&P -500 companies”.132   
Interviewees asked about this approach were universally supportive of more procurement of   
commercial off -the-shelf (COTS) software tools . These can be either generalist products   
powered by AI, such as Microsoft Copilot, or bespoke products integrating AI for the private   
sector , such as Beam’s Magic Notes tool , to improve the productivity of social workers through   
note-taking and assessments.133 Many private products already exist to build AI chatbots which   
navigate organisational policies and data to provide user interfaces to query it . And o ff-the-  
shelf solutions already exist for translation and transcriptions software, or copilot tools.   
One interviewee said that “[civil servants] can’t go to commercial providers and say I want to   
add in other features of the software I already procure d from them, I have to go out to tender   
for a whole new bid and invite them to submit – but that takes so much longer”. Another thought   
this was disproportionate to the cost involved in licensing software, saying a ‘seat’ (license)   
for a particular applicat ion could cost thousands of pounds a year, but build ing the same   
product in -house would cost at least £2 million – yet still procurement processes favour the   
latter option. Overall, they felt this was a symptom of a public sector which “thought it was   
special, and needs bespoke AI tools, when actually 80 per cent of what we need is the same   
as the private sector.”   
There are many advantages to buying off-the-shelf software via a license fee, rather than   
building a custom product in-house :   
1. The up -front development cost is paid for by the provider, with greater economies of   
scale in doing so because they can sell that product to clients outside of a single   
government institution.   
   
132 Frank Cespedes and Jacco van der Kooij, ‘The Rebirth of Software as a Service’, Havard Business   
Review , 18 April 2023.   
133 Beam, ‘Transform Social Workers’ Productivity with AI’, Beam, n.d. Recommendation 10: GDAIS should create a new cross -government procurement   
framework for AI adoption in government, with different lots fo r supporting services. The   
framework should take advantage of the new Competitive Flexible Procedure to allow   
public bodies to bring in providers on a trial basis to test their services.   
   
Recommendation 1 1: Each GDAIS Programme Director should establish an ‘AI Sandbox’   
for the use case they lead, an environment to bring together public sector organisations   
and prospective partners to discuss ideas, meet prospective users and test sample data.

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 2. Licenses are flexible, can be trialled quickly, and if they are no longer good value can   
be exited from.   
3. Technical support and updates are provided as part of the license (to varying levels of   
service), rather than needing to be resourced by the public body procuring it .   
However one of the downsides, which is particularly relevant for AI products, is the expectation   
that these will all be tested and validated in each individual organisation. The advent of   
ChatGPT and other foundational AI models, accessible via the internet or enterprise software   
(e.g. Microsoft Office), has meant many public servants are already using AI independently in   
their work – probably to a much greater extent than we currently understand .134 The   
Government has urged departments to be cautious about using it , but has not ruled out the   
use of AI models entirely.135   
David Eaves has likened this to a ‘Dropbox moment’ – when previous generations of digital   
technology like Dropbox and Wikipedia became available, and public servants began to use   
it without central guidance and monitoring.136 Whilst experimentation with off -the-shelf   
products may yield benefits, it can incur big risks. To deploy AI in the most challenging areas   
of government, rigorous evaluation of off -the-shelf products will be essential, and the   
government will need to take a standardised approach to ensure the quality of services   
powered by AI is consistent with the acceptable levels – as the National Audit Office have   
previously recommended .137   
In the context of health in particular , this is crucial – one interviewee who had tried partnering   
with the NHS said that “[NHS] trusts have plenty of products being offered to them by private   
companies, including many which are approved by the MHRA, but which do not yet have an   
evidence base as economically effective. But [the trusts] don’t have the internal capacity t o   
pilot every single one of them, and across the NHS it isn’t affordable to evaluate the same   
software repeatedly for each trust”.   
A good mechanism for evaluation of off -the-shelf products is mandating audits, including third -  
party audits, for products using foundational AI systems in public services.138 Conducting these   
audits centrally would be much more efficient, reduce the barriers to using products for   
frontline services, and also reduce the risk that AI is used in circumstances where it would   
perform badly or incur substantial risks.   
The government should take a much more flexible approach to procuring software licenses,   
with a specific commercial framework for procuring AI products and enabling software through   
a license fee. This should allow for a long period of flexible piloting and evaluation before   
requiring a full competitive procedure to buy enterprise -wide software. And GDAIS should   
provide central capacity to test and evaluate COTS tools, ‘kitemarking’ them for appropriate   
use in the public sector , based on that central evalua tion and audit, so that frontline services   
can take more informed decisions about which are suitable for use. Global digital standards   
on AI are still under development, and so GDAIS will need to develop their own policies in line   
   
134 Jonathan Bright et al., ‘Generative AI Is Already Widespread in the Public Sector’, arXiv Preprint:   
2401.01291 , 3 January 2024.   
135 Ben Gartside, ‘ChatGPT: Civil Servants Warned Not to Use AI Chatbots to Write Policies and Carry   
out Government Work’, iNews , 21 February 2023.   
136 Matt Davies and Elliot Jones, Foundation Models in the Public Sector (Ada Lovelace Institute,   
2023).   
137 National Audit Office, Use of Artificial Intelligence in Government .   
138 Davies and Jones, Foundation Models in the Public Sector .

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 with emerging standards as much as possible, but should not let the absence of existing ones   
hold them back from pushing forward.   
A similar model to this is also relevant for the open -source tools. Meta have produced and   
open -sourced the codebase for Llama 3.1, their most powerful language model, which on   
some benchmarks performs as well as models produced privately by OpenAI, Google and   
Anthropic.139 Contrary to many expectations, open -source software is often considered more   
secure than proprietary software developed by private communities , because of the large   
networks who test it and suggest updates and bug fixes.140 Open source products already   
underpin large parts of privately developed software, and plenty are integrated into   
government technology stacks. However, relying on open -source products to be ‘lifted and   
shifted’ into the public sector is inherently risky without adequate internal capability to integrate   
and evaluate them and monitor their performance on a continuous basis.   
   
   
   
139 Meta, ‘Introducing Llama 3.1: Our Most Capable Models to Date’, Meta AI (blog), 23 July 2024.   
140 Dale Murray, ‘Open Source and Security: Why Transparency Now Equals Strength’, Network   
Security 2020, no. 7. Recommendation 12: GDAIS should develop and run a new procurement framework   
exclusively designed for the procurement of off -the-shelf AI tools and enabling   
infrastructure, with an extremely light -touch initial process for trialling and experimenting   
with new products before going out to a full competitive process. This should be in   
recognition that the financial commitments required to experiment with products available   
via license fee are inherently much lower than other kinds of procurement, so less risky .   
   
Recommendation 13: GDAIS’s central guidance and support function should assess off -  
the-shelf and open source AI products and enabling infrastructure, and provide a list of   
approved (‘kitemarked’) products with supporting assessments to public bodies to support   
their procurem ent decisions.

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 5. Developmen t and deployment   
   
AI is being developed and deployed throughout Government . A recent NAO report found 74   
reported use cases , as of Autumn 2023.141   
The Department for Transport is using AI to detect fraud through image analysis and to   
improve their response time and accuracy in relation to public consultation responses; DHSC   
is using AI to support operational decision -making such as prioritisation, eligibility and   
enforcement; HMRC is using AI to identify non -compliance in the tax system and help   
customers find the information they are looking for; HMT is using AI to triage inbound   
correspondence; MoJ was using AI as a short -term custody predictor and to support Actuarial   
Risk Assessment Instruments (ARAIs) and short -term prison demand modelling; and NHSE   
is using AI to moderate user reviews on NHS.uk and to provide a thre e-week forecast of   
expected A&E admissions .142   
Nevertheless, the speed with which these use cases are being trialled and, if successful,   
scaled up is being hampered by issues to do with policies, data, guidance and evaluation. One   
interviewee summed up the problem as being one of speed – “it can take months to get   
clearances through, weeks to get someone on -site once they have clearance, and then six   
months to share the data they need with them. It feels like people are constant ly throwing   
hurdles in your way”.   
   
5.1 A principle -based approach   
   
To develop and deploy AI, guidance needs to exist on how to do this effectively.   
To a degree , guidance does exist . The Generative AI Framework for HM Government provides   
guidance on using generative AI safely and securely for civil servants and people working in   
government organisations , though it does not cover other types of AI .143 The Algorithmic   
Transparency Recording Standard (ATRS) provides a standardised way for public sector   
organisations to record and share how they are using algorithmic tools , although the   
Department for Science, Innovation and Technology (DSIT) only announced an intention to   
make it mandatory for government departments in February 2024.144   
However, this guidance is simultaneously too much and too little to effectively encourage the   
development and deployment of AI.   
The AI guidance which exists is voluminous and complex , and s ome government bodies   
interviewed by the NAO described finding it difficult to navigate.145 The Generative AI   
Framework for HM Government runs to 74 pages and references multiple other documents   
that those deploying AI should consider.146 Given each department and public body will have   
   
141 National Audit Office, Use of Artificial Intelligence in Government .   
142 See Appendix 3   
143 HM Government and Central Digital and Data Office, Generative AI Framework for HM   
Government .   
144 National Audit Office, Use of Artificial Intelligence in Government .   
145 National Audit Office.   
146 HM Government and Central Digital and Data Office, Generative AI Framework for HM   
Government .

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 their own guidance about digital adoption and frontline public service delivery, complex central   
guidance is not conducive to supporting scaling AI development and deployment. As one   
interviewee told us , “any [civil servants] who want to try and innovate will always be worried   
that we missed something in a footnote of a document we never saw, and that’s what we get   
blamed for if it goes wrong”.   
A report by The Alan Turing Institute supported this, finding a low awareness among civil   
servants of the guidance on the appropriate use of AI.147 The report questioned whether   
“professionals are even aware this guidance exists, or the extent to which it is useful in their   
day-to-day engagements with the technology”.148   
On the other hand, despite the length of the guidance, few specifics are provided . For   
example, it is unclear at what stage of the deployment process — be that initial internal pilot   
or widespread roll -out — different policies should appl y. The lack of clarity about requirements   
is likely to result in most civil servants assuming they need to comply with all of it, all of the   
time.   
Clarity is not provided locally in departments or public bodies either. In response to an NAO   
survey only 21 per cent of surveyed government bodies reported having a strategy for AI and   
only eight said that they are always or usually compliant with the ATRS. Of the nine   
departments which responded to an FOI request for this paper only HMRC reported having AI   
guidance specific to their department, although MoJ are designing new assurance checks.149   
One interviewee attributed this to a “lack of clarity on what you should do. Everyone thinks   
someone else is going to come up with a straightforward process to follow, but what you get   
from the [Cabinet Office, including CDDO and GDS] isn’t helpful”.   
This results in slow AI scaling , friction and civil servants being discouraged from adopting AI .   
Even in very low -risk setting s, departments are forced to spend an excessive amount of time   
considering guidance — or asking colleagues for advice in the absence of guidance — before   
deploying AI. Furthermore, given the difficulties and risks associated with AI, many may   
conclude that it is not worth the effort . Only 37 per cent of the government bodies which   
responded to the NAO said that they had deployed AI150 and in response to an FOI request for   
this paper only five departments – DfT DHSC , HMRC, HMT and NHSE – confirmed that they   
are still deploying the use cases which they submitted to the NAO.151   
Standardised guidance from the centre is clearly required . However, different departments   
should be able to ad apt guidance to their own circumstances and use cases. For example,   
the risk tolerance and legal obligations for deploying AI in the Ministry of Defence will be   
different to th ose in the Ministry of Housing, Communities and Local Government . Guidance   
should be flexible enough to allow for this. As one interviewee put it , “I need to take a different   
approach to assessing the risks and opportunities in [my department] than other departments   
would, and [I need] the flexibility to do that ”.   
Thus, the guidance provided from the centre should be short, clear and principles -based, with   
departments using this guidance to develop their own guidance specific to their circumstances .   
This approach of having centrally -provided principles corroborated by more specific guidance   
in departments is utilised in other areas of government policy. For example , the Environmental   
   
147 Alan Turing Institute, Generative AI Is Already Widespread in the Public Sector , 2024.   
148 Ibid.   
149 See Appendix 3   
150 National Audit Office, Use of Artificial Intelligence in Government .   
151 See Appendix 3

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 Principles Policy Statement aims to provide “ministers, and those developing policy on their   
behalf, with the space to use the principles to enable and encourage innovation”152 and The   
Civil Service Code details how “individual departments may also have their own separate   
mission and values statements based on the core values”.153   
This approach to the development and deployment of AI has also been used in other countries,   
for example in the USA , executive departments and agencies are required to use AI in   
accordance with eight principles , runnin g to just under 1 ,300 words , while also “taking into   
account the views of other agencies, industry, members of academia, civil society, labor [sic]   
unions, international allies and partners, and other relevant organizations”.154   
   
Figure 6: The White House’s Executive Order on the Safe, Secure and Trustworthy   
Development and Use of Artificial Intelligence   
   
   
Source: The White House, Executive Order on the Safe, Secure and Trustworthy Development and   
Use of Artificial Intelligence , Webpage, 2024.   
   
   
152 Department for Environment Food & Rural Affairs, Environmental Principles Policy Statement ,   
2023.   
153 Civil Service, ‘The Civil Service Code’, Webpage, 16 March 2015.   
154 The White House, ‘Executive Order on the Safe, Secure, and Trustworthy Development and Use of   
Artificial Intelligence’, Web Page, 30 October 2023. The US Federal Government’s Executive Order on the Safe, Secure and Trustworthy   
Development and Use of Artificial Intelligence sets out eight guiding principles and priorities   
which executive departments and agencies should adhere to. Abridged versions of these   
eight principles are listed below.   
   
1) Artificial Intelligence must be safe and secure.   
2) Promoting responsible innovation, competition, and collaboration will allow the   
United States to lead in AI and unlock the technology’s potential to solve some of   
society’s most difficult challenges. This effort requires investments in AI -related   
education , training, development, research, and capacity, while simultaneously   
tackling novel intellectual property (IP) questions and other problems to protect   
inventors and creators .   
3) The responsible development and use of AI require a commitment to supporting   
American workers.   
4) Artificial Intelligence policies must be consistent with the Administration’s dedication   
to advancing equity and civil rights.   
5) The interests of Americans who increasingly use, interact with, or purchase AI and   
AI-enabled products in their daily lives must be protected.   
6) Americans’ privacy and civil liberties must be protected as AI continues advancing.   
7) It is important to manage the risks from the Federal Government’s own use of AI   
and increase its internal capacity to regulate, govern, and support responsible use   
of AI to deliver better results for Americans.   
8) The Federal Government should lead the way to global societal, economic and   
technological progress, as the United States has in previous eras of disruptive   
innovation and change.

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5.2 Data quality and access   
   
Data is needed to train AI models, run them in deployed settings, and test and evaluate their   
performance on an ongoing basis. High-quality data allows AI systems to learn effectively,   
increasing accuracy and decreasing the risk of biases.   
Government data is often of a poor quality and insufficient for training AI . And within   
government, that data can be technically challenging to access , especially to access from the   
kind of data science environments necessary to train AI tools – which are predominantly cloud   
based . Often, data collected may be missing key information points which are crucial for   
training AI . This reduces the ways in which the data can be used generally and in AI   
specifically . One example of this is the Windrush scandal , whe re data about individuals’ status   
was not complete enough to identify those who had a right to live in the UK.155   
There are also multiple different ways in which data is recorded. In 2019 the NAO found more   
than 20 different identifiers being used to identify individuals and businesses across ten   
government departments and agencies.156 Large public databases often do not have standard   
formats for capturing dates of birth or naming conventions . This means that these are   
inconsistently recorded . Indeed, sometimes data models and standards are different not only   
between departments but also within departments.157 This also reduces the government’s   
ability to use that data, because repeatable patterns for data ingest and processing cannot be   
reused across all development processes . The Number 10 Data Science (10DS) team have   
published the code to share data with them on GitHub , providing one avenue to simplify and   
standardise data sharing processes .158   
Raven Sentry was a project by the US armed forces to use AI to provide advanced warning of   
insurgent attacks in Afghanistan between 2019 and 2020. Analysis published by the US Army   
War College shows that addressing data quality and access issues was crucia l in developing   
the programme:   
Raven Sentry’s development was only overcome by limiting the algorithm’s   
geographic focus and dedicating considerable time to data curation early on ...   
Difficulty with data formats, particularly when attempting to ingest a variety of   
information, is a regular theme of AI application studies .159   
   
   
155 National Audit Office, Challenges in Using Data Across Government .   
156 National Audit Office.   
157 National Audit Office.   
158 Laura Gilbert, Changing Government One Datastream at a Time (Heywood Quarterly, 2024).   
159 Thomas W. Spahr, Raven Sentry: Employing AI for Indications and Warnings in Afghanistan , vol.   
Volume 54, Parameters (The US Army War College Quarterly, 2024). Recommendation 14: GDAIS should produce and publish a single, simple set of   
principles for using AI in public services.   
Recommendation 15: Departments and public bodies should publish their own policies,   
applying these central principles to their own specific circumstances.

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 62 per cent of the government bodies responding to the NAO identified access to good -quality   
data as a barrier to implement ation .160 One interviewee for this paper reflected: “people got   
quite excited about Gen AI last year but then realised our data is not quite good enough and   
stopped pushing” , and another described attempting to develop generative models based off   
the government’s data systems as “like trying to plug a V8 engine into an old 90s Skoda”.   
These problems are also true of much more traditional data science .   
The NAO reported that one department had to deploy 300 people to clean data in order to   
carry out an analysis .161 During the Covid -19 pandemic nearly 16,000 cases went unreported   
in England because Public Health England used Excel’s XLS file format — which dates back   
to the 1980s — to pull together data .162 And one interviewee for this paper detailed how, when   
working on a diagnostic contract for an NHS trust, half of the time had to be spent cleaning up   
existing data to get it into a usable state.   
In addition to the quality of the data, m uch government data is locked in outdated legacy IT   
systems . These are a significant barrier to introducing AI into the processes they support .   
These old systems carry significant security risks , are costly to maintain and — most   
importantly — they make data difficult to access . Often they were not designed with   
interoperability in mind or contractually the public services cannot extract the data without   
paying the supplier to do so .   
More than 40 legacy systems are ‘red -rated’,163 meaning that “the likelihood of encountering   
issues or failures is significant, and the potential impact of these issues could be severe”.164   
However, the actual number of legacy systems is difficult to determine : in the past departments   
have found it a challenge to define and identify all of their legacy systems.165 In 20 19 it was   
estimated that nearly half of all technology expenditure across government was dedicated to   
“keeping the lights on activity on outdated legacy systems”.166 An interviewee for this paper   
agreed that “the scale of legacy technical debt in government is huge and makes it very difficult   
to use these technologies ; the amount of time and money which it takes to do the data   
processing is vast”.   
To effectively develop and deploy AI , data quality and access needs to improve d, and legacy   
systems need to be remediated and replaced .   
Previous governments recognised this data quality issue and took steps to address it. The   
Roadmap for digital and data, 2022 to 2025 sets out six cross -government missions to address   
data quality and legacy system issues , backed by £8 billion committed in the 2021 Spending   
Review for digital, data and technology transformation.167 CDDO has also provid ed advice on   
   
160 National Audit Office, Use of Artificial Intelligence in Government .   
161 National Audit Office, Challenges in Using Data Across Government .   
162 Leo Kelion, ‘Excel: Why Using Microsoft’s Tool Caused Covid -19 Results to Be Lost’, BBC News , 5   
October 2020.   
163 Tevye Markson, ‘Scale of Government Legacy IT Systems at “Critical” Risk Revealed’, Civil Service   
World , 10 January 2024.   
164 Central Digital and Data Office, Guidance on the Legacy IT Risk Assessment Framework , 2023.   
165 National Audit Office, Digital Transformation in Government: Addressing the Barriers to Efficiency .   
166 National Audit Office.   
167 Central Digital and Data Office, Transforming for a Digital Future: 2022 to 2025 Roadmap for   
Digital and Data - Original , 2022.

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 coping with legacy systems , for example Managing legacy technology168 and Guidance on the   
legacy IT risk assessment framework .169   
Nevertheless, o ver the past 25 years there have been 11 different digital strategies aimed at   
addressing the problems of legacy systems and data quality.170 According to the NAO, none   
of these adequately addressed the issue and have had limited success. Previous approaches   
have not sufficiently addressed the underlying issues, instead prioritising ‘front -end’ citizen   
transactions rather than more ‘back -end’ changes , building automation on top of legacy   
technology .171   
The scale of the challenge of addressing all data quality, data access and legacy system   
issues — and the failure of previous attempts — demonstrates that this is a major undertaking   
which could delay the deployment of AI. The focus, therefore, should be on improving data   
quality in the areas where the opportunities to use AI in the short term are most promising but   
are being held back by these data and legacy system issues.   
This drive needs to come from the centre of government . Public servants in government   
departments and local government may be less incentivised to spend time and money   
improving data quality if it comes at the cost of investin g in day -to-day priorities or if the   
benefits would mainly be seen in other parts of government . As the Data Advisory Board found,   
“return on investment for a department can often be difficult to justify in data projects because   
the benefits might be seen elsewhere in government” .172 One interviewee for this paper said   
that because of competing pressures it “doesn’t matter how often I say you have to put data   
into X format and input it in Y way… they won’t do it” .   
Sometimes these problems are created by higher security systems, which do not have the   
necessary software development tools on them to build AI. One interviewee said they had   
been told to “write the programme in one secure environment, burn it onto CDs, and transport   
those by courier into another secure area” – adding that it took 400 CDs in total.   
‘Fixing the plumbing’ of data and legacy systems to enable AI adoption requires significant   
investment , but data projects have previously been set aside when funding is tight .173   
Departments often find it is easier to bid for capital funding for new digital development than   
resource funding to maintain existing services and it can be difficult to make the case for long -  
term data projects which may not provide immediate cashable benefits.174 Work by CDDO   
suggests that only around three quarters of the 20 highest -risk legacy systems have agreed   
funding to complete remediation work and just over half of these plans are expected to   
complete their activity by 2025.175   
Interviewees for this paper felt that the political interest in AI had made this harder, not easier :   
“You can’t convince ministers to spend money on data plumbing [infrastructure and quality   
improvements] , they just want to spend it on Generative AI”. Another was s ceptical that the   
government’s announcement of a new National Data Library to make this information more   
accessible would be successful unless it was able t o go further than previous initiatives – the   
   
168 Central Digital and Data Office, Managing Legacy Technology , 2019.   
169 Central Digital and Data Office, Guidance on the Legacy IT Risk Assessment Framework .   
170 National Audit Office, Digital Transformation in Government: Addressing the Barriers to Efficiency .   
171 Ibid   
172 National Audit Office, Challenges in Using Data Across Government .   
173 Ibid.   
174 National Audit Office, Digital Transformation in Government: Addressing the Barriers to Efficiency .   
175 Ibid.

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 Data Marketplace and Integrated Data Service, the latter of which is in a beta (testing) phase   
before go ing live in 2024.176   
The Tony Blair Institute and Faculty’s research estimated the cost of linking and cleaning   
government data to prepare it for implementing AI tools a t between £1.25 billion and £2.5   
billion.177 But a prioritised approach, focused on preparing only the data which would be directly   
useful for the kinds of AI applications set out in Chapter 1, those which promise the most   
immediate return on investment , would likely cost significantly less. As outlined in Chapter 3,   
GDAIS Programme Directors should have the flexibility to use the AI Transformation Fund to   
address any technical issues which are a barrier to AI adoption, including data quality and   
access issues.   
   
5.3 Risk assessment   
   
All government transformation comes with risks . This is particularly the case with automated   
systems , some attempts of which have had very public failings – such as the Home Office’s   
Streaming Algorithm, operating between 2015 and 2020, which was informed by biased data   
and discontinued after legal action .178 And failure to identify risks can come with steep costs   
to the public and the State – the Australian RoboDebt system wrongly accused benefit   
recipients of owning the government money, culminating in them repaying debts of over $721   
million and settling a class action lawsuit for over $1 billion.179   
   
Being conscious of risks is, therefore, crucial if major changes are to succeed. But   
interviewees for the paper were almost unanimous that this had gone too far and risk-aversion   
was now a key factor holding back the benefits of AI in public services , even in cases where   
it would be far less risky to use it than continue not using it. They felt this imbalance was   
created by the processes and bureaucracy of Whitehall, which stifled innovation. A participant   
in a recent Reform roundtable reflected on their time as a civil serva nt: “for every nine meetings   
I went to about the risks of AI, I went to one about the opportunit ies to use it”.   
   
One way for the State to have a more mature discussion about the risk of using AI is for the   
government to define the appropriate upper bound for the risk of a given application failing   
which it is prepared to tolerate – similar to the use of F -N curves for assessing societal -level   
risks.180 By continuously evaluating model performance against this failure risk, including   
through approaches such as “gatekeeper AI”, the government can produce a consensus in   
favour of using an “AI with quantitative safety guarantees” .181   
   
   
   
176 Department for Science, Innovation and Technology, ‘AI Expert to Lead Action Plan to Ensure UK   
Reaps the Benefits of Artificial Intelligence’. and Office for National Statistics, ‘Integrated Data Service   
(IDS)’, August 2024   
177 Iosad, Railton, and Westgarth, Governing in the Age of AI: A New Model to Transform the State .   
178 Anna Dent, Automating Public Services: A Careful Approach (Promising Trouble, 2024).   
179 Dent.   
180 Eric Madsen, ‘Farmer’s Diagram, or F -N Curve. Representing Society’s Degree of Catastrophe   
Aversion’, 24 July 2022, Risk Engineering, n.d.   
181 David ‘davidad’ Dalrymple, Safeguarded AI: Constructing Guaranteed Safety (ARIA, 2024).

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 5.3.1 Legal r equirements   
   
Legal requirements around the development and deployment of AI mainly centre around the   
use of personal data and how decisions are made. GDPR Article 22 provides individuals with   
the right “not to be subject to a decision based solely on automated processing , including   
profiling, which produces legal effects concerning him or her or similarly significantly affects   
him or her”.182 Because of this legal imperative, having a ‘human in the loop’ is a foundational   
part of most government uses of AI.   
Having a ‘human in the loop’ is also important for the practical reason that humans are needed   
to assure the decisions made by AI models to ensure they are right. This is especially the case   
at the current stage of AI development, as its capabilities are still being understood and well   
documented risks, biases and inaccuracies in AI’s output remain.183   
One interviewee discussed how using AI as a “decision support tool” for human decision   
makers, for example by ranking the order of cases for a caseworker to prioritise but giving   
them the option to change it, could be an “deployment ramp” to full -scale automation in the   
future, by testing the performance of AI at parts of a task and gradually increasing automation   
as performance becomes proven .   
Government departments and public bodies wishing to process data in an automated way are   
required to complete internal processes — for example a Data Protection Impact Assessment   
— to ensure that they comply with all legal requirements. Guidance is also provided , for   
example the Information Commissioner’s Office’s (ICO) Guidance on AI and Data Protection .   
And some departments have established bodies and allocated support to scrutinise AI use   
cases . The Department for Work and Pensions has established an advice and assurance   
group ,184 and in DBT “the Data Science team occasionally provide additional technical support   
where required” , consisting of a data scientist consulting with the team who wishes to deploy   
AI.185   
It is vital that government departments and public bodies comply with all legal requirements   
when utilising AI. But a risk-averse attitude should not prevent the usage of AI , especially when   
human decision -making is already frequently being litigated. Between 2013 and 2022 87,646   
asylum appeals were made and more than a third of these were granted.186 Between October   
and December 2024 70 per cent of Personal Independence Payments (PIPs) appeals were   
granted.187   
In addition, a utomating elements of public services may be much less harmful than the status   
quo, often in the areas wh ere there are already high levels of risk in the current system . One   
participant in a recent Reform roundtable gave the example of children’s social services where   
concern has been expressed about the risks of AI , despite the risks to children of paperwork   
not being properly processed being much higher.   
   
182 European Parliament and The Council of the European Union, General Data Protection Regulation ,   
2016.   
183 Ada Lovelace Institute, AI Assurance? Assessing and Mitigating Risks Across the AI Lifecycle ,   
2023.   
184 National Audit Office, Use of Artificial Intelligence in Government .   
185 See Appendix 3   
186 Molly Blackall, ‘One Asylum Appeal Lodged Every Hour on Average in Britain’, The i , 18 February   
2024.   
187 Ministry of Justice, ‘Tribunal Statistics Quarterly: October to December 2023’, Web Page, 14 March   
2024.

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 Furthermore, h aving a ‘human in the loop’ can mean that many services are still expensive   
event when automated, because significant effort needs to be expended checking that the AI   
is right. For example , microcars fitted with number plate recognition cameras are being trialled   
to detect illegal parking in Milton Keynes, Lambeth and Southwark.188 Parking enforcement   
administration costs total an estimated £100 million a year in London alone.189 However,   
microcars are limited in the extent to which they can reduce this cost by the requirement for   
ticketing itself to be carried out by an actual in -person enforcement officer.190 And, as one   
interviewee for this paper pointed out, having a ‘human in the loop’ does not solve all problems:   
“take the Horizon IT system. There were plenty of humans in the loop. It still failed terribly”.   
Ultimately, the State needs to consider the counterfactuals of using AI for specific use cases .   
In some cases, this will be a service being carried out poorly without using AI, and mitigations   
to the risks posed by AI will be sufficient to make that a preferrable option for the government .   
To rebalance the risks of automation against many of the risks which come from continuing   
with business as usual , government policy and legal advice should consider the risks of not   
adopting AI in addition to the risks o f adopting AI .   
   
   
   
5.3.2 Data sharing   
   
Being able to share data is crucial to the development and deployment of AI . This is more   
important for some uses of AI than others, for example preventative applications in education,   
health and crime. These aim to use machine learning to identify cases for early interventions   
and require combining different data sets to see if models can be significantly more effective.   
The focus of this paper is on more mature applications of AI which do not always require data   
sharing . Instead, they are often built on top of data which is already held by a single public   
body. Nonetheless , in many areas, data sharing remains a barrier to effective AI exploitation .   
Government has made progress since the Thomas and Walport 2008 data sharing review   
found that those who wish to share data face a “fog of confusion”.191   
GDPR set out principles and obligations for the processing of personal data, with departments   
responsible for keeping their own data secure.192 The Digital Economy Act 2017 sets out data   
sharing arrangements within the public sector,193 the Data Protection Act 2018 provides a   
framework for data protection and the previous Government was attempting to pass the Data   
   
188 Nicholas Hellen, ‘“Robowardens” to Scan Whole Streets for Parking Violations in Minutes’, The   
Sunday Times , 27 July 2024.   
189 Hellen.   
190 Hellen.   
191 Richard Thomas and Mark Walport, Data Sharing Review Report , 2008.   
192 European Parliament and The Council of the European Union, General Data Protection Regulation .   
193 HM Government, ‘Digital Economy Act 2017’ (2017). Recommendation 16: Government legal advice , internal processes and documents   
(including Data Protection Impact Assessments ) should give equal parity to the risks of   
not using AI or automated processing , as they do to the risks of using AI to partially or   
completely automate the process . This should be based on the performance and risks of   
the current system and processes used.

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 Protection and Digital Information Bill through Parliament , which aimed to create a new post -  
Brexit UK data rights regime.194   
When sharing data , government bodies produce Data Sharing Agreements (DSAs) and Data   
Protection Impact Assessments (DPIAs) . The Information Commissioner’s Office (ICO) is   
responsible for enforcing and regulating these requirement s and in recent years it has   
expanded its capabilities , with the power to issue reprimands and fines to public bodies which   
misuse data. In 2018 the Met Police were reprimanded following sev eral issues around the   
handling of criminal intelligence files.195   
These recent pieces of legislation and guidance have been beneficial . They have clarified data   
sharing and governance policy , and ma de data sharing processes more transparent and faster   
to implement .196   
However, given the understandable concern of public bodies about inadvertently undermining   
public trust, this body of legislation and guidance can encourage a risk -averse attitude towards   
data sharing . Some departments have expressed concerns about the safety of their data if   
they share it with others .197 And, given the scale of fines which can be applied, some in   
government are prioritising “ensuring everyone was GDPR compliant, rather than looking at   
different and effective ways of using data”.198 One interviewee with experience working with   
government from the private sector said that they had been asked to sign up to a data sharing   
policy that they were not allowed to read before signing it, because the agreement had to be   
held on a system they needed to have signed it to access.   
Balancing the risks of sharing data with the risks of not sharing data is not easy. As the   
Generative AI Framework for HM Government states in ambiguous language , a “delicate   
balance” needs to be struck between sharing data for training LLMs and minimising the   
collection and storage of personal data to meet the UK GDPR requirement of storage   
limitation”.199 Nevertheless, risk-aversion to sharing data must not be a barrier to the   
development and deployment of AI.   
Some parts of and actions by government do recognise the risks of not sharing data . The   
Counter -Terrorism Strategy ( CONTEST ) recommend s increased data sharing in order to   
better respond to threats and mitigate the risk of terrorism ,200 and the response to Covid -19   
relied on government guidance that the NHS could share data more freely to protect the public .   
Dame Fiona C aldicott , the National Data Guardian , outlined publicly how “information may   
need to be shared more quickly and widely across organisations than normal, or different types   
of information may need to be collected and used” to save lives.201   
   
   
   
194 John Woodhouse, Data Protection and Digital Information (No.2) Bill: Progress of the Bill (House of   
Commons Library, 2023).   
195 Information Commissioner’s Office, ‘ICO Issues Reprimand to the Metropolitan Police Service for   
Inadequate Handling of Files Related to Organised Crime Groups’, Web Page, 16 March 2023.   
196 Gavin Freeguard and Paul Shepley, Legislation to Support Data Sharing (Institute for Government,   
2022).   
197 National Audit Office, Challenges in Using Data Across Government .   
198 Freeguard and Shepley, Legislation to Support Data Sharing .   
199 HM Government and Central Digital and Data Office, Generative AI Framework for HM   
Government .   
200 HM Government, CONTEST: The United Kingdom’s Strategy for Countering Terrorism , 2018.   
201 Fiona Caldicott, ‘Data Sharing During This Public Health Emergency’, Web Page, 3 April 2020.

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 Figure 7: Data sharing during the Covid -19 pandemic   
   
Source ; Dame Fiona Caldicott, Data sharing during this public health emergency, 3 April 2020; Faculty,   
‘Covid -19: Helping the NHS to save lives by forecasting patient demand’ , 22 April 2021 ; Michelle Kendall   
et al., ‘Epidemiological Impacts of the NHS Covid -19 App in England and Wales Throughout its First   
Year’, Nature Communications 14 (2023); Doug Faulkner, ‘NHS Data Strategy: Hancock Defences Data   
Sharing Plan’, BBC News , 22 June 2021.   
   
A similar shift towards considering the risks of not sharing data and a presumption in favour of   
data sharing should take place across government. This could be achieved via primary   
legislation and some countries have gone down this route . Six AI strategies of EU member   
states highlight the need to reform data sharing laws or directories.202   
However, given the time required to take legislation through Parliament, the immediate focus   
should be upon reconfiguring internal government governance processes so that the risks of   
not sharing data or processing with automated technology are required to be considered as   
well as the risks of sharing data , and placed on an equal footing . This is not currently the case.   
   
202 Joint Research Centre, AI Watch: European Landscape on the Use of Artificial Intelligence by the   
Public Sector , 2022. In April 2020, Dame Fiona Caldicott, National Data Guardian in NHS England, wrote to   
leaders across NHS trusts and the social care system about the vital role that data would   
play in the pandemic , and how approaches to data sharing needed to change in an   
emergency:   
   
“Information sharing must be done differently to support the fight against COVID -  
19 and to protect citizens compared to ordinary times. Information may need to be   
shared more quickly and widely across organisations than normal, or different types   
of inform ation may need to be collected and used.   
   
We know from dialogue with the public, conducted by our organisation and others   
in the past, that there is strong support for the use of health and care data where   
there is a clear public benefit. People are generally altruistic about the use of their   
data and want it to be used to help others as long as there are appropriate   
safeguards in place. I understand that doing things differently can usher in   
uncertainty about what is and isn’t app ropriate from a data sharing perspective; the   
worry may be that people will share too much or too little. So, we must make sure   
that we have the balance right to protect that admirable altruism.”   
   
This approach underpinned several novel national technologies, including ones which   
integrated machine learning software, which supported the Government’s response to the   
pandemic.   
   
The Covid -19 Early Warning System used data from hospitals across the country to   
forecast demand for admissions and life -saving equipment, allowing the Government to   
best target its limited resources to prevent the loss of life. The NHS App – which shared   
anonymised data with the UK Health Security Agency (UKHSA) – prevented one million   
Covid -19 cases , 44,000 hospitalisations and 9,600 deaths in its first year. On a daily basis   
the UK Health Security Agency updated a dashboard which displayed Covid -19 data and   
statistics at both a national and regional level. The use of dexamethasone to treat Covid -  
19 was discovered thanks to the use of data.

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 For example, of the eight government departments and bodies ( DBT, DEFRA, DfE, DfT,   
DHSC, DSIT, DWP, MoJ ) which provided templates of any DPIAs, DSAs and Memorandum of   
Understandings in response to an FOI request submitted for this paper , none required a   
consideration of the risks of not sharing data.203   
   
   
   
5.4 Evaluati ng AI   
   
Just as it is important that AI is deployed first in the areas where it performs best and can   
deliver the greatest improvements to public services, it is essential that government has   
mechanisms to monitor the ongoing performance of AI to assess whether it meets the required   
standard.   
This risk can be seen in cases like Babylon Health’s health app, which the Medicines and   
Healthcare products Regulatory Agency (MHRA) investigated after one doctor complained   
that it had failed to identify symptoms of a heath attack and deep vein thrombosis.204   
Many interviewees reflected that evaluating the performance of AI was challenging due to the   
lack of understanding of the performance of public services before AI was tested : the ‘baseline’   
of human performance. One said that “before GDS began working with the top 75 [digital]   
services, most [departments] could not tell you how much they cost to run, how many people   
they served, and how well they performed” . This starting point is essential to fairly evaluate   
the performance of AI against other opportunitie s to improve public services.   
Information also needs to be available about what impact AI has upon performance. As   
interviewees for this paper said, government needs “to talk about the actual outcomes when   
monitoring” and “measuring success is key” . The National AI Strategy – AI Action Plan205   
contains no outcome measures and the Generative AI framework for HM Government is vague   
on how to carry out evaluation, stating that the model’s outputs should be evaluated against   
“ground truth or expert judgement, and obtain user feedback to understand the usefulness of   
the returned response”.206   
Numerous interviewees commented that CDDO should play a larger role in establishing   
baselines and evaluating ongoing performance. One said that “there is a role for CDDO here,   
where they should evaluate [commercial] products and kitemark” those which were high -  
performing , principally in the healthcare sector. Another compared the task to that performed   
by the Evaluation Taskforce (ETF) , saying that “I would like to see CDDO take a stronger role   
in assuring digital and data spend, in the same way that the ETF are doing for evaluation   
spend”.   
   
203 See Appendix 3   
204 Aliya Ram and Sarah Neville, ‘High -Profile Health App Under Scrutiny After Doctors’ Complaints’,   
Financial Times , 13 July 2018.   
205 Department for Science, Innovation and Technology, National AI Strategy - AI Action Plan , 2022.   
206 HM Government and Central Digital and Data Office, Generative AI Framework for HM   
Government . Recommendation 17: Government internal processes and documents for data sharing,   
including Data Sharing Agreements and DPIAs should require officials to also assess the   
risks of not sharing data, and give these equal parity with the risks involved in any new   
sharing.   
   
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 In the absence of good evaluations of current services – only a small proportion of which are   
evaluated while others are evaluated by “proactive amateurs”207 – one interviewee for this   
paper commented that AI was often being held to “unfair and absolute standard s, expected to   
be correct near to 100 per cent of the time ”. This hinders the adoption of AI solutions which   
could be ‘good enough’ for the task at hand.   
The Government should outline clear policies on how it expects AI to be evaluated. One   
measure should be based on whether AI surpasses the current average performance of   
humans. AI has already surpassed human performance on multiple benchmarks, for example   
English understanding and visual reasoning.208 Evidence also exists that AI has surpassed   
human performance in many of the use cases outlined in this report . Octopus Energy’s AI   
chatbots are estimated to do the work of 250 people and has achieved 80 per cent satisfaction   
rates versus 65 per cent satisfaction rates achieved by humans ,209 and AI translation software   
can reduce the cost of translati ng a ten page document from £120 to 21p , albeit reduced cost   
must not equate to reduced quality.210   
The deterioration of AI models over time is possible, with “concept drift” potentially leading to   
a situation “where the model may no longer correspond to its new reality”.211 To ensure that   
when processes are automate d they continue to outperform the baseline performance of   
public servants undertaking that task unaided by AI , public services should continue to operate   
control groups of cases which are entirely managed by humans.   
   
   
   
5.5 Trust   
   
Fundamentally, all policies around the development and deployment of AI in the State are   
designed to ensure public trust is maintained. One interviewee noted that there is a strong   
perception in government that “early AI technology like police facial recognition… had shifted   
the public mood” against AI. Yet this is not supported by the data . 32 per cent of respondents   
in an Office for National Statistics survey were neutral about their feelings towards AI and its   
impact on society, and a similar proportion of people reported extremely negative (6 per cent)   
or extremely positive (5 per cent) scores.212   
Data may be high quality, guidance may be clear and evaluation may be direct and effective .   
But if people do not trust AI , it will not be adopted. One way of increasing trust is by ensuring   
that clear accountability and responsibilities exist with the deployment of AI. One interviewee   
   
207 Patrick King, An efficiency mindset: prioritising efficiency in Whitehall’s everyday work (Reform,   
2023).   
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209 Abby Wallace, ‘AI Doing the Work of Over 200 People at Octopus, Chief Executive Says’, City   
A.M., 8 May 2023.   
210 Microsoft, Harnessing the Power of AI for the Public Sector .   
211 Daniel Vela et al., ‘Temporal Quality Degradation in AI Models’, Scientific Reports 12 (2022).   
212 Office for National Statistics, ‘Understanding AI Uptake and Sentiment Among People and   
Businesses in the UK: June 2023’, 16 June 2023. Recommendation 18: The GDAIS should publish central government guidance on the   
principles of evaluating AI, including benchmarking the performance of AI against the   
performance of humans doing the same task, and evaluating against human   
performance on an ongoing basis once implemented via control gr oups.   
   
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 explained that there was a risk “government AI policy is made in response to the next big   
crisis, and if that’s a crisis in public services, and there is no obvious accountability, then the   
government will throw the baby out with the bathwater and set AI public services back by many   
years”.   
In relation to data, such accountability and responsibility policies already exist. Departments   
typically have an Information Asset Owner (IAO), a senior individual “responsible for each   
identified information asset (e.g. database or ICT system) at the appropriate business level   
within the Department/Agency”.213 These individuals are ultimately responsible for the   
identified information asset within their organisation including compliance with data protection   
law.214   
Having a named individual responsible for a given dataset located within a department is the   
correct place for responsibility and accountability to sit. This individual will have greater   
knowledge about how that data is being used in practice than anyone else.   
But such clear responsibilities and accountability do not currently exist with AI. The   
government’s Ethics, Transparency and Accountability Framework for Automated Decision -  
Making guidance states that “responsibility and accountability for algorithms and automat ion,   
and their associated outcomes should be made clear” with the Secretary of State “ultimately   
the one accountable for all decision -making in their department”.215 The Treasury’s guidance   
requires al l “business critical” analytical models to be managed by a senior responsible owner   
(SRO), but this process is not required for models which aren’t deemed as “business   
critical”.216   
Respondents to research conducted by the Alan Turing Institute reported a lack of clarity   
regarding oversight and significant variation in responsibility exists between departments .217   
While 24 of the 32 government bodies with deployed AI that responded to an NAO survey   
always or usually had a named accountable responsible owner for their use cases, fewer than   
half of these bodies always or usually identified AI use cases at an organisa tional level before   
deployment.218 Furthermore, while every department now has a Director identified to be   
responsible for AI, a single individual is unlikely to be able to provide effective accountability   
for all AI use cases within a department.   
The lack of clear responsibilities and accountability makes it more likely that guidance and   
legislation is not complied with, and future failings in AI set progress bac k. To simplify this   
situation a similar model to that applied for data should be adopted, whereby a single individual   
is responsible – an Algorithm Owner (AlgO) – for each identified algorithm.   
This individual should not need to be a specific grade or background . In an innovation -focused   
area piloting a new idea, an analyst or scientific advisor may be most appropriate for the role   
whereas when scaling the deployment of an algorithm in a frontline service it may be most   
appropriate to have an individual directly responsible for leading that service , or a digital/data   
professional whose role is to support all enterprise systems that service uses .   
   
213 Cabinet Office, ‘Government Security’, Web Page, 4 August 2023.   
214 Cabinet Office, ‘Guidance on the Information Asset Owner Role’, 4 December 2023.   
215 Cabinet Office, Ethics, Transparency and Accountability Framework for Automated Decision -  
Making , 2023.   
216 HM Treasury, Managing Public Money , 2023.   
217 Bright et al., ‘Generative AI Is Already Widespread in the Public Sector’.   
218 National Audit Office, Use of Artificial Intelligence in Government .

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 However, they should need to meet a certain base standard of AI literacy , and complete   
mandatory training on the requirements of their role .   
   
   
   
   
 Recommendation 19: Every central government body should appoint a single named   
Algorithm Owner , with appropriate AI literacy , for each AI algorithm in use in their   
organisation and provide them with core training on the requirements of their role .   
   
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 6. Conclusion   
   
Artificial intelligence is developing far faster than any government can keep up with –   
particularly a government which is still catching up with the last generation of digital   
transformation. It will not be a ‘silver bullet’ for all the challenges which the State faces in the   
21st Century. But it has huge promise to improve the stagnant productivity of the public services   
– not just to do ‘more with less’, but also to transform the kinds of services available to the   
public in fundamental ways. More adaptable, responsive and higher -quality public services   
will all be easier to build with modern technology powered by AI.   
However, this transformation will not happen unless government fundamentally rewires itself   
to adopt the new tools much more quickly. Compared to private industry (particularly the   
fastest -growing companies) public service adoption of AI is extremely limited, and change is   
happening too slowly . The public sector is still too risk -averse to even test AI in many cases ,   
and lacks the focus and investment required to see projects through to deployment at scale.   
To build momentum, the Government should focus on using AI in areas where there is a strong   
evidence base, a quick route to adoption at scale, and which add value in the most challenging   
parts of the State. Proving the government can successfully use AI, and reap widespread   
benefits from doing so, is essential to making th e case for further adoption.   
In practice, this means reorienting the Government’s approach – greater central leadership to   
drive AI adoption throughout public services ; funding which can be flexibly deployed , quickly ,   
to sustain and scale up successful pilots ; more in -house capability ; and procuring much more   
flexibly to reduce the reliance on a small number of suppliers.   
Crucially, government needs to be willing to take smart risks in deploying AI. This is particularly   
true in the early stages of AI development, when the current risk tolerance is disproportionate   
to the actual level of risk. Stringent evaluation is essential before AI is deployed in enterprise -  
level services, but the required performance standards should not be unrealistic – in most   
cases, AI software which performs as well as humans would be more than adequate.   
Government must assess use cases against the risks of continuing with the status quo – failing   
public services, declining accessibility, rising costs, and in some cases high levels of bias .   
This new approach requires accepting that transformed public services will not happen   
organically, and innovation needs to be led by the centre in partnership with frontline services.   
And it requires establishing parity between the risk of adopting AI with the risks of not doing   
so.

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 Appendix 1: Defining AI   
   
For the purposes of this paper, Reform use the definition of AI used by the Defence Science   
and Technology Laboratory (Dstl):   
“Theories and techniques developed to allow computer systems to perform tasks   
normally requiring human or biological intelligence”.219   
This is different to, but overlaps with, fields such as Machine Learning and Data Science, with   
the relationships shown in Figure 8.   
Figure 8: Dstl definition of the relationship between Artificial Intelligence, Machine   
Learning and Data Science   
   
Source: Artificial Intelligence, Data Science and (mostly) Machine Learning, The Dstl Biscuit Book , 1st   
edition revised v1\_2   
   
Within the field of AI, it can be useful to distinguish between t he concepts of ‘traditional’ or   
‘narrow’ AI , and Generative AI.   
“Traditional, or narrow, AI is primarily involved in analysing and classifying the   
information it's trained on. It excels in tasks involving processing input data and   
sorting this data into pre-designated categories, for example, determining   
whether an email is spam or not based on its content.   
Generative AI aims to create new data that mimics the input it's been trained   
on, such as large language models (LLMs) generating original text in a   
particular style that was previously only possible with human creativity. ”220   
   
219 Defence, Science and Technology Laboratory, The Dstl Biscuit Book: Artificial Intelligence, Data   
Science and (Mostly) Machine Learning .   
220 London Office of Technology and Innovation & Faculty, Opportunities for AI in Housing Services ,   
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