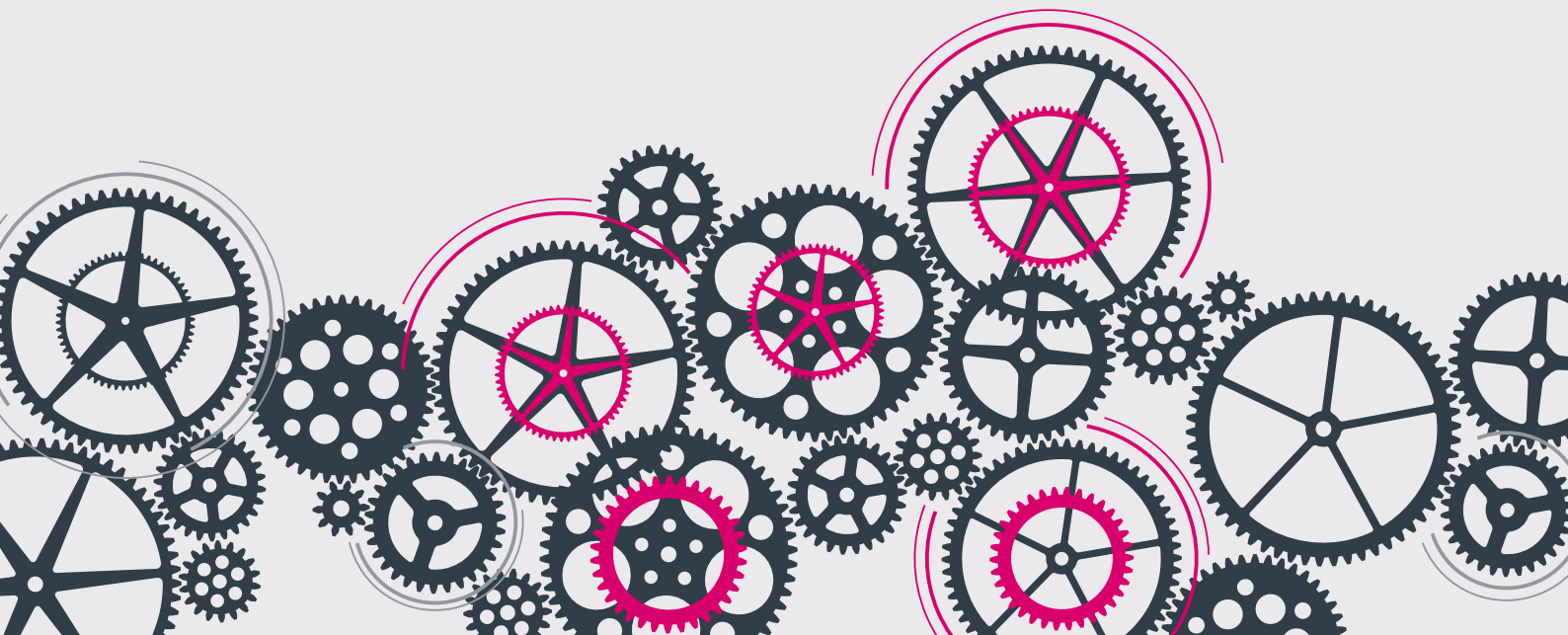


A
PROGRAMME
FOR
EFFECTIVE
GOVERNMENT

WHAT THE PARTY MANIFESTOS
MUST ADDRESS IN 2015



INTRODUCTION

At the Institute for Government we have identified a series of common problems and dilemmas that face, and will face, governments of all parties if they are to achieve their goals. In this paper, we look at the priorities of the main parties for 2015 and beyond. We outline the practical steps they must take to make progress on these priorities, run a more effective government and honour their manifesto commitments.

The main political parties publicly recognise that, if they come to power, they must:

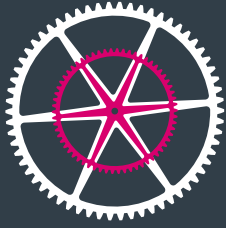
- reduce the budget deficit and control public spending
- achieve sustained economic growth over the long term
- address long-term, complex social and economic challenges whose costs and benefits cover decades
- improve the effectiveness and efficiency of public services
- govern in a world where power is spread more widely.

Parties are examining how to achieve these goals after the 2015 general election. If they are to be successful,

their plans must work in practice as well as sound good during a campaign. Parties need to work out how to make the most of a £700-billion-a-year government machine so that by the time of the 2020 general election, they will be able to show that they have made a difference.¹

Recent polling carried out for the Institute for Government shows that the public have little confidence that politicians will keep their election promises. But two-thirds say they would be more likely to vote for a party that can show how it would implement its policies in government.²

Using Institute for Government research on what works and what doesn't, this document identifies what the parties must do in government to achieve their goals.



REDUCING THE DEFICIT

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GROWTH

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WHAT POLITICAL PARTIES ARE SAYING

The deficit – how much government spending exceeds its income – has fallen over the last four years, largely because of tighter control of government spending. The 2010 Spending Review committed to cut public sector spending by £81bn in real terms,³ and much of this reduction has already been achieved.⁴

All major parties have committed to take further action on public finances. Without this, spending could exceed income by about 3.5% of GDP even after the economy has recovered.⁵ Surveys have shown that the public back them – more than 50% of the public believe that spending cuts are necessary.⁶

However, further big deficit reductions are unlikely to be achieved without continued public support. Parties, and the public, don't agree how quickly to cut the deficit, or how to balance tax and spending, but all parties must demonstrate fiscal competence to be credible.

WHAT WORKS AND WHAT DOESN'T

Pre-election periods can be mishandled. The public want to

know what parties' main spending plans are and don't believe that politicians should make promises before the election if they are not sure how they will pay for them. In the long term, parties suffer when they promise the impossible. The obvious example of this from 2010 was a commitment not to increase tuition fees, which resulted in clear political consequences when it was reversed (whatever the merits of the policy). Since 2010, financial pressure has increased in some areas, such as health, but promises of large cash injections after the 2015 election are unlikely to be credible.

85%

of the public agree that politicians should not make promises before the election if they are not sure they will be able to afford them in government



Commitments to abolish organisations and restructure the institutional landscape can be tempting. However, without proper consideration, these can become major distractions for a party in power and seldom generate the savings they promise.

Post-election risks include 'traditional' spending reviews, which aim to get a quick cabinet-level settlement and tend to lack proper planning. For example, the 2010 Spending Review

provided for aircraft carriers but not the planes to go with them, because it didn't allow time to complete a serious defence and security review. Our polling shows that there is strong consensus among the public that politicians should take time to get the facts right when making spending decisions, with 84% agreeing this is important.

More importantly, reducing spending is getting harder. Most of the easily-achievable cuts have been made and

Running a better spending review in 2015

A better spending review process would:

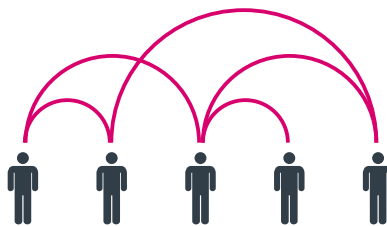
Cover a longer period of time – up to five years



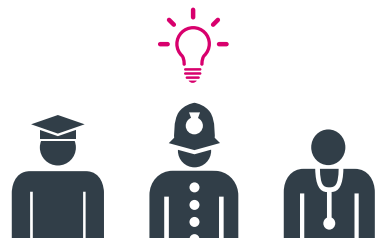
Build in more planning at the outset



Encourage collaboration between departments



Allow frontline services to innovate



have resulted in less public protest and dissatisfaction with services than many would have predicted in 2010. The Civil Service believes it has gone as far as possible to reduce costs within individual departmental budgets. What's needed in 2015 is to cut out duplication across departments and transform services. However, the departmentally-based spending review process doesn't provide the basis for this.

After any spending review, the task is to make reforms happen. This may involve using established methods such as altering legislation and implementing changes by controlling public sector wages, reducing benefits or raising taxes. The key thing here is to maintain public support.

But transforming services is different. Local services have already absorbed major budget cuts and many have found new ways of working. Politicians need to create the conditions and incentives for leaders of local authorities, police forces and other organisations to innovate further. Intelligent decentralisation of power, rather than central mandates, will be essential.



CASE STUDY

How to work across departments to deliver savings

***One HMG Overseas* provides an example of where government has achieved savings by joining up across different departments.**

It is a reform initiative shared between eight arms of the UK government which have a presence abroad. It aims to deliver efficiencies by encouraging departments to join up across areas of shared responsibility and shared need, allowing them to achieve greater impact by focusing on their core mission. As part of the initiative, departments are consolidating their corporate service functions, co-locating premises where possible, and encouraging staff to collaborate on matters of shared policy interest. The departments and staff involved are working together to identify other areas where further efficiencies might be made.



WHAT POLITICAL PARTIES MUST DO TO REDUCE THE DEFICIT

Prepare the ground publicly, and behind the scenes, prior to the election.

- Avoid commitments that won't be credible in government. Organisations like the Office for Budget Responsibility have established facts about the fiscal situation. Use these to inform your future plans and public commitments.
- Ensure the Civil Service is preparing cross-departmental analysis that can provide the basis for a thorough spending review.

Set up a more robust spending review process straight after the election.

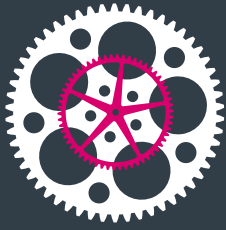
- Cover a significant period of time, even a full five years, to avoid the need for a mid-term review and to provide the stability for leaders to transform services.

- Allow time for serious reform plans to be developed; reviews (such as the Strategic Defence and Security Review) to be completed; and challenge to come from outside.
- Recognise that politicians need to make departments work together to achieve savings. The civil service system will default to tried-and-tested methods unless directed to do otherwise.

Make sure the changes agreed by the spending review actually happen.

- Learn from other spending reduction examples and ask service professionals to find ways to make efficiencies rather than mandate them from the top down.
- Focus on encouraging innovation at local level, particularly by devolving power and responsibility.





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WHAT POLITICAL PARTIES ARE SAYING

All parties want to boost long-term economic growth and support the future prosperity of the UK economy. They want to help citizens and local areas thrive by sharing the benefits of growth across the country and income scale.

Parties' plans to do this include addressing under-investment in infrastructure, pursuing a more active industrial strategy and creating stronger city regions (particularly in the north of England) by devolving more decision-making powers and political accountability for growth.

WHAT WORKS AND WHAT DOESN'T

Disputed evidence, patchy public support and policy instability make it hard to implement infrastructure projects that are likely to drive growth. These problems often lead to inaction and expensive delays, rather than sound investment decisions and effective delivery. Recent debates about high-speed rail networks and airport capacity in the south-east illustrate how contentious some major projects are.

Ad hoc reviews can be helpful to agree the best course of action, but the UK has no effective mechanisms to bring together independent experts and interest groups to develop robust evidence bases and to foster consensus through informed debate about policy options. The proposals of the Armitt Review and the current work of Infrastructure UK have some potential to fill these roles.⁷ But other countries have set up dedicated and lasting institutions and forums. In Australia the Productivity Commission uses academic research,

Thinking about how politicians make difficult decisions about infrastructure,

78%

of people agree that politicians should consult a wide range of professionals and experts



public engagement and scrutiny to help tackle contentious issues, and in France the National Commission of Public Debate facilitates dialogue with the public about new projects.

When government does move beyond the stage of debate and makes decisions on individual projects, these initiatives often suffer from lack of local community support. Nearly 80% of the public agree that politicians should consult local people who are affected by decisions on infrastructure. When the public is not effectively involved, financial compensation is rarely enough to convince local people to back a project, as we have recently seen with fracking.

Major infrastructure projects often involve long-term investments and take much longer than a single Parliament to complete. They are more likely to succeed where investors face a stable and predictable policy framework underpinned by cross-party support, as the success of the 2012 Olympics and Paralympics showed.

As well as infrastructure, policy makers are increasingly interested in industrial strategy. There is a growing acceptance of the benefits

of policies designed to promote economic growth and support specific sectors of the economy, though some still remain sceptical of the long-term advantages of government 'picking winners'.

It is not clear whether Whitehall is equipped to identify opportunities for strategic collaboration with the private sector and what instruments it should use to intervene. The UK has been good at attracting investment, but historically government has not had the specialist skills needed to understand complex delivery chains and manage long-term relations with business. There is also a wider structural problem as responsibility for growth is split between the Treasury and the Department for Business, Innovation and Skills.

All the major parties have committed in principle to decentralise decision making to stimulate growth. However, previous efforts to transfer power to local areas, for example to city mayors, have not always succeeded – often because of weak political support, disputes between local and central government, and failure to make reforms salient to the public. Parties need to plan how to overcome these problems.

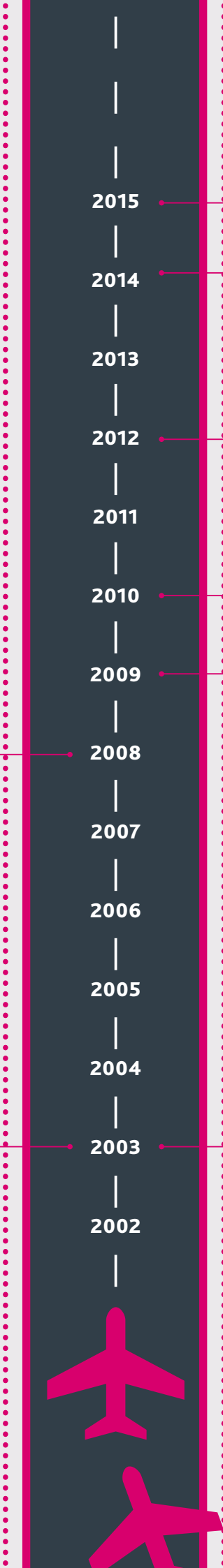


Political uncertainty delays infrastructure projects

The need for extra airport capacity in the south-east has been recognised since the 1970s but there has been a failure to coordinate public and political support behind any particular project.

2008: Boris Johnson, Mayor of London, announces a study into the feasibility of an island airport in the Thames Estuary

2003: Labour begins a study into the possibility of an airport at Cliffe in Kent, to broad opposition from environmental groups



2015: The final report of the Airports Commission is due

2014: The interim report of the Airports Commission is published

2012: Sir Howard Davies asked to chair a commission investigating the future of airports in the south-east

2010: Coalition agreement: "We will cancel the third runway at Heathrow. We will refuse permission for additional runways at Gatwick and Stansted."

2009: Transport Secretary Geoff Hoon announces government support for a third runway and a sixth terminal building at Heathrow

2003: DfT White Paper supports the provision of a second runway at Stansted and a third runway at Heathrow



WHAT POLITICAL PARTIES MUST DO TO CREATE SUSTAINED GROWTH

Create stable institutions and better public debate about growth.

- Set up forums and institutions, or build on existing ones, to bring evidence to debates. Set out policy options and bring together the different interests involved to build consensus. This will give politicians a better chance of seeing through long-term investment and infrastructure projects.
- Engage the public earlier and more effectively in new projects and don't rely on 'tick-box' consultation or inadequate compensation.

Turn decentralisation ideas into action.

- Make a clear manifesto pledge on decentralising power, specifying which powers will be devolved and showing how the public will be able to hold local politicians to account for their performance on the growth agenda.

- Show you are serious about decentralisation by giving one or more city regions funding and responsibility within areas such as transport, skills, and housing as part of the 2015 budget process.

Build Whitehall's capability to deliver a more active industrial strategy.

- Build long-term relationships, systematically, with industry. Learn from initiatives like the consultative forum used by the Automotive Council or collaborations like the Aerospace Growth Partnership, to harness the expertise and skills of industry.

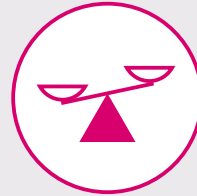


Involve the public in infrastructure decision making

The National Commission of Public Debate (CNDP) in France is a state-funded, independent organisation. It helps to ensure that the public participate in decisions about significant infrastructure projects from an early stage – by setting out neutral information, organising public debate and gathering opinion on whether a project is worthwhile from a wide range of citizens. This opinion can then influence the design and implementation of projects. Although it doesn't have the power to make decisions, the Commission's views are taken seriously. It usually allows up to six months for consultation and debate, so engaging with the public is planned for in decision making – not an afterthought or a simple 'tick box' exercise.



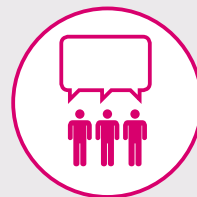
Project with a cost of more than €300m or a total length of more than 40 kilometres



The CNDP judges whether or not the project warrants public debate



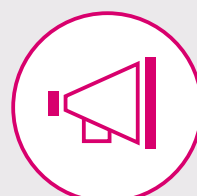
A 'Commission Particulière du Débat Publique' is appointed



The phase of public consultation (four months plus two months possible extension)



The CNDP completes its report



The decision is conveyed to the senior project officials and made public



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WHAT POLITICAL PARTIES ARE SAYING

Parties realise that to serve the electorate, the next government will need to tackle problems threatening our future wellbeing. So as well as addressing their immediate priorities of growth and deficit reduction, parties must consider how to approach issues like energy security and climate change, social cohesion and immigration, as well as public health issues such as obesity and increasing antibiotic resistance.

Not to act on these issues could be expensive. For example, energy scarcity will increase geopolitical instability and increase household energy costs; fractured communities will be less able to support families and individuals; and failures to address lifestyle-related health problems will leave the NHS and other public services overburdened. When given the choice, nearly three quarters of people say they want politicians who are focused on the long term – even if that means making decisions more slowly – rather than politicians who prioritise quick action.

WHAT WORKS AND WHAT DOESN'T

The day-to-day pressures of governing seldom leave time for tackling long-term, complex problems, so many governments end up reacting to crises instead of preventing them. But prevention is cheaper than cure. Crises often result in rushed legislation or spending commitments that do not offer value for money for the taxpayer.

Too often governments respond to complex problems by making attractive but ill-considered commitments, without having fully identified and analysed the issues. The 2001 Fuel Poverty Strategy, for example, set ambitious, legislated targets to eliminate fuel poverty among vulnerable households by 2010. But fuel poverty continued to rise, partly because of factors outside government control. The targets that politicians thought would be useful became a source of embarrassment as the external context changed.

The hallmarks of more successful approaches to complex policy challenges include concrete evidence and wide consultation with experts



and those involved or affected. For example, Lord Turner's Pensions Commission attracted cross-party interest and engaged with experts to work out how an ageing population could manage financially in retirement.

Success is more likely when government embraces the ideas of communities, businesses and individuals. Legislation is not the only tool government can use to address complex challenges. Recent innovations in policy include trialling new policy ideas through experimentation and influencing individual decisions through behavioural insight, or 'nudge', techniques.

Many complex policy problems require co-ordinated responses from a range of departments and government agencies. Whitehall departments are not set up to do this, so it is important to take active steps to drive co-ordination. Co-ordinating committees, central units and joint budgets have limitations but can help. The National Security Council, for example, has reorganised how government deals with national security to make decision making more collective. It also benefits from strong prime-ministerial commitment – another ingredient for success.

Of course, the prime minister cannot lead on all cross-cutting policy issues so other ministers need to step up and be given ownership. Lessons can also be learned from the devolved administration in Scotland, which has restructured to approach policy in a more joined-up way.

WHAT POLITICAL PARTIES MUST DO TO TACKLE COMPLEX POLICY CHALLENGES

Make long-term policy away from daily pressures, using the right evidence and tools.

- Create space to build credible evidence and fully assess policy options rather than rushing to legislate, spend or set ill-considered targets. This could include setting up teams to focus on strategic issues away from day-to-day policy. Consider external commissions for particularly contentious issues.

Set up the right decision-making architecture for determining long-term policy.

- Give influential and motivated ministers responsibility for priority cross-cutting policy areas. Make these ministers accountable to the



prime minister and support them with appropriate resources – that is, not just money but also specialist advisers and other staff.

- Use structures like cross-departmental units or shared budgets to get different parts of government to work together. Co-operation rarely happens naturally.

Support an environment that encourages learning and adaptation in policy.

- Build on existing structures, like the new 'What Works' centres that produce and disseminate lessons for practitioners or the 'Policy Lab' that is intended to bring design techniques into government policy making.
- Use a mix of tools and techniques, like prototyping and experimentation, behavioural insight and capacity building in organisations.

- Involve a range of people in the policy making process to get the ideas and enthusiasm of other sectors. Encourage policymakers to build networks and bring outsiders into policy early on, rather than consulting after decisions have been made.
- Allow people, communities and professions to create their own solutions – particularly when a policy solution isn't clear. Remember government cannot and should not control everything in a top-down way.



72%

say they want
politicians who
are focused on
the long term



28%

would prefer
politicians who
prioritise responding
to issues quickly



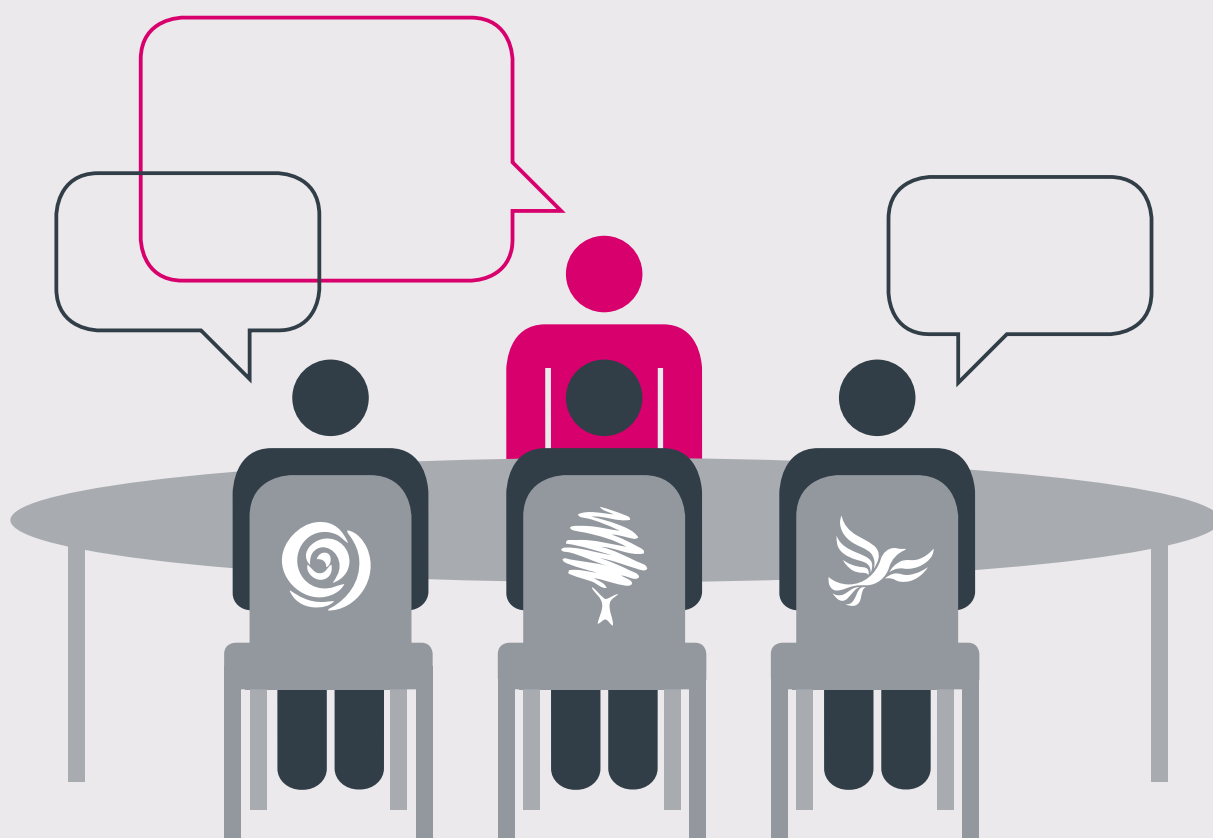
A clear majority of people want politicians who focus on the long term, even if it means they make decisions more slowly (72%), rather than politicians who prioritise responding to issues quickly, even if it means they spend more time reacting to events than resolving long-term problems (28%).



Review of pensions as a model for long-term policy making

In the early 2000s, pensions policy was a highly political and divisive issue. With an ageing population and following a number of changes to both private and state pension provision, politicians needed to work out how they would ensure pensioners were not left living in poverty in the future.

A commission, headed by business expert Adair Turner, was established. It wanted to build consensus, so started with work to establish the facts and build a shared understanding of their analysis before presenting the stark policy options and trade-offs government would have to decide on. It hosted events to bring in a wide range of expertise, including workshops to get citizens' views. It engaged with opposition parties as well as the government of the day. This process allowed the commission to present recommendations which all of the major parties could, broadly, agree on.





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WHAT POLITICAL PARTIES ARE SAYING

Delivering government-funded services as spending falls isn't easy, especially given current demographic pressures. But even so, people expect public services to be effective and treat them with respect, whether they are receiving cancer treatment or renewing a driving licence. Parties are therefore seeking to identify changes that will make the biggest difference to efficiency and effectiveness in areas such as health, education, employment, justice and policing.

WHAT WORKS AND WHAT DOESN'T

Historically, governments have tried to improve public services through structural reform; routine process improvements; outsourcing and the creation of public service markets; and technology-enabled change.

Evidence shows that performance tends to dip in the first two years of major structural reforms, but they can work if they directly lead to improvements at the front line. For example, 'one stop shops' for basic government services can improve customer service and reduce building and administration costs. The 2010 coalition government restructured

health, education, welfare and justice. This may make getting support for further big changes much harder in 2015.

Small improvements to public sector processes can have big impacts. In one trial, Her Majesty's Revenue and Customs boosted tax repayment rates by around 15% simply by changing the wording in letters.⁸ Making such improvements needs good organisational leadership; solid information on customers and costs; a willingness to experiment (and fail); and a steady flow of ideas and information about what works from frontline workers, service users and communities.

Successive governments have tried to improve public service efficiency through outsourcing. Private and voluntary sector organisations now deliver around £90bn of public services annually.⁹ Outsourcing can work well for transactional services like waste collection. However, more complex outsourcing projects often underperform due to perverse contractual incentives, weak public sector oversight, and a lack of transparency and competition – as illustrated by recent scandals in areas like electronic tagging.

Worryingly, half of the people in our recent survey felt that no-one takes



responsibility when problems occur in outsourced services.

The Government estimates that information technology will save some £1.2bn for business, consumers and the state by 2015.¹⁰ Yet, despite successes such as online tax returns, big IT-enabled changes have frequently suffered delays and cost overruns, as seen in the case of the NHS IT programme. Evidence shows projects work when change is phased in, accountability is clear and the correct project management disciplines are used.¹¹

WHAT POLITICAL PARTIES MUST DO TO IMPROVE PUBLIC SERVICES

Slow down on outsourcing more services to allow greater focus on fixing broken and underperforming public service markets.

- Share information on the costs and performance of providers with the public and Parliament to show that government is in control, and increase the focus on ensuring value for money.

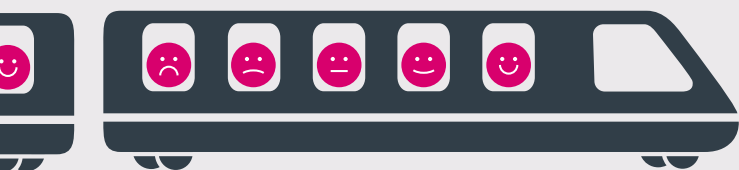
CASE STUDY

Using customer satisfaction data to drive improvements in public services

Collecting customer satisfaction data and making it visible can help providers of public services to make improvements that really matter to service users.

Passenger Focus, the independent transport watchdog, survey more than 50,000 rail passengers annually to gauge satisfaction with rail journeys, including frequency, punctuality and value for money. The results of their surveys are open to all.

Satisfaction data is now also used in the contracting process. Rail franchises must meet satisfaction targets throughout their contract, putting passenger experience front and centre and creating more transparency and accountability between providers, rail users and the government.



- Build on existing efforts to increase commercial expertise and skills in Whitehall, such as the Commissioning Academy and Major Projects Leadership Academy. Pay for commercial expertise to manage multi-million-pound deals and consider retention incentives to keep experts in post.
- Increase the scrutiny of new outsourcing deals (particularly those over £100 million) to make sure they are sensible. This should include seeking independent, formal advice on competition issues from the Competition and Markets Authority.
- Phase in reforms so that the approach can adapt as information on what works improves and circumstances change.
- Safeguard and build on the central teams that challenge and support projects, such as the Major Projects Authority (MPA). Big changes need effective scrutiny.

Focus on creating the right conditions for the small improvements that have a big cumulative impact.

Prioritise just a few big structural or IT-enabled reforms, engage widely, and phase in reforms to get the results you want.

- Invest in creating management information similar to that used in the UK's most successful businesses, including better data on service users and their preferences. Give finance directors responsibility for ensuring this informs decision making and drives accountability.
- Test ideas with those affected to improve reform plans before announcing them. Learn from past successes and failures and don't be over-optimistic, particularly about complex IT-enabled change.
- Use the energy and sustained focus that junior ministers can bring to implementation. Ensure departments have the specialist skills needed to drive change and deliver new services before embarking on major change.



The risks of structural reform

NHS

REORGANISED
20 TIMES
IN 41 YEARS

2012
Health and
Social Care Act

Leading to...



170
organisations closed



240
new bodies created



10,000
staff redundant¹²

1974

2015

Evidence shows that performance tends to dip in the first two years of major structural reforms.





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WHAT POLITICAL PARTIES ARE SAYING

Whoever wins power in 2015 will have to operate in an increasingly complex environment as the UK moves away from its tradition of a centralised state, two-party politics, stable majorities and a deferential electorate.

Politicians acknowledge that the voting public is less inclined to identify with the major parties, and is increasingly sceptical about them, politics and government more generally.¹³ The long-term trend is towards multi-party politics, changing the dynamics in Whitehall and Westminster and making majority government less likely.

What's more, power is not concentrated solely in the hands of ministers. The current system requires co-ordination and negotiation with the European Union; devolved nations; local authorities; city-region power bases; the wider public sector; and party and opposition colleagues in Parliament. Parties are openly debating how these relationships should work.

Incoming ministers will also need to work with the civil service leadership and an array of fairly autonomous Whitehall departments.

WHAT WORKS AND WHAT DOESN'T

Ministers and officials can create problems if they fail to appreciate the nature of deals with devolved nations. For example, the devolved administration in Wales has cited frustration and practical problems resulting from being consulted too late on relevant legislation. The mix of powers that have been devolved is complex, and the devolution processes in Wales, Scotland and Northern Ireland will continue. An incoming government must ensure they understand who they should be working with and establish practical measures to maintain good communication.

Parties can learn about governing without a single-party majority from recent UK and international experience. Tensions are inevitable when parties have distinct identities and priorities. Whatever the personal relationships, formal procedures need to be in place to support political parties and ensure everyone knows what happens if disagreements develop.

Arguments between ministers and civil servants undermine government's reputation and make it harder to do business. 'Blame games' damage the trust needed to maintain productive working relationships, prevent learning



Only **24%**
of people say they
understand how
political parties go
about developing
their policy ideas



from success and failure, and result in divided leadership teams. Recent rows over high profile project failures show that conventions governing the relationship between ministers and officials are outdated and can lead to confusion about who is accountable for what.

Governments have not yet cracked how to establish a more trusting and open relationship with the public. However the public and most parliamentarians do support more openness and transparency, and recent governments have responded to this by opening up data and encouraging scrutiny.

CASE STUDY

Making coalitions work

Making compromises is important when governing with partners. The Conservative-Liberal Democrat coalition agreed to a principle of balance between their parties in government, but as the Liberal Democrats are the junior partners and have fewer ministers they initially found it harder to have the right level of influence across Whitehall. They had also committed to cutting the number of special advisers – political appointees – across government.

Over time however, Nick Clegg was given more resource to support his Deputy Prime Ministerial role and in 2011 more Liberal Democrat special advisers were appointed to work in departments where the Liberal Democrats had less presence. These political appointments represented a compromise and balancing in the coalition relationship but also helped to improve communications. Special advisers are needed to undertake party political tasks that civil servants cannot do, such as negotiating policy positions between parties.



WHAT POLITICAL PARTIES MUST DO TO GOVERN IN A WORLD WHERE POWER IS SPREAD WIDELY

Rethink the relationship between the UK government and devolved administrations.

- Ensure ministers and relevant civil servants understand the limits of their control and the nature of arrangements with devolved nations within their policy briefs.
- Create 'rules of the game' and appropriate mechanisms to involve, consult or co-operate with devolved nations in policy development and announcements.

Learn from the experience of governing without a single-party majority and how to make effective political decisions with partners, in the event of a coalition or minority government.

- Agree a clear policy programme and how parties will work together at the outset. Keep some flexibility to review and refresh these agreements over time.
- Create ways to encourage openness between the parties at the start of any coalition while relationships

are still good. Consider forums for joint decision making, like the 'quad' system used by the Conservative-Liberal Democrat coalition; agreed communication procedures; and guarantees that smaller parties are properly resourced. Use civil servants to ensure these procedures are followed.

- Allow space for all parties to differentiate and keep their own distinct identities, outside of the core, agreed programme. Parties can, for example, be open in the media about where they are compromising on policy, or allow free votes on non-core legislation in Parliament.

Support trusting relationships between ministers and officials.

- Clarify how roles and responsibilities are split between top civil servants and ministers. Set clear objectives, including on spending and preparing policy advice, for the most senior civil servants and hold them to account.
- Formalise the process of recruiting the most senior officials so that ministers have the final say on the best candidate for the job, from a merit-based shortlist.



Build more openness and scrutiny into government processes to increase the confidence of Parliament and the public.

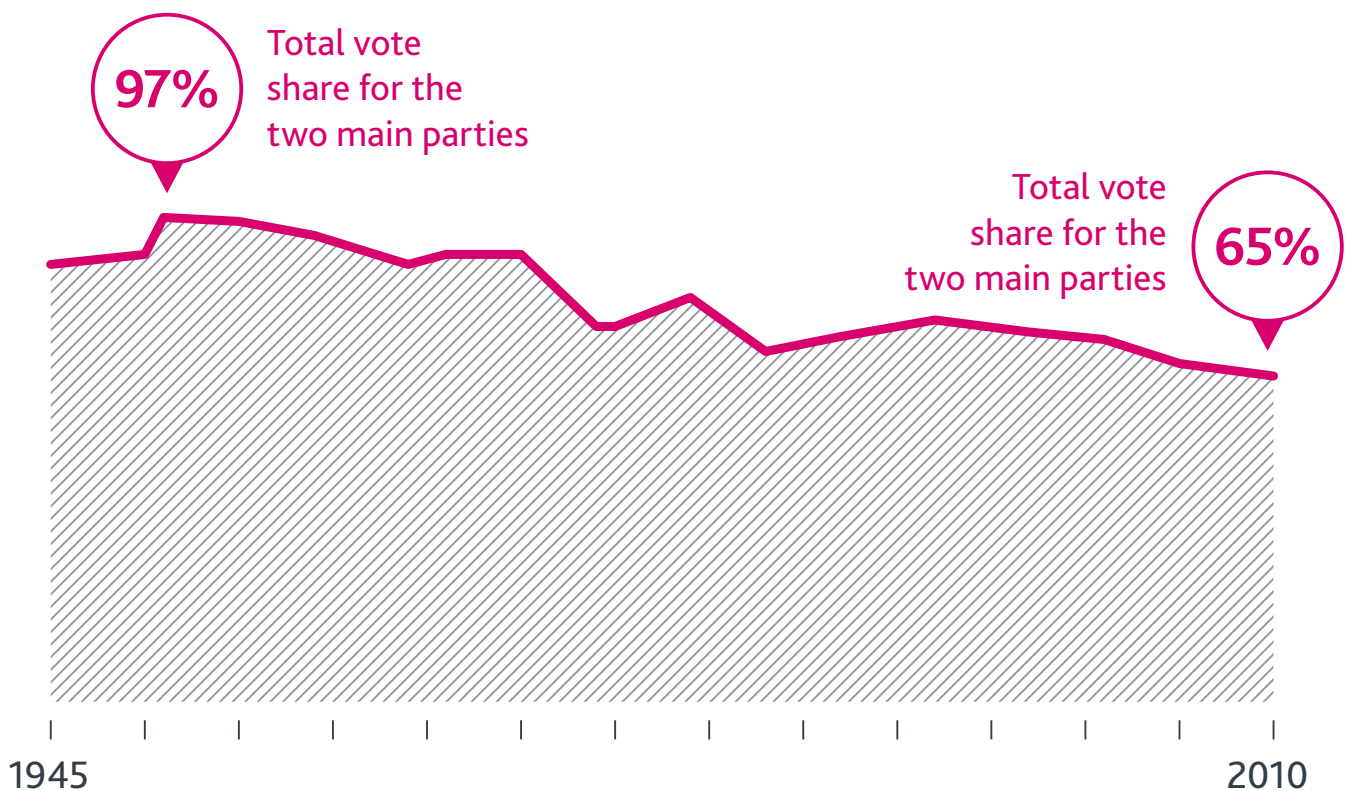
- Build checks and balances into government, for example, by providing impartial evidence and scrutiny.

The Office for Budget Responsibility could scrutinise manifesto pledges to see if they are properly costed.

- Improve the quality of data about government activities that is available to the public.

A multi-party system?

The two main parties' share of the vote has declined from a peak of 97% in 1951 to 65% in 2010. There is evidence of a trend towards a multi-party system.¹⁴



GETTING READY TO GOVERN

With the election looming, parties will focus on their campaigns, but it is not too soon to start preparing for government. Whether continuing as a party of government or returning to government from time in opposition, there will be a period of adjustment into the new parliament. Good preparation helps parties adapt quickly and gives them the best chance of achieving their goals.

PREPARING TO BE A MINISTER

Start engaging with the Civil Service

To avoid confusion about civil service impartiality, the Opposition needs clear guidance for pre-election contact between shadow ministers and senior officials. These talks give officials time to plan ahead and prepare the ground for the policy priorities of a new government. They are also important for establishing relationships. Ministers already in government also need to talk to officials about their post-2015 plans.

The Civil Service is constrained in the amount of work it can do in advance as it is still serving the incumbent government, but both sides need to prepare.

Set the departmental agenda

Incoming or existing ministers moving to new departments need time to familiarise themselves with their briefs and understand departmental dynamics. Ministers continuing in post should use this time to refresh their agenda and re-connect with their department. Many former ministers have emphasised how important it is to prioritise a few key policies early on in the term, focus efforts on these, and then set out the longer-term direction of their thinking to their ministerial colleagues and civil servants.

Build a ministerial team

Ministers are often reluctant to engage in training and development. But like leaders in other sectors, they need to take time to reflect on their performance and develop



their skills and teams to cope with the challenges ahead. Ahead of the election, this should include team work with ministerial colleagues and deciding how to split ministerial responsibilities.

Do targeted inductions and ongoing development

In previous parliaments, induction for new ministers has largely been limited to ethical rules, the working of private offices and the basics of civil service machinery. New ministers would benefit from a fuller induction and continuous development opportunities, such as personal appraisals, to get structured feedback on their performance.

PREPARING YOUR GOVERNMENT'S AGENDA

Get negotiating positions ready

Parties should be clear, if only privately, on their 'red lines' and negotiating positions in case they do not win an overall majority and need to make deals with other parties.

Take time to get new agreements right and phase in the handover of power, if the outcome of the election is not a majority government

In 2010 the Liberal Democrats and Conservatives negotiated a coalition agreement straight after the election, then a more detailed programme later. Cross-party negotiation is difficult, especially in the aftermath of an election and in the face of intense



internal party interest and media pressure. If the next government enters into a formal coalition, it should take time to get the agreement right – knowing that the novelty of multi-party government is wearing off. A looser arrangement between parties, or a minority government striking deals with other parties on an ad hoc, less permanent basis, will still require consideration about where to make concessions, the ground rules between parties and how a legislative programme will pan out.

Stress test policies and give yourself flexibility

Much detailed policy development can be done ahead of a new term, whether in opposition or government. This is particularly important for policies that will be launched

early on. Parties that have just won power naturally want to get straight on with implementing their reforms. They should be wary, however, of committing to major legislative changes without taking advantage of the additional analysis, information and testing they can access in government. Introducing many large bills simultaneously can result in poor policy making, too little parliamentary scrutiny and, ultimately, being forced into u-turns.



PREPARING YOUR APPROACH TO THE CIVIL SERVICE

Signal early what you want the Civil Service to be like

Whether the Civil Service should be leaner, more or less centralised, or better skilled in certain areas, is an important political consideration. Parties should start to indicate now what style of government they want to run and what their main priorities are, so that the Civil Service can prepare.

Decide on structures

Parties must think about the 'architecture' of Whitehall, defining the role and relationships between the centre of government (Number 10, the Cabinet Office and the Treasury)

and departments. They should consider what support the prime minister will need and what cross-cutting units or Cabinet committees will be required.

Take responsibility for civil service reform

Over the last five years, the Civil Service has proved it is adaptable by dealing with budget reductions, restructuring departments and changes to working practices. The civil service reform agenda has progressed. But further reform, aligned to the next government's priorities, will need clear leadership from the top of the Civil Service, including the Treasury. It must have visible commitment from the prime minister and the support of ministers in their own departments.

CONCLUSION

It is clear that for parties to achieve their goals after 2015 they will need to govern differently. The Institute's work consistently shows that success in all areas will require government to be more accountable, skilled, strategic, joined up and outward looking.

The public want to see changes too. Our recent polling shows they want politicians who prioritise fulfilling their promises, getting value for money, implementing the best policies for Britain and running the government professionally. But what they see is politicians who prioritise re-election, political point scoring and making big media announcements.

The steps outlined in this document will help all parties prepare to govern and the Institute for Government

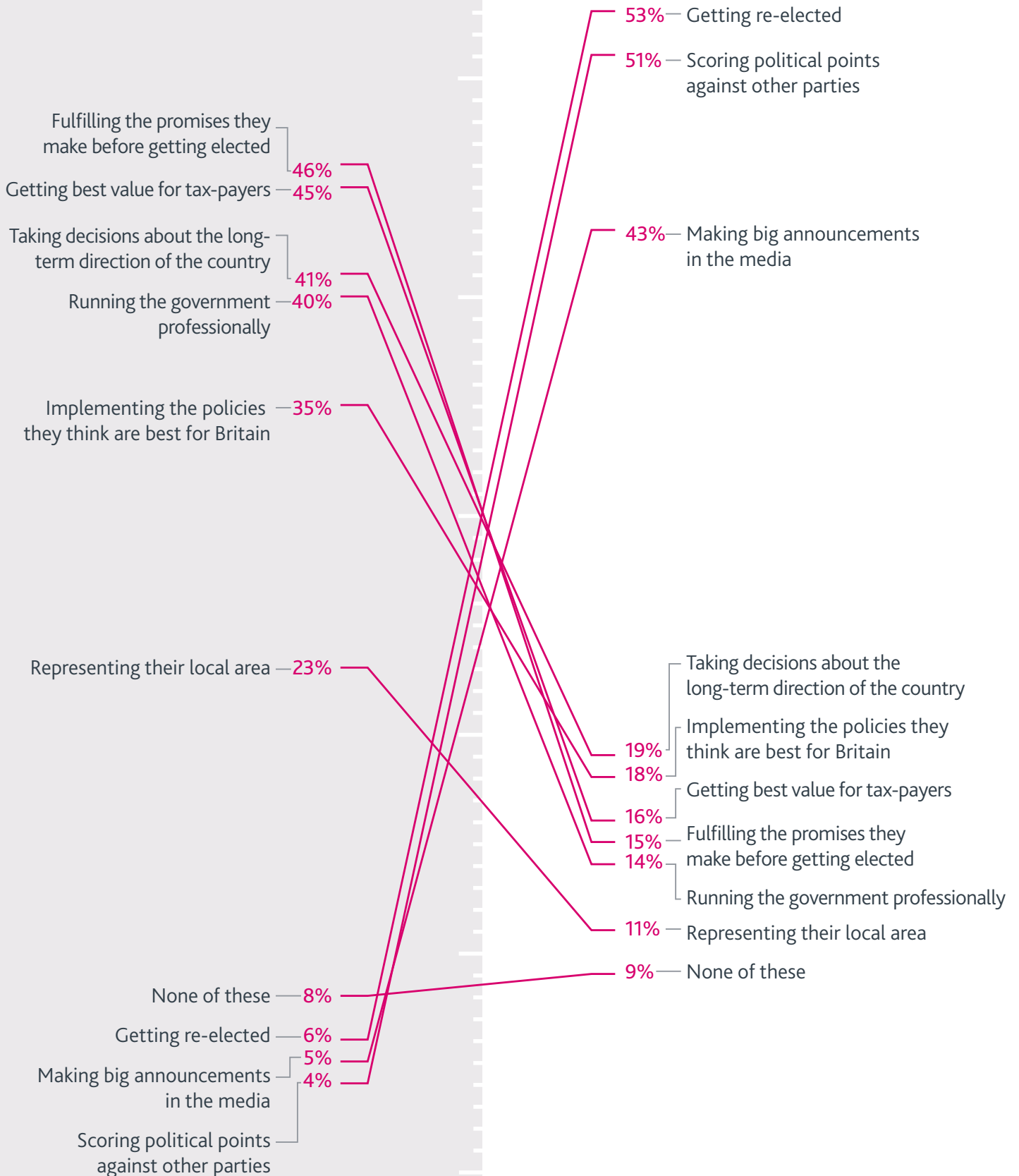
will continue to support them in the run-up to 2015 and beyond. We will produce more detailed advice on important but sometimes overlooked issues such as policy making, outsourcing and Whitehall reform.

Ultimately, governments are judged by the impact that they have. Governing in 2015 will not be easy, but whoever is elected must seize the opportunity to create the effective government citizens want.

people **want**
politicians to
prioritise...



people think **at the
moment** politicians
prioritise...



NOTES

1. National Audit Office (NAO), *Whole of Government Accounts 2012–2013: At a Glance*, NAO website retrieved 2 September 2014 from www.nao.org.uk/highlights/whole-of-government-accounts The total for the year 2012–13 was £717.3bn, net £178.3bn.
2. Unless otherwise stated, the polling data cited in this report is from a poll carried out for the Institute for Government by Populus. Populus interviewed 2,040 GB adults online between 8th and 10th August 2014. Results have been weighted to be representative of all GB adults. For full results and for more information see www.populus.co.uk
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ABOUT THE INSTITUTE FOR GOVERNMENT

We are an independent charity with cross-party governance. Our mission is to help make government in the UK more effective. Over the past five years, the Institute has been at the forefront of rigorous research in the quest for a more effective government.

Working directly with leading politicians from all parties in Westminster and with senior civil servants in Whitehall, we have provided practical advice and learning to help them do their jobs better for the benefit of the public.

Our work draws on best practice from around the world and our ideas are based on evidence of what works and what doesn't. Our voice can be heard influencing the debate about government in a number of areas, and we will continue to promote a more effective way of working.

In the run-up to the 2015 election and beyond we will:

- Help potential ministers from all parties prepare to make and implement policy and understand the realities of running a department.

- Help government departments to adopt better ways of interacting with arm's-length bodies and the wider public and private sectors.
- Promote solutions that improve the accountability of government both to Parliament and the public, including clearer central responsibilities for managing performance of the Civil Service.
- Support UK government to adapt to new multi-party politics, wider dispersal of power and the changing nature of relations with devolved administrations.
- Support the Civil Service to deliver the priorities of ministers, ensuring officials have the right structures, tools and skills to strengthen the way in which policies are developed and implemented.
- Work with government to achieve more professional design and oversight of public service markets, including greater transparency.
- Build on our work to promote financial leadership in government so that both government and the public are confident about how money is spent.
- Help improve implementation of major change in Whitehall departments.
- Promote collective leadership of civil-service-wide reform.

Copies of this report are available
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