

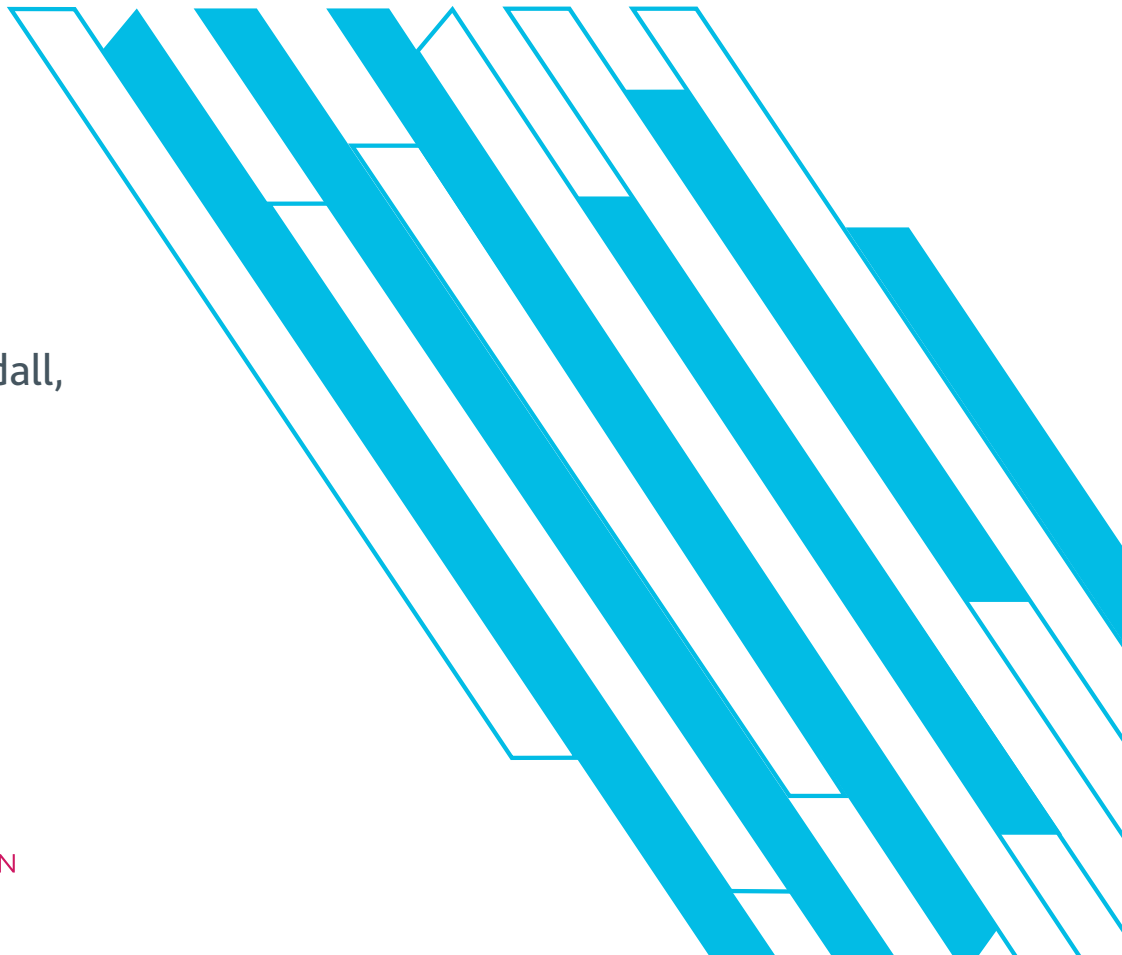
Making policy stick

Tackling long-term challenges in government

Oliver Ilott, Joe Randall,
Alex Bleasdale and
Emma Norris

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List of abbreviations

| | |
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| CBI | Confederation of British Industry |
| CCC | Committee on Climate Change |
| CPA | Combat Poverty Agency |
| DCLG | Department for Communities and Local Government |
| DECC | Department of Energy & Climate Change |
| Defra | Department for Environment, Food & Rural Affairs |
| DETR | Department of the Environment, Transport and the Regions |
| DfID | Department for International Development |
| EU | European Union |
| GDP | Gross Domestic Product |
| GNI | Gross national income |
| NAPS | National Anti-Poverty Strategy |
| NGO | Non-governmental organisation |
| NSNO | No Second Night Out |
| OCC | Office of Climate Change |
| OECD | Organisation for Economic Co-operation and Development |
| PMSU | Prime Minister's Strategy Unit |
| RSU | Rough Sleepers Unit |
| SEU | Social Exclusion Unit |

Summary

Achieving strategic focus in the current context

The new Prime Minister Theresa May has put a number of long-term policy goals at the centre of her premiership, pledging to champion social mobility and implement a modern industrial strategy. But if she is to make progress on these and other testing policy endeavours, she will need to break with the disappointing record of her predecessors in staying focused on delivering long-term change.

This will have to be done at a time of great challenges. The task of managing the UK's exit from the European Union (EU) (termed 'Brexit') has already incurred delays in other parts of the Government's business. There is also an extremely challenging fiscal context. Theresa May has committed to George Osborne's plans for a real-terms cut of £10 billion in day-to-day government spending by 2019/20. This fiscal environment clearly presents difficulties for the Prime Minister's new agenda on social mobility, particularly if progress in this area requires upfront investment to unlock distant benefits.

And even without these challenges, staying focused on long-term policy goals has been a weakness of government, which has often preferred reinvention to staying the course.

It does not have to be this way. There are a range of things that government can do to make it more likely that a policy will endure and achieve what it set out to achieve. We looked at four case studies where this has happened, to understand how this can become the norm:

- **UK climate change policy, 2006 onwards.** The Climate Change Act 2008 established a framework of targets and institutions that has subsequently delivered a 20% reduction in UK carbon emissions.
- **UK international development policy, 1997 onwards.** The establishment of the Department for International Development (DfID) created a new, enduring approach to development spending that was divorced from foreign policy concerns.
- **Anti-poverty strategy in Ireland, 1997 to 2007.** Successive Irish governments contributed to a strategy that halved the number of people living in poverty.
- **Rough sleepers policy in England, 1990 onwards.** A gradually escalating policy response under the Major Government culminated, in 1999, with the creation of the Rough Sleepers Unit, which reduced the number of people sleeping on the streets by two-thirds.

Some of the topics that are explored in the case studies are already coming around again. The Government's attitude to the relationship between aid spending and national interest appears to be back on the table. The decision of the Government to pass a fifth carbon budget even after the turmoil of Brexit underlines the fact that this remains a live issue. The lessons of the case studies should be borne in mind during future policy-setting.

The findings of our research

A new government or an incumbent government?

Our research found that there are moments that are especially propitious to the establishment of new long-term policies – particularly when new governments take office or when opposition parties seek to move new issues into the limelight. It is notably harder for incumbent governments to break with the past and establish a new long-term agenda. Theresa May therefore starts from a weak position – although she is a new prime minister, she currently governs on the basis of the manifesto drafted by her predecessor. The window in which to establish new priorities is small. It is therefore vital that she moves quickly on those areas where she wants to establish a new long-term agenda.

Wider strategic capability

Long-term policy making benefits when it has the support of central, strategic capacity in Whitehall. In the past, bodies such as the Social Exclusion Unit, the Performance and Innovation Unit and the Prime Minister's Strategy Unit (PMSU) provided the space to plan for the long term and channel political ambition into action. Since the abolition of the PMSU in 2010, governments have not benefited from this support in a sustained form.

Theresa May might feel this institutional gap particularly keenly as she attempts to increase the salience of the issues on which she is seeking to establish a new agenda. Without this capacity, it will be harder to identify precisely who or what will be the subject of new priority policies. There is a risk that her new long-term agendas simply become catch-all titles used to associate similar-sounding but fundamentally distinct short-term policies.

Pursuing long-term policies

The main focus of this report is on the specific actions that government can take to make long-term policies work. Our research found that political interest in a given issue – and the political capital that politicians are willing to invest in a solution – shift over time. This means that the lifecycle of a long-term policy breaks down into three discrete phases. There is:

- a period of 'rising salience' (significance) during which an issue becomes politicised, gaining the attention of ministers
- a 'building blocks' phase during which politicians and officials put in place the policies, institutions and targets to resolve the problem
- a long tail of diminishing political interest during which those measures instituted in the second phase must nevertheless deliver, which we have called 'embedding'.

How government – both political and official – plans and acts in each of these phases will make or break a policy. Some of our most important findings about how to set up and implement a policy for the long term are summarised below.

Phase 1: Rising salience

- Governments have fleeting opportunities to set a new direction, and need to make the most of these critical political junctures. The accession of a new prime minister is one such opportunity, as is the point at which opposition parties begin to compete in earnest on a particular issue. Hesitation or delay will make it harder to get the system focused on new priorities.
- Opposition parties coming into government find it easier to establish successful long-term policies than incumbent governments, but only if they have invested in building consensus across their top team before being elected.
- In this early phase, government must define the problem it is tackling, articulate who or what would be the subject of an intervention and describe what success would look like. Without this overarching vision, it will be difficult to gain the broad support needed to maintain focus over an extended period. But in the period of rising salience, it is too early to provide specific proposals – precise targets, mechanisms or institutions – since they can reduce the chances of long-term focus, as any future departure from these commitments will look like failure.

Phase 2: Building blocks

- During the building blocks phase, government must consider creating an institution(s) that can convert political will into action and put in place a new – often disruptive – approach to solving the problem. Policy-owning special units are well suited to this purpose, but to maintain focus over the long term, government needs to plan for the replacement of these units well in advance to avoid losing momentum.
- Government should look to turn its overarching vision into a set of measurable targets. These act as a rallying point for the coalitions of support that sustain long-term focus. But government must account for the uncertainty inherent over long time periods by creating a timeline for targets to be revisited and new goals set.
- It is a particular type of civil service leader who is suited to the disruption of the building blocks phase. These leaders will be tasked with forging new policy on issues of high political salience, working across departments and establishing a sense of progress. But to allow these leaders to succeed in establishing a new approach, politicians must provide them with sufficient 'licence to operate'.

Phase 3: Embedding

- Once a long-term policy has been established, government needs to mitigate the risk that focus is lost in moments of political transition. It should do this in the first instance by seeking to build political consensus – rather than attempting to tie the hands of its successors.
- Cycles of further target-setting are vital for maintaining political interest, driving cross-government working and periodically rebuilding the coalition of external support that underpins long-term focus.

In sections 4 and 5, we provide detailed guidance on how policy makers can make the most of each phase and give policies the best chance of sticking in the long term. This will enable us to judge whether or not government approaches to current priorities – including social mobility and industrial strategy – are likely to be effective in the long term.

1. Introduction

The UK faces a set of enduring policy problems that seem impervious to short-term solutions. From the housing crisis to decarbonisation, from improving further education to addressing poverty, these are the issues that can only be tackled by sustained effort and focus. In contrast, the political cycle naturally tends towards short-term activity, compounded by the institutional biases of Whitehall. For this reason, the Public Administration Select Committee has recently questioned whether government has the capacity and capability in place to maintain strategic focus.¹

At the Institute for Government we have previously examined how government can make and deliver policy more effectively. We have looked at how to implement specific types of policy, including projects that rely on large and complex information technology solutions; market-based reforms; and policies that aim to decentralise power and services.² We have also looked at the role of the centre of government in overseeing and steering policy change and how opposition parties can develop effective, implementable policy proposals.³ But while we have looked at successful policies that survived a change of government and became accepted as part of the way in which the UK is governed, until now we have not examined in detail the tools and approaches that government can employ to embed policies that have long-term goals.

This is a critical time to explore this issue. The new Prime Minister Theresa May has put one such long-term policy goal at the centre of her premiership, pledging during her first speech outside 10 Downing Street to fight the 'burning injustice' of social inequality.⁴ Tony Blair, Gordon Brown, David Cameron and Nick Clegg all made similar promises in their time. But if May is to make more sustained progress on this and other policy challenges where her predecessors have struggled – particularly in a time when so much political energy will be devoted to Brexit – her government will need to get better at staying focused on delivering long-term change.

What issues require a long-term focus?

We identified three common features of issues requiring a long-term focus:

- **Costs and benefits are distributed unevenly over time.** This includes issues incurring high short-term costs to produce long-term gains for citizens, but also includes those with a long 'lag' time between implementation and the positive outcomes that might justify the up-front investment of resource and attention. Tackling these issues tends to cut across the political cycle, but by definition requires a long-term view.⁵
- **They are intellectually contested, politically contentious and hard to deliver.** Governments can find it easy to sign up to an ambition to resolve a tough problem, but often it is harder to translate it into policy reality. And apparent consensus between parties over the need to address such problems can quickly turn into disagreement about what their causes are and how those causes should be tackled. This can lead to frequent policy churn.
- **Causes and effects span government siloes.** These issues rarely fit within the boundaries of a single government department, agency or public service. This means that government responses to them risk losing coherence over time as the pressures during implementation weigh against maintaining co-ordination, particularly as organisations balance shifting priorities.

Why does government find these long-term issues difficult?

Above and beyond the normal challenges of policy making,⁶ long-term policies can be especially difficult for government. Our research suggests that the primary reason for this is that the political will that is necessary to drive long-term policy making inevitably dissipates over time. When knotty, hard-to-solve issues decrease in salience, the willingness to invest political capital in solving them understandably also declines. Our literature review for this report – and past Institute for Government research⁷ – suggest that this process can be affected by a number of factors, including:

- shifting political leadership – with new governments or political parties less committed than their predecessors to certain agendas
- inconsistent personal leadership by ministers due to reshuffles – at both a policy leadership level (i.e. Cabinet/junior ministers) and a centre-of-government level (prime minister, chancellor)
- the abandoning or reform of the institutions that were established to maintain focus or were tasked with maintaining it
- due to the absence of clear political leadership, government bodies necessary to delivering the strategy resisting or ceasing to act in concert
- resource reprioritisation, with the amount of resource on offer to deliver a goal reduced in absolute or relative terms
- underpowered leadership, with the most influential civil servants moving on to fresh ministerial priorities
- initial targets being met, but there often being a subsequent failure to reprioritise or set additional goals
- wider contextual shifts drawing attention elsewhere or causing conflicting or competing government goals to take precedence.

Aims, method and structure of the report

Although challenging, these difficulties are not insurmountable, and there are cases where governments do seem to have overcome many of them. This report examines how government can pursue long-term policies successfully.

Our research identified a set of actions that are required by government at each stage of the process: from an initial period of 'rising salience' on a given issue; through the 'building blocks' phase in which government constructs its response; to the longer 'embedding' phase in which this response must continue to be effective despite an inevitable lessening of political impetus. In section 4 we structure our insights around these three phases.

Our research was supported by four case studies, each one an example of how policy makers can be successful in maintaining focus for a long period of time, particularly over the course of multiple parliaments:

- UK climate change policy, 2006 onwards
- UK international development policy, 1997 onwards
- anti-poverty strategy in Ireland, 1997 to 2007
- rough sleepers policy in England, 1990 onwards.

Choosing the case studies

The case studies were selected on the basis of meeting a common set of criteria. All of them began with a statement of intent by government to focus on an issue, which was accompanied by the deployment of a set of techniques to ensure that this focus endured beyond the normal political cycle. They all enjoyed some success in this regard, with consistency of long-term objectives and steady progress against these goals. In each instance, we were careful to ensure that government was not simply 'going with the grain' of general societal change but needed to intervene if it was to realise its vision.*

As a project delivered in partnership with the Joseph Rowntree Foundation, we also sought to select case studies that address social issues, including poverty. But within this frame, in addition to social problems, the four examples presented in this report also cover economic challenges, scientifically driven change and one international case. By maximising the breadth of our case studies as far as possible, we hope to identify common themes of successful long-term focus.

The case studies have been informed by 20 interviews with some of the key figures involved, including ministers, senior civil servants and people from business and the third sector. We also held two roundtables with senior officials, decision makers and practitioners – the first looking at the role that advisory bodies can play in helping government to maintain focus over the long term, and the second to garner broader insights on the challenges that government faces in maintaining focus, and how this might be improved. We also conducted a substantial desk review of literature on long-term policy making challenges, public strategy, 'wicked issues' and governing for future generations.

Structure of the report

Section 2 of the report establishes two frameworks. The first is chronological and sets out the three different phases that long-term policies move through. The second is thematic and sets out the five realms in which government acts during each of these phases.

Section 3 presents our four case studies of long-term focus. Each has a compelling story to tell about how key actors – including opposition leaders, ministers, senior civil servants, charity leaders and the private sector – worked to make change happen and sustain it over long periods of time.

Section 4 presents our cross-cutting analysis of what the case studies have taught us about how to maintain focus over long periods of time and how this can be applied to current and future policy challenges.

In section 5, we conclude by summing up how to achieve strategic long-term focus, including in the current context, and commenting on the current government's priorities.

* We rejected a potential case study examining the teenage pregnancy strategy on this basis.

2. The cycle of long-term policy making

The challenge for long-term policy making is in part the challenge of outliving short-term political interest. Changing ministers, prime ministerial priorities and governing parties mean that very few issues benefit from the type of sustained engagement that might drive progress on these seemingly intractable problems. Indeed, in politics there is a counter-interest in novelty, which encourages policy churn instead of long-term focus.

Our contention is that changing political interest on a given issue tends to break down long-term policies into discrete phases, each of which includes opportunities to promote long-term change (or risks that undermine them). These phases are:

- a period of rising salience during which an issue becomes politicised, gaining the attention of ministers
- a building blocks phase during which politicians and officials put in place the policies, institutions and targets to resolve the problem
- an embedding phase during which the salience of the issue declines as political interest moves elsewhere, and during which those measures instituted in the second phase must nevertheless deliver.

While successful long-term focus can be achieved where the lifecycle of an issue looks like Figure 1, long-term focus is more often achieved where the policy framework and institutions that are established to maintain progress ensure that the issue can move back up the political agenda periodically. This helps to keep ministers engaged and willing to support the strategy, and ensures that civil servants and institutions are incentivised to keep focused on achieving the policy ambition. Therefore, a better lifecycle of long-term focus looks more like Figure 2, where factors such as interim targets, advisory body reports and external campaigns kick in to increase the issue's salience every now and then. In section 4, we explore lessons from our case studies as to how policy makers can design long-term approaches in this vein.

Figure 1: The salience of an issue over time

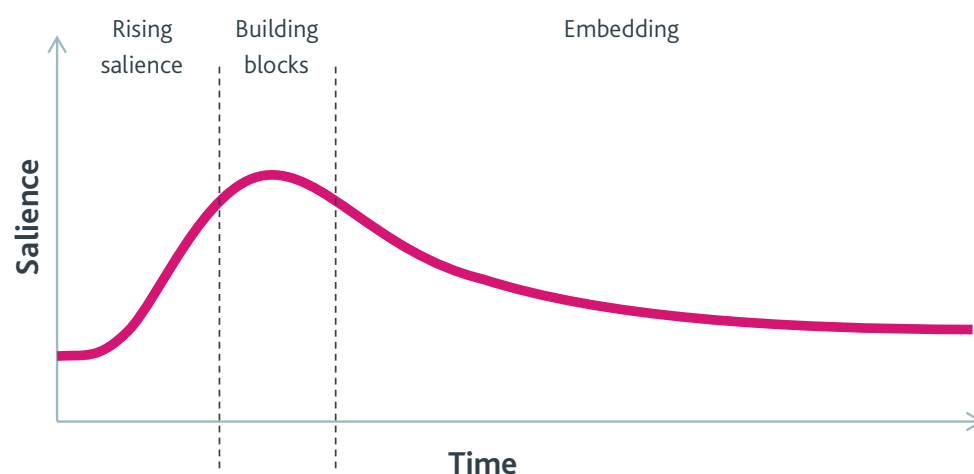
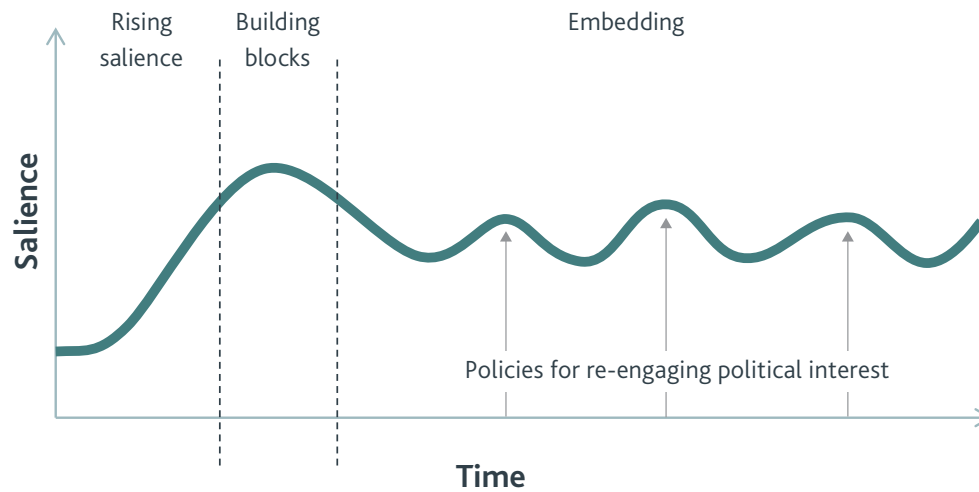


Figure 2: Best-case scenario for long-term focus



The three phases of long-term policy making in detail

Phase 1: Rising salience

Successful long-term policy making in a period of rising salience requires government to refresh its understanding of the problem and describe what it would look like for the problem to be solved.

The lifecycle of a serious attempt at strategic focus tends to begin with a start-up phase in which the issue climbs up the political agenda. Issues that receive a significant amount of political attention tend to display a number of the following characteristics:

- high levels of political competition and contention
- the problem – or government's attempts to deal with it – getting noticeably worse
- rising external pressure for action from the media, voluntary sector campaigns, businesses or lobby groups
- pre-existing institutions or structures for dealing with it not being seen to be fit for purpose
- a personal commitment or interest in solving the issue by a senior political figure
- value as a 'signalling' issue that can be used by a party for strategic positioning.

It is possible for government itself to increase an issue's salience in this way, as Theresa May has sought to do with social mobility. In other areas, government may discover that an area to which it has previously attached relatively small importance has suddenly become an issue demanding a response, as was the case with rough sleepers policy during the 1990s. Whatever the genesis of an issue's rising salience, there are certain steps that government must take if it is to harness the increasing will for long-term policy making. We set these out in section 4.

Phase 2: Building blocks

Successful long-term policy making in the building blocks phase requires government to establish the framework of policies, commitments and institutions that will solve the problem over the long term.

Once an issue has risen up the political agenda, the will to do something about it must be translated into action – with this energy being used to put in place a new response to the problem. One of our interviewees described it as a point of “strategic discontinuity”, in which there is a conscious effort to break with past responses to the problem at hand. At this juncture, government must set an ambition and put in place a plan to achieve it. This is the building blocks phase, when policy makers attempt to establish the framework that will ensure that this moment of political interest can be converted into a legacy. The phase will usually comprise:

- a disruptive agent – whether it is a special unit or a senior civil servant – that harnesses the political desire for change
- the creation of a new analytical baseline on which future progress can be judged
- institutions – either created or repurposed – that are charged with performing functions that ensure that the ambition is met
- dedicated resources that enable the institutions to function
- putting in place the principles or framework that govern future rounds of policy making
- an active effort to learn from previous attempts to solve the problem.

Phase 3: Embedding

Successful long-term policy making in the embedding phase sees the framework established in the building blocks phase deliver on long-term policy goals without the same level of political support. This third phase is where poorly designed long-term strategies are often exposed.

Once an issue has risen up the political agenda and government has established the framework for responding to it, the level of political energy and attention frequently dissipates. This is where the failure of many attempts at long-term policy is exposed, with the policy response petering out as political interest wanes.

In successful examples of long-term policy making, the framework established in the building blocks phase is able to survive this diminution of political interest, and continues to deliver against the previously stated goals. This phase will usually comprise:

- a greater degree of political consensus
- the ‘mainstreaming’ of the issue, with responsibility being transferred from any special units to central government departments
- the influence of a new network of ‘interested parties’ – often businesses, non-governmental organisations (NGOs) or government bureaucracies – which creates momentum, keeping government on track
- the action of a number of mechanisms – established in the building blocks phase – designed to resuscitate political interest at periodic intervals

- a reliance on the strength of the institutions and personnel established in the building blocks phase to drive cross-government working, with reduced ministerial impetus.

The dimensions of strategic long-term focus

In the course of our research, we identified five overlapping aspects to strategic long-term focus:

- **Politics** determine the extent to which an area is championed and whether it is prioritised for resources and conflicts with other government policies.
- **Vision** establishes a clear understanding of the problem, and articulates the desired results of the strategy. It is reinforced by goals or targets, which specify desired outputs or outcomes (and, occasionally, inputs) that structure policy activity and create a basis for measuring success.
- **Institutions** are the public bodies with responsibility for ensuring that the vision is realised. They have their own characteristics – such as resources and political clout – that help to determine the implementation of the strategy.
- **Capability** is the means by which the strategy is delivered. It comprises the leadership, technical competence and resources available for delivering the strategy. It enables analysis, policy development and implementation.
- **Alignment** describes the coherence of agents external to government who nevertheless seek to influence the ambition-setting, policy formation or delivery of government initiatives.

3. The case studies

UK climate change policy, 2006 onwards

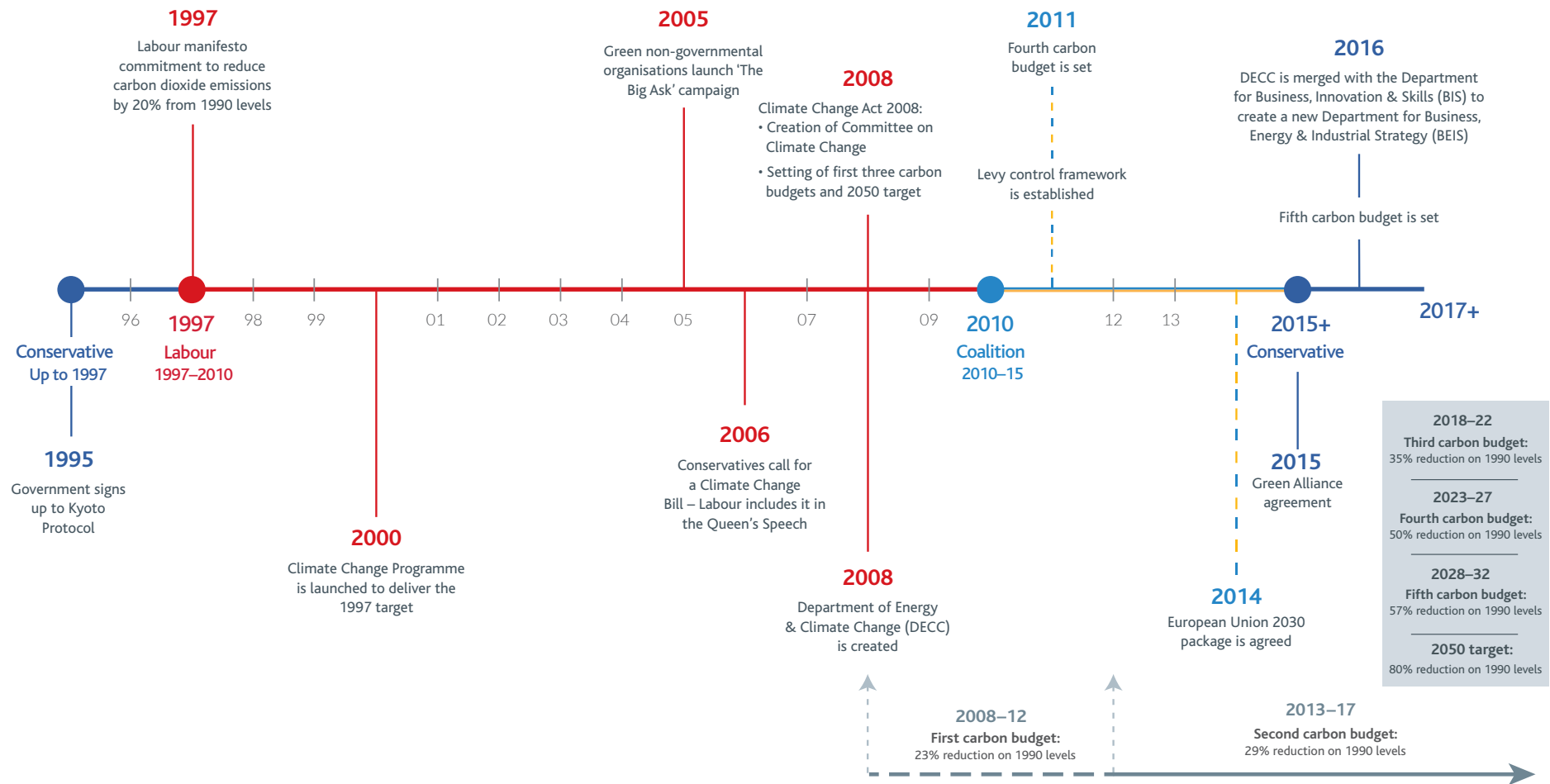
Summary

The UK Government was early in recognising climate change as a problem and all the major UK political parties accepted the need to tackle it. The Labour Government was elected in 1997 with an ambitious target for reducing greenhouse gas emissions – in excess of those required in the Kyoto Protocol agreed the following year. But by 2004 it was clear that the UK Government was failing to meet that ambition – and in 2005 there was a dramatic increase in effort to get the UK back on track. This case study outlines the build-up to this to put things in context and then concentrates on the focus from 2006, beginning with the escalating political competition around the proposal for a Climate Change Bill.

The core features of the strategic focus in this area have been:

- a Climate Change Act, passed in 2008, which established a long-term objective (the 2050 target) and a system for creating medium-term targets, known as 'carbon budgets'
- the use of a disruptive, special unit – the Office of Climate Change – in 2006–08 to change the course of policy making in this area
- the mainstreaming of this unit as it was merged into the new Department of Energy & Climate Change (DECC)
- the use of an advisory body – the Committee on Climate Change (CCC) – to make recommendations on the setting of carbon budgets and monitor government's success in meeting its targets
- a large NGO and business community that became invested in these targets and encouraged government to meet them.

Figure 3: A climate change strategy timeline, 1995 to the present day and beyond



The problem

The International Panel on Climate Change has stated with 'high confidence' that 'a large fraction of species faces increased extinction risk due to climate change during and beyond the 21st century'.⁸ In its judgement, to avoid the worst effects of climate change, policy makers will need to limit global warming to a two-degree increase on pre-industrial levels. For the UK, this requires a radical shift to a low-carbon economy.

This transformation requires a long-term, strategic approach. As one interviewee explained: "The defining economic characteristic of climate change is that it involves taking some form of action, usually with costs associated, in the short to medium term, in order to avoid much larger costs in the long term." This imperative runs counter to the short-term focus that is naturally inculcated by the political cycle.

Despite these challenges, since 2008 the UK has reduced its carbon emissions by 20%.⁹ These reductions have been driven, at least in part, by the system of targets, mandatory reporting requirements and institutions created by the Climate Change Act 2008.

1997–2006: the failure of the Climate Change Programme

The UK's commitment to action on climate change predated Labour's election victory in 1997, with the Conservative Government signing up to the Kyoto Protocol in 1995.¹⁰ But the 1997 Labour manifesto contained a commitment to go beyond its Kyoto commitments and reduce carbon dioxide emissions by 20% by 2010, from 1990 levels.¹¹

The Climate Change Programme was launched in 2000 to deliver this manifesto commitment.¹² The programme encouraged government departments to offer contributions towards the carbon reductions. Instead, carbon reductions effectively stopped after 2000 and in total the measures eventually scraped together in the Climate Change Programme were projected to achieve only a 10.6% reduction by 2010 – more than half of which had actually already been achieved between 1990 and 1995. By 2006, it was apparent that the policy had been a failed attempt at establishing strategic focus.

The Climate Change Programme suffered from two main weaknesses. The first was that the underlying analysis was produced by one department, but used by another. The Department for Environment, Food & Rural Affairs (Defra) was tasked with drawing commitments for carbon reductions from other departments, but it relied on the Department of Trade and Industry to produce the forecasts of likely energy demand, resultant emissions and the shortfall against government's ambition. Other departments questioned the quality of this analysis (and therefore the necessity of action), but it was not within Defra's gift to improve it. The second flaw was that the Climate Change Programme relied on an ineffective method for ensuring cross-government working: inviting departments to bring forward contributions to meet the Government's reductions target. Ultimately, Defra lacked the political clout to persuade other departments to make such commitments. As one interviewee told us: "It was very clear that Whitehall was not managing that programme at all. It was impossible to find out what was on track and what wasn't." The first phase of strategic focus on climate change had failed due to a weak analytical base and poor cross-government working.

Political competition: the run-up to 2008

*It's only with Cameron's election that the domestic agenda really took off and, frankly, you could say to Number 10 and the Treasury 'look, you're in a political race.'*¹³

At the same time as it was becoming apparent that current government approaches had failed, the political salience of climate change was increasing. Elected leader of the Conservative Opposition in 2005, David Cameron set out to rebrand his party and detoxify the Conservative image. Nick Boles, then an adviser to Cameron and head of the Conservatives' Implementation Unit (and now a Conservative MP), described a bold new stance on climate change as an opportunity to give the party a necessary 'eye catching yank into a new place'.¹⁴

At the same time, green NGOs – including Friends of the Earth – launched a new campaign to gather support for the idea of enshrining carbon targets in law. In April 2005 they delivered a draft Climate Change Bill to Parliament, and in May of that year they launched 'The Big Ask' campaign.¹⁵ The campaign featured a cinema advertisement and a letter-writing campaign to MPs. Radiohead's Thom Yorke headlined 'The Big Ask Live' concert in London.¹⁶

Cameron saw the political opportunity offered by this high-profile campaign, and in September 2006 he lent it his support, with the Conservatives publishing their own version of the draft Climate Change Bill. On the same day that Cameron made his speech calling for a Climate Change Bill with legally binding emissions reductions, Chris Huhne (then the Liberal Democrats' environment spokesperson) also gave his support to the idea.

A former aide to David Miliband – who was then Secretary of State for Environment, Food and Rural Affairs – remembers him commenting that Labour could not get into the position of being the only major party not in favour of the proposed bill.¹⁷ The result came to be known as the 'Cameron effect' – a political competition that pushed the Government to set new ambitions on climate change.¹⁸ In October 2006, Miliband indicated that climate change legislation was forthcoming, and the Climate Change Bill was included in the Queen's Speech in November.

This meant that 2006 marked the beginning of what one interviewee described as "the second phase" of climate change policy. It was a point of escalating political competition that coincided with a clear failure of existing government policy. It was the right moment to establish a new strategic focus on climate change.

Passing the Climate Change Act

In 2006, a new unit was created to spearhead this new focus: the Office of Climate Change (OCC). The OCC played a critical role in this new push on climate change – particularly in getting the bill passed. Despite it being based in Defra, interviewees stressed that the OCC was "a special kind of unit" in the mould of the Rough Sleepers Unit or the Social Exclusion Unit; it was a powerful, cross-departmental body that was known to have the support of the Prime Minister.

The OCC performed two main functions in the period before the creation of the DECC. The first was that it facilitated cross-government action by providing a coherent flow of information to top decision makers in departments. The creation of a new framework for strategic focus relied, in the first instance, on the establishment of sound analytical foundations. By feeding consistent and high-quality advice to different ministers across

government, the OCC ensured that these ministers could discuss setting a long-term target, medium-term carbon budgets and the work that would be required from their departments from a shared analytical basis.

The OCC then took on its second function, which was to draft and manage the passing of the Climate Change Bill. Normally this type of work is undertaken by a bill team within a department, but David Miliband judged that the department lacked the capacity for the task and so, “very unusually, he gave the job of drafting the bill to the Office of Climate Change”, as noted by one of our interviewees.

The resultant Climate Change Act received Royal Assent in November 2008. All three major parties whipped in favour of the bill, and just five MPs voted against it at third reading.

The Act introduced four important new mechanisms for maintaining focus:

- **a 2050 target:** the Government has a legal duty to reduce greenhouse gas emissions by 80% below 1990 levels by 2050
- **carbon budgets:** the Government is required to set five-year carbon budgets, capping UK emissions to step towards the 2050 goal – the Climate Change Act included the first three carbon budgets (covering the period 2008–22) and committed to the passing of further carbon budgets in the future
- **carbon plans:** the Government is required to publish plans for meeting each of the carbon budgets to which it has committed
- **the Committee on Climate Change (CCC):** an independent committee, set up to produce recommendations on the setting of new carbon budgets and report to Parliament on progress made in reducing greenhouse gas emissions.

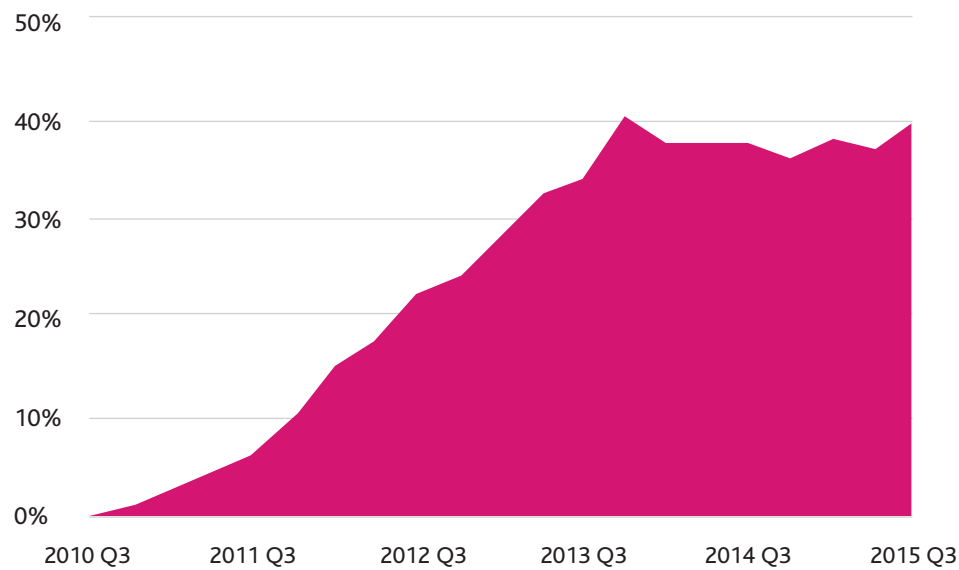
The Climate Change Act was a world first, and its passage represented the high-water mark of political ambition on this issue in the UK. The question now was whether the Act would be strong enough to continue to keep government focused – even once political impetus began to wane.

In practice: the carbon budgets, OCC, DECC and CCC

In 2008, the OCC merged into the newly created DECC, an institution designed, in part, to prevent the separation of climate change from energy policy that had hobbled the previous Climate Change Programme. The OCC was restructured as the new department’s strategy unit, meaning that the DECC was both a department in its own right and the cross-Whitehall ‘co-ordinating body for climate change’. But the DECC struggled in this role; one interviewee questioned whether, as an institution, it had the political clout to co-ordinate other departments, stating that diminishing political interest on climate change meant that the department did not have “the same authority that the OCC was given”.

In 2010, the DECC survived the transition to the new Coalition Government. As a new department that was still building its capacity, and as one of only two major policy departments with a Liberal Democrat Secretary of State, it was shielded from the staff cuts that were a feature of Whitehall between 2010 and 2015, and it increased its headcount by 40% (see Figure 4).

Figure 4: Changes to headcount at the Department of Energy & Climate Change, 2010–15



Turning to the CCC, this committee soon established itself as the foremost source of scientifically informed climate change analysis in the UK. The decision to appoint Adair Turner, the former director general of the Confederation of British Industry (CBI), as the first chair, bolstered the organisation's economic credibility. Whereas the OCC had done excellent analytical work from within Whitehall, by putting the analysis beyond the political debate, the CCC set the terms for a new period of political consensus on climate change.

One of the functions of the CCC is to make recommendations to government on new carbon budgets. Most of our interviewees spoke about the internal opposition in some parts of government to these recommendations. There were some concerns, particularly in the Treasury, that the CCC might be "too purist". Yet the Government ultimately passed the fourth carbon budget (covering 2023–27) and the fifth carbon budget (covering 2028–32) in line with the CCC's advice. Some interviewees described this success as a testament to the carefully drafted remit of the CCC: while the Government did "have the right" not to adopt its recommendations, to do so would have required the Government to publish its own analysis justifying weaker targets. Many questioned whether opponents in the Treasury had the analytical capacity to produce this quality of material.

While all of our interviewees were positive about the impact of the Climate Change Act, and saw its preservation as key to the UK's ability to maintain strategic focus in this area, a number of interviewees identified the same potential flaw in the approach: "[T]he weakness of the Climate Change Act is it doesn't really create any pressure for delivery." While the 2050 target established a long-term trajectory, the CCC provided analysis on how to meet that target and the carbon budgets provided medium-term certainty, the link between these commitment mechanisms and the actual implementation of policy was thought to be frail. One interviewee stated that, from the perspective of government: "The Climate Change Committee can say every year 'you're off track, you need to raise your game, there needs to be a step change', as they have done for the last seven reports. But it doesn't make any political impact; there's no pain in avoiding having stronger delivery policies."

Others suggested that this flaw was, in part, remedied by the carbon budgets mechanism. Government's focus on climate change might slacken, but within five years it would be required to publish not only a new carbon budget, but also a new plan for meeting that budget. The regular setting of new targets, as required by legislation, has so far refocused government on delivering this long-term policy on a regular basis.

The DECC was abolished in July 2016, with responsibility for energy and climate change being transferred to the newly created Department for Business, Energy & Industrial Strategy. This change took place midway through our interview process, but those interviewed after the reform were cautiously optimistic that it represented an opportunity to further mainstream climate change objectives by binding them into wider economic policies after seven years focused more explicitly on the implications for energy policy.

The role of third parties: political consensus from 2008

While the period from 2006 to 2008 had been characterised by political competition, the overwhelming vote in favour of the Climate Change Act cemented a new political consensus. The quality of this consensus across the Labour, Coalition and Conservative Governments has certainly shifted, but the passage of a new, fifth carbon budget in July 2016 – when many other policies were delayed, with the political landscape in turmoil after the EU referendum – is a testament to the extent to which the settlement established by the Climate Change Act has endured. In part, this continuity is due to the actions of two groups external to government.

The first is industry. Following the Climate Change Act, the Government began to make larger sums of money available for decarbonisation, particularly in the electricity sector: subsidies increased to £5.3 billion by 2015–16.¹⁹ As businesses reacted to these new opportunities, they became a new point of pressure for maintaining government's focus. Interviewees described the creation of a "self-reinforcing cycle" on industrial matters, with government commitments creating a powerful lobby anxious to see that their investment commitments were met: "[O]nce they are investing ... there's a real inertia effect to keeping on that trajectory." It was partly in response to this relationship with industry (and in an attempt to stave off costs) that the Coalition Government introduced the 'levy control framework' in 2011, which set out the total amount of subsidies that would be available until 2021, providing further certainty and long-term focus.

The second group to have driven focus are NGOs. Their role was crucial in passing the Climate Change Act, but as the political dynamic shifted from competition to consensus, some NGOs switched tactics and tried to 'consolidate' the progress that had been made. In the final years of the Coalition Government, NGOs were concerned about potentially damaging political dynamics undermining the established consensus: "In the run-up to the 2015 election, the risks were all downside risks, which is that in particular, UKIP [UK Independence Party] would undercut the Conservative offer on climate by attacking it, and forcing them to concede something."

Responding to this, in February 2015, the Green Alliance, a network of NGOs and businesses, brokered a deal whereby the main party leaders – David Cameron, Ed Miliband and Nick Clegg – signed an agreement to preserve the Climate Change Act in the event they were elected into government. This strategy of consolidation driven by the NGOs was not without risks – as one interviewee told us, there was a risk that if an attempt to formalise a consensus failed, it would simply "set in stone" a political division between those advocating for a reduced ambition on climate change and those defending the Climate Change Act.

One interviewee remarked that the support of both industry and NGOs put climate change policy in an unusual position: "Having the CBI and Friends of the Earth simultaneously arguing for something makes it much easier for government to do it."

With respect to both of these external groups – industry and NGOs – some interviewees were keen to stress that government was not simply the passive recipient of these pressures. Instead, by fostering links with these groups, it was deliberately creating "manufactured external ecosystems" that would create a pressure to maintain focus, which would also apply to future governments.

Conclusion

The strategic focus on climate change emerged from a new climate of political competition, with NGOs and opposition political parties drawing a commitment from government that it would introduce a Climate Change Bill. The passage of the Climate Change Act in turn created a new set of institutions and targets, which have entrenched this focus. When government attention has subsequently waned, the requirement to set further carbon budgets has forced government into new rounds of cross-government ambition-setting and policy design. The passage of the Act also marked a new period of political consensus, in which NGOs and businesses became invested in holding government to its previous commitments.

In this context, the UK pushed for ambitious European targets on climate change. In October 2014, the EU agreed its 2030 targets, including 40% reductions in greenhouse gas emissions (from 1990 levels). In turn, this European position contributed to the decision of 195 countries to sign up to the first-ever universal, legally binding global climate deal in Paris in December 2015 – the 'Paris agreement'.

As a result of this action, the UK's progress on climate change has been real, if uneven. Interviewees were severely critical of some recent changes to government policy and identified periods in which climate change appeared to slip from the Government's agenda. Yet these were moments of dissipating political will that might have killed off other strategies altogether. The fact that the UK continues to reduce its carbon emissions – with a forecast increase in spending on low-carbon energy of £9 billion over the next five years – is a testament to the success of the Climate Change Act in embedding long-term strategic focus in government.

UK international development policy, 1997 onwards

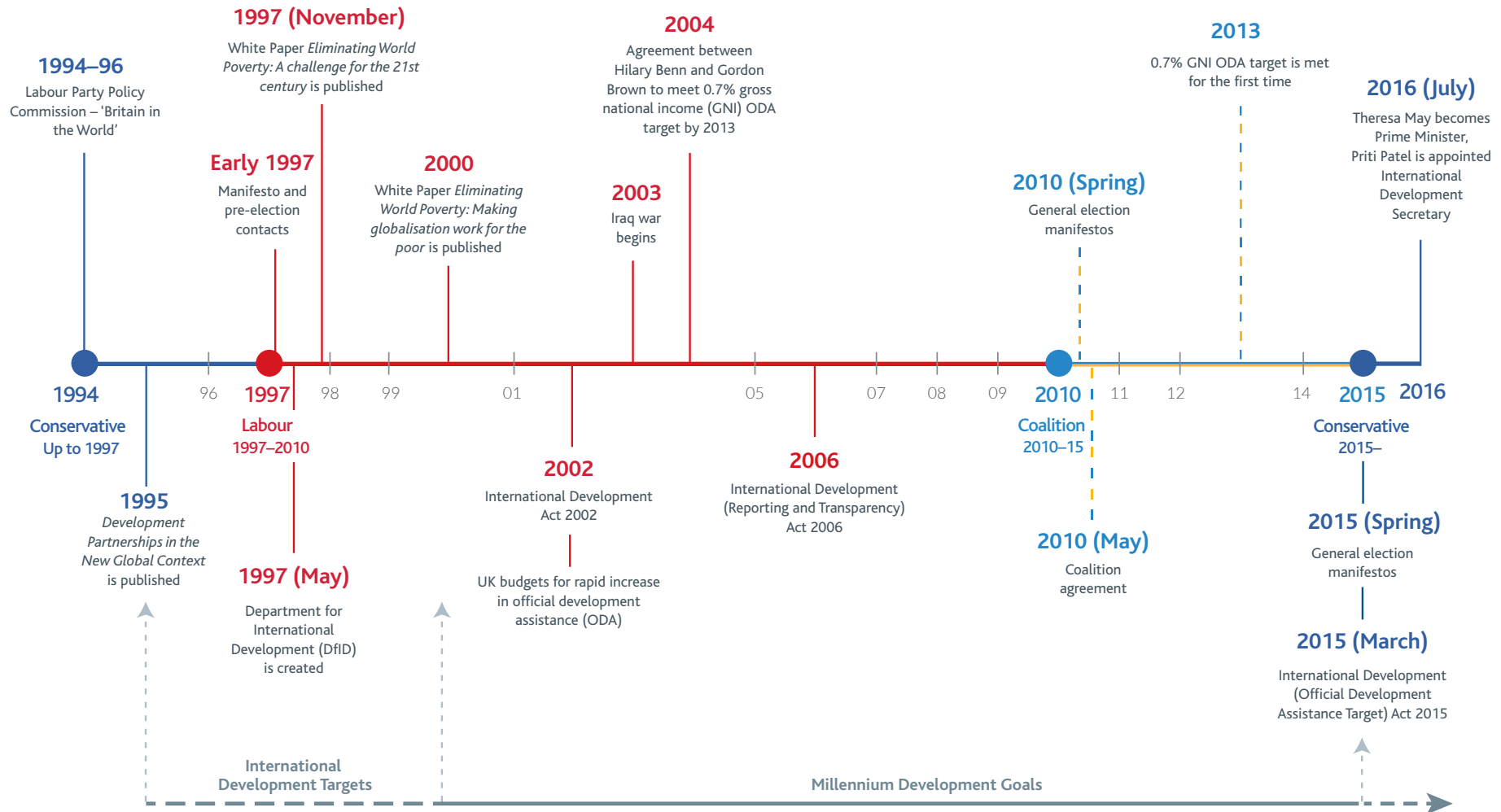
Summary

In 1997, the incoming Labour Government fundamentally reformed the aims and organisation of international development policy, with the intention of establishing an effective and enduring new UK approach to development. Over the subsequent 19 years, the basic principles and the institutional structures that govern this approach have remained in place, although more recently commentators have begun to question whether the clear initial focus has been eroded.

The fundamental change introduced in 1997 was to re-orient the UK Government's overseas assistance policy away from simply the administration of an aid budget, and towards a more comprehensive policy focus on poverty reduction, and achieving the outcomes set out in the International Development Targets for 2015 (subsequently the Millennium Development Goals). Many things supported this new approach, but in this case study we focus particularly on two key features:

- untying UK aid from strategic and commercial concerns – no longer using aid money to subsidise exports or directly promote security interests
- institutionally, removing international development policy from within the Foreign Office by creating a standalone Department for International Development (DfID) with Cabinet-level representation in 1997.

Figure 5: A UK international development timeline, 1994 to the present day



Background to the UK approach to international development

Aid policy in the UK has a long and varied institutional history. At numerous points from 1945 (1964–70, 1974–79), it had been controlled by a Ministry for Overseas Development, which was at times also represented by a separate Cabinet minister. But for the majority of this period, it resided in an agency of the Foreign Office – from 1970–74 and 1979 onwards called the ‘Overseas Development Administration’.

In policy terms, for many years the UK’s overseas assistance programmes had been determined not solely by the desire to alleviate poverty, but also by strategic and commercial concerns. The former meant a focus on countries in which the UK had a security interest – often at the expense of poorer countries with greater development needs. The latter – driven by the desire to support the UK’s balance of payments and bolster UK industry – led to some aid being tied to the procurement of UK goods and services.

During the 1980s and 1990s, the drivers of both of these aspects of aid policy softened:

- political concern about the balance of payments deficit declined, weakening the case for using aid to bolster exports
- the end of the Cold War meant a re-prioritisation of UK foreign and development policy away from hard security concerns and towards the encouragement of good governance.²⁰

Increasingly, throughout the 1980s and 1990s, independent NGOs campaigned for a change in approach for UK overseas aid, arguing for it to be ‘more focused on poverty, de-linked from commercial contracts, and part of a broader government strategy for international poverty reduction’.²¹

At the same time as these wider developments laid the groundwork for a change in approach for the UK’s international development policy, a ‘new consensus’ on development policy was forming internationally.²² In May 1995, a group of aid ministers and heads of aid agencies signed up to *Development Partnerships in the New Global Context* – a statement identifying poverty reduction as the central development challenge and agreeing a set of principles that would govern their aid policies.²³ At the time it was recognised that these ‘shared orientations’ alone were insufficient to corral different countries’ development efforts into a coherent strategic push. So in early 1996, the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee convened a ‘*Groupe de Réflexion*’ – on which the head of the Overseas Development Administration, John Vereker, sat. This drew on prior United Nations commitments to produce a set of medium-term outcome targets that could act as a ‘high-level ... rallying point’.²⁴ These were adopted by member states of the OECD’s Development Assistance Committee in 1996 as the International Development Targets, and later at the United Nations in 2000 as the Millennium Development Goals.

Policy development in opposition

While in opposition, between 1994 and 1996, a Labour Party Policy Commission, chaired by Shadow Foreign Secretary Robin Cook, fleshed out the features of its foreign and development policy agenda for government. The commission recommended what were to become the essentials of the new development approach:

- a primary focus on the elimination of poverty
- a reduction in the weight given to commercial and strategic concerns in allocating aid
- a fully fledged development department, represented at Cabinet and responsible for international development issues across government.²⁵

These recommendations formed the backbone of the 1997 Labour manifesto commitments on international development.

At the same time, Labour was increasingly turning development policy into an area of political competition, with shadow ministers attacking the Government for the ‘sleaze’ of an overly cosy relationship with business interests, highlighted in particular by the Pergau Dam incident, in which British aid was linked to Malaysian orders for British defence equipment. Labour shadow ministers used this critique to argue for untying British foreign assistance from commercial considerations and functionally separating the Overseas Development Administration from the Foreign Office. As one interviewee described it: “[W]e were concerned that the ODA [Overseas Development Administration] was described as a hand-maiden of the Foreign Office and the decisions were made not on the basis of development but on the basis of what was good in terms of Britain’s foreign policy.”

Despite the Labour Party Policy Commission’s recommendations making it into Labour’s manifesto, there was opposition to this approach. The Foreign Office “put in considerable effort” to get Labour to drop the policy, observed one interviewee: “They hated it and they made that clear to both Blair and Cook.” At the same time, Clare Short, the Shadow Development Secretary, was “very sceptical” that Tony Blair would deliver the policy once elected.

Clare Short had only become Shadow Development Secretary in July 1996, by which time Labour’s policy had already been formulated. With Foreign Office hostility to the proposed change of approach becoming evident, Blair had asked her to review it. And while pre-election contact between ministers and Foreign Office officials was pushing in one direction, the staff of the Overseas Development Administration saw the opportunity for a long-term shift in approach, and made their case directly to Clare Short.

In the end, Short, who had been “briefed up to the eyeballs” by her officials-to-be, successfully pressed the case for a fully fledged development department with the Prime Minister as the Government was being formed. Her forceful leadership of the agenda – and ultimately also her willingness to pick a fight – contributed to the survival of the new policy in the transition from opposition into government. One interviewee remarked: “I honestly think the politics of it was that Robin and Blair were persuaded by the Foreign Office that this wasn’t a good idea but there was too much to do and they didn’t want another row.”

Clarity of vision and purpose

The early success of the new government in maintaining focus on the new approach to development was based in part on its clear vision and purpose. The approach had been sketched out in the Labour manifesto, but was more comprehensively outlined in the Government’s White Paper *Eliminating World Poverty: A challenge for the 21st century*, published in November 1997.²⁶ An important tool used to maintain this focus was the commitment to evaluate the UK’s development efforts against the International Development Targets (later the Millennium Development Goals).

By 2002, this clarity of vision around the principles and goals of the UK's development policy had been cemented into the International Development Act 2002, which remains the basis of UK development policy today. This Act:

- codified the focus of development policy on the reduction of poverty
- recognised the Millennium Development Goals as the goals to which the UK was working
- made it illegal for UK aid to be tied to the procurement of British goods and services.

Interviewees described the Act as a vital tool in maintaining focus – giving the DfID a clarity of purpose when dealing with other areas of government, and tying future ministers' hands by placing in statute the underlying principles of the new approach. One interviewee said: "Having that focus from the International Development Act, gave us an extra edge, that clear focus ... lots of good ministers come in and want to make things change but it's a bit of this and a bit of that, whereas we had this comprehensive clarity."

Policy coherence for development

The newly created department had the political clout to meet another of Labour's manifesto objectives – the promise to 'bring development issues back into the mainstream of government decision-making'.²⁷ This concept – often referred to as 'beyond aid' or 'development policy coherence' – was that managing aid spending was only one aspect of the Government's development policy. Some interviewees saw the period from 1997 to 2010 as one in which the DfID was able to reach across departmental siloes and affect government policy as a whole: "So, [the DfID] had tremendous clout on trade and global economic policy ... there was a real willingness to step beyond the narrow confines of running that department as a department, to trying to shape foreign policy in the round."

Two main factors created the conditions for greater policy coherence: institutions and leadership. First, establishing the DfID as a separate government department sent an important signal to other departments that development concerns were to be taken seriously, and it gave the department's leadership – both political and official – parity and greater clout within Whitehall.

Second, the personal leadership and drive of Clare Short were critically important in ensuring that progress was made on development policy coherence. Initially she did this by successfully arguing for this principle to be baked into the structure of the new department – reportedly telling the Prime Minister that she would only accept a Cabinet position responsible for 'development policy generally, not just aid'.²⁸ Once the department was established, interviewees told us, Short continued in this vein – willing to fight in order to wrest powers for the new department from across Whitehall, and to work effectively with Cabinet colleagues to identify ways in which development priorities could be integrated into their departments' policy making as a matter of course.

The ability to make any progress on cross-government working also rested to a large degree on whether the centre of government was united on the new approach. Tony Blair, who was initially sceptical about the creation of the DfID, quickly revised his opinion – possibly in light of the international recognition that followed. Interviewees also noted the importance of the backing that Gordon Brown, then Chancellor of the Exchequer, gave to the DfID – enabling joint working with the Treasury on issues such as debt relief and global economic policy, and leading to the Secretary of State for International Development taking over the role of UK Governor of the World Bank. His support depended in part on an "implicit deal" with Clare Short, whereby "Brown would announce and take credit for the total amount of aid that was spent" and "she then got to decide how it was spent", as noted by one of our interviewees.

There were successes of the new approach to development in achieving greater development policy coherence, most notably in international trade policy. But despite this newfound institutional strength, and significant cross-government leadership, one interviewee felt that “for all the rhetoric, [the] DfID never got as much traction on government-wide policy as you might have thought from the early days”.

Loss of focus as funding becomes key

While our interviewees all agreed that the focus on the new approach to international development was maintained until 2003, the narrative of UK development policy from the mid-2000s until the Coalition Government came to power in 2010 was rather more mixed. Some interviewees insisted that the initial drive that characterised the early years of the DfID continued:

- the legislative framework for UK development efforts and the targeting of the Millennium Development Goals remained unchanged
- the department seemed increasingly active in working ‘beyond aid’ with the Ministry of Defence and the Foreign Office on post-conflict states, security and stabilisation issues.

However, others identified the beginning of a gradual de-prioritisation of development concerns in government-wide policy, and a consequent loss of focus and dynamism within the DfID.

To some critics, this loss of focus on the original principles and drive of the new development approach was a consequence of the “macho shift in foreign policy” towards hard security concerns around the time of the Iraq war, which began in 2003. But more commonly, interviewees perceived that the decline in focus sat alongside a shift in the debate around development policy to one that became increasingly centred on funding. From the 1970s, all the main political parties regularly stated aspirations to reach the United Nations target of spending 0.7% of gross national income (GNI) on overseas assistance. Labour in 1997 was no exception, and while in the early years of the DfID there had been no rapid expansion in aid spending, in 2004 Hilary Benn – then Secretary of State for International Development – and Gordon Brown reached an agreement to meet the 0.7% target by 2013, budgeting for this commitment up to 2007–08.

During the 2010 general election campaign, political competition over development policy was extremely limited and what public conversation existed was dominated by funding, with all three main parties pledging to meet the 0.7% target by 2013 and enshrine it in law.²⁹ The Conservative Party, partly due to a desire to “decontaminate the Tory brand”, went further in its manifesto, conceding many of the tenets of the new approach, pledging to:

- continue to use the Millennium Development Goals as the primary measurement of the UK’s development efforts
- maintain ‘an independent Department for International Development’
- ‘keep aid untied from commercial interests’.³⁰

These pledges were replicated in the subsequent Coalition agreement, in May 2010. In addition, the peculiarities of Coalition politics that led to few machinery-of-government changes helped to cement the DfID’s survival as a separate government department.³¹

On the surface, therefore, many of the essentials of the post-1997 approach to development were maintained. However, this consensus – particularly the consensus on meeting the 0.7% funding target – obscured a relative loss of focus on some of the key tenets of the approach. A number of interviewees described 2010 to 2015 as a period in which the DfID’s

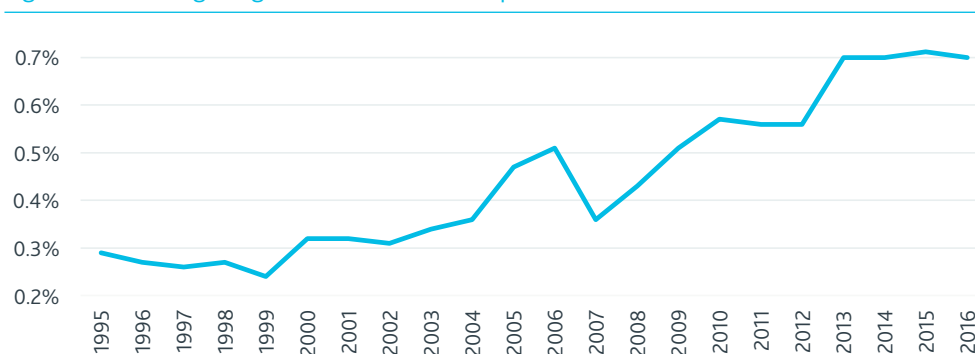
role in setting aspects of foreign policy was diminished, and its ability to influence other government departments to change government policy to reflect development priorities was greatly limited.

[T]here was a period up to 2010 where DfID was an extraordinary powerhouse with real cross-government clout ... there was a real willingness of DfID to step beyond the narrow confines of running that department as a department, to trying to shape foreign policy in the round ... And latterly DfID has been much more tightly defined as 'we administer the UK aid budget and allow some of that budget to be spent through other departments, but our basic role is getting the aid infrastructure right.' And foreign policy lives with the Foreign Office – in a way that was much blurrier pre-2010. (Interviewee)

The increased constraints placed on the DfID's ability to lead a 'beyond aid' agenda were at direct odds with the trajectory of its funding. Under the Coalition Government in 2013, the UK met the 0.7% GNI aid spending target for the first time (see Figure 6). Increasingly, though, the DfID faced criticisms for failing to maintain the standards of its work while spending the much-increased budget – leading to allegations of 'shovelling money out of the door'.³² Interviewees described this period as one in which the DfID pivoted from being a "development powerhouse" with a clear strategic focus, to being a department preoccupied publicly with defending its funding, and privately with seeking out sufficient viable projects to spend its entire budget effectively:

[I]f you allow development to be more than distributing aid money ... it shifts and pushes the Government thinking into this, you know, more progressive, more sustainable way of looking at Britain's role in the world. I think, myself, that that has been pushed back very considerably, so that although there's more money, I think that isn't working so well now. (Interviewee)

Figure 6: Percentage of gross national income spent on overseas aid, 1995–2015



Note: Gross national income according to European System of National and Regional Accounts 1995, unadjusted.

Source: Institute for Government analysis of DfID (2015) *Provisional UK Official Development Assistance as a Proportion of Gross National Income*.

At the same time as consensus on development funding appeared to mask a shallower commitment to the broader post-1997 settlement, other factors were stretching it. Interviewees told us that the financial crisis made making the case for a disinterested development agenda more difficult to sustain. Increasingly there was a sense among policy makers that the UK could not “afford” to spend money abroad that did not more directly benefit the UK – through bolstering jobs, UK companies or creating multiplier benefits for the economy domestically. In addition, simultaneously, other countries – most notably China – were beginning to pursue more aggressively self-interested development activities, causing other donors to question why they were not doing the same. When put together, these factors began to create an environment in which testing the limits of the post-1997 approach was far more palatable.

This relative decline in focus, compounded by the difficulty of maintaining public support for an expanding aid budget in a time of austerity, was thrown into sharp relief after the general election of 2015. While once again the Conservative Party went into the election with a manifesto pledge to maintain the DfID and keep aid untied,³³ during the formation of Theresa May’s new administration in July 2016, the DfID’s future seemed far from assured. With the creation of two new departments to deliver the new priority of exiting the EU, there were now too many Cabinet ministers to preserve all of the other departments, and the prospect of re-merging the DfID with the Foreign Office was touted as one likely option to get around this challenge.³⁴ In the end, it was the DECC that found itself on the chopping block, but the DfID was left with a new Secretary of State reportedly unconvinced by the need for the department’s existence, and keen to use bilateral aid to support the negotiation of free trade deals.³⁵ The DfID’s future – and that of the post-1997 settlement – now seems very much up in the air.

Conclusion

The story of the UK’s trajectory on development policy from the 1990s to the present day is one of the emergence of a clear set of principles, goals, measurement tools and institutional structures, which were put into practice in 1997 and bolstered for some time by strong leadership across government. While many factors had contributed to this development, it nevertheless marked a significant departure from what went before, and constituted an attempt to instil a new – and enduring – settlement.

This focus began at some point in the late 2000s to give way to an overriding focus on funding for development, which today – along with the replacement of the Millennium Development Goals with Sustainable Development Goals in 2015 – has resulted in the hollowing out of some of the original aims, ambition and drive.

Nevertheless, although the future of the DfID and its ability to stray beyond strict departmental boundaries remain uncertain, on the whole this is an example of where governments over a significant period of time have remained remarkably consistent in their overall approach to, and conception of, how government should act in a specific domain. In large part, this is due to the clarity of vision, effective use of institutions and strong political leadership that have been maintained across different governments over time.

Anti-poverty strategy in Ireland, 1997 to 2007

Introduction

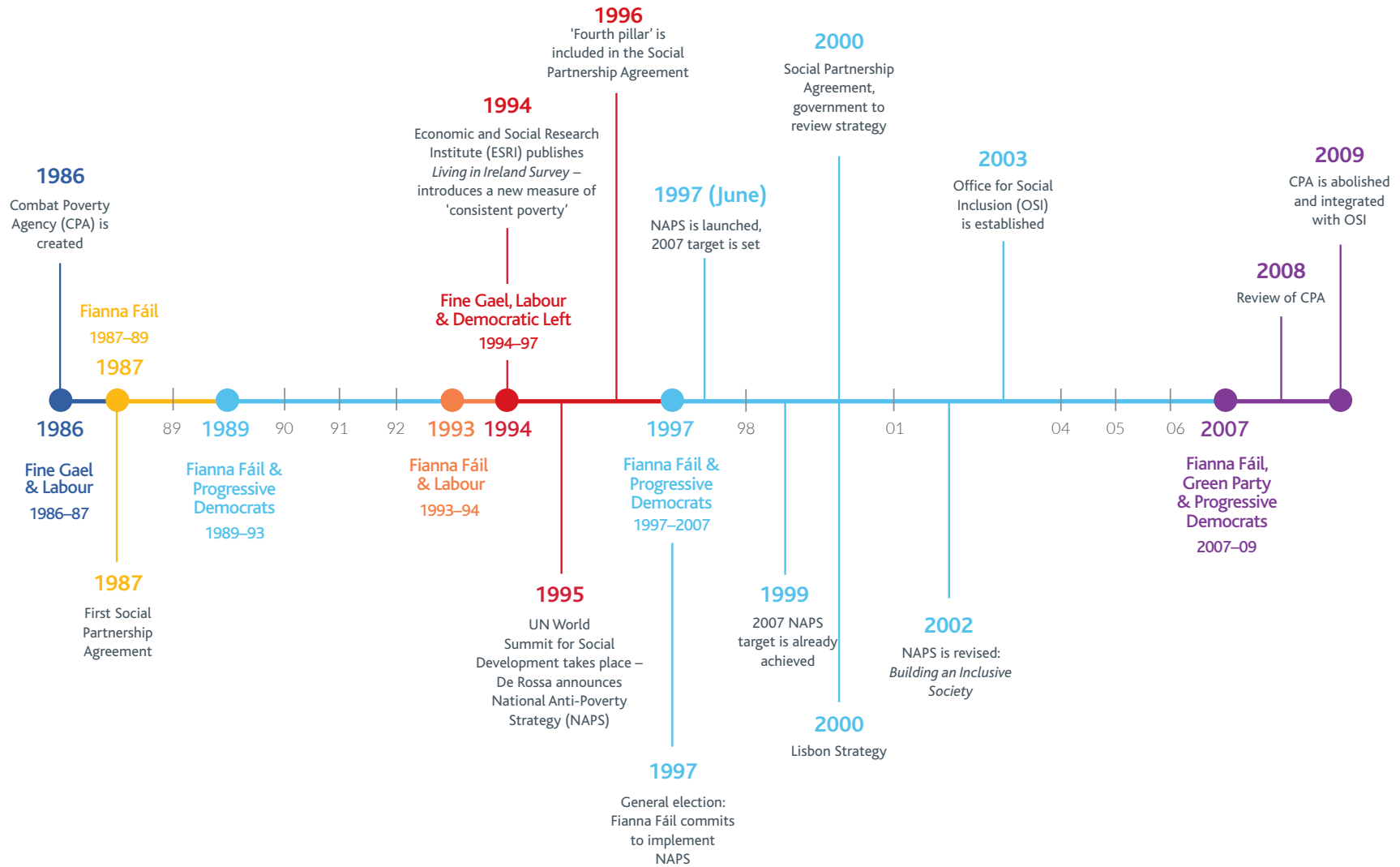
In 1997, the Irish government launched a 10-year strategy to reduce the proportion of the population who were 'consistently poor' from 9–15% to below 5–10%.³⁶

Most previous anti-poverty initiatives in Ireland had been locally focused, concentrating on a few key policy levers. But the new National Anti-Poverty Strategy (NAPS) was, in the words of one interviewee, to guide the "mainstreaming of poverty issues right across government". The strategy was sustained over a series of governments, and resulted in tangible successes, including achieving the target set in 1997 less than five years later.

The strategy was complex, and changed over time, but the key elements we focus on here are:

- the publication of the NAPS 1997–2007, revised in 2002, containing an agreed definition of poverty and analysis of the causes of poverty
- a series of institutional changes and new mechanisms for co-ordinating government
- the use of a wider 'social partnership' process to build consensus behind the strategy
- targets that were monitored, re-assessed and revised through regular reporting.

Figure 7: An Irish anti-poverty strategy timeline, 1986–2009



Background to the NAPS

The work towards an anti-poverty strategy began as early as the mid-1980s. For most of the 1970s and 1980s, Ireland was one of the poorest countries in the EU. It was blighted by poor macro-economic performance, double-digit unemployment (peaking at 17% in 1986³⁷), emigration and high taxation.

In this context, there was a concerted push by a coalition of arm's-length and non-governmental bodies to advocate in favour of a more strategic approach to tackling poverty in Ireland. Chief among these bodies was the Combat Poverty Agency (CPA) – an independent state agency established in 1986 under the auspices of the Department of Social Welfare. The CPA's primary functions were to:

- provide advice to ministers on tackling poverty
- evaluate local anti-poverty projects
- commission research
- actively promote greater public understanding of the nature, causes and extent of poverty in Ireland and the measures necessary to overcome it.

Throughout this period, the CPA – in partnership with NGOs and others – used a mixture of research, public awareness-raising, advocacy and campaigning to push poverty up the political agenda and call for a more systematic approach to reducing it. In its 1993 annual report, the CPA called for 'a commitment across the whole range of Government ... all Departments should include combating poverty and social exclusion as one of their strategic goals when carrying out their statutory responsibilities'.³⁸ Interviewees told us that in the early years the CPA was assisted in this by its arm's-length relationship to government, which enabled it to play a role as a "critical friend" whose analysis was respected and considered valuable.

The other thing happening during this period was a shifting understanding of the nature of the problem. One interviewee characterised this as the gradual development of "a much more sophisticated awareness and understanding of poverty; people began to think much more about what were the underlying causes". Poverty started to be seen more as a 'social inclusion' issue than a solely economic problem that could be rectified just through raising employment levels or increasing welfare benefits.

So attention turned towards more wide-ranging, strategic approaches to addressing poverty. This included developing a new way of measuring poverty – in 1994, the Economic and Social Research Institute published a *Living in Ireland Survey*, which introduced a new 'consistent poverty' measure combining a relative income poverty measure with a measure of material deprivation.³⁹

This groundwork was critical to the strategy launched in 1997. As one interviewee told us: "[I]f you hadn't had ... all that work that went on from '86/87 through to '94/95, I don't think you'd have got to the stage of having a national strategy. So it wasn't like it came out of thin air. It came out of evolution."

Political opportunity leads to the development of a strategy

During this period, political circumstances were becoming more conducive to a concerted effort to tackle poverty. In 1994, the Government – a coalition between centrist party Fianna Fáil and the centre-left Labour Party – collapsed. Then, Fine Gael – the other main centrist party – the Labour Party and the left-wing Democratic Left party formed a new coalition government (the 'Rainbow Coalition').

The newly appointed Cabinet included just one representative of the Democratic Left: Proinsias De Rossa, leader of the party, who was appointed Minister for Social Welfare. In 1995, De Rossa used the international platform of the United Nations World Summit for Social Development in Copenhagen to announce that the Government would create a new National Anti-Poverty Strategy (NAPS). Interviewees told us that De Rossa's personal commitment to the cause was one of the key factors in getting the strategy off the ground: "[W]ithout his enthusiasm and deep commitment, both ideological and political and functional, it probably wouldn't have come to pass. His enthusiasm was followed on by others. It was not the idea of a strategy that was opposed particularly in the political or administrative system, but it did need a champion."

As head of one of the three governing parties, De Rossa had more leverage than a minister for social welfare would ordinarily have had in what was not a particularly strong department. This position allowed him to push for a strategy that cut across government siloes. But however important this initial commitment was, the actual policy was far from fully formed when the strategy was announced. One interviewee remarked: "[H]e rather stunned us by announcing it at Copenhagen, where he obviously had to get Cabinet approval to announce it, but when he came back, nobody knew what it would be like in reality. So the next year was spent working out what the hell it was."

After the Copenhagen announcement, the Government went into consultation mode – in an attempt to flesh out and get widespread agreement for the new strategy. One factor that helped to develop what the strategy would look like in practice was the Government's commitment to social partnership.⁴⁰ The social partnership process was the system of negotiating tripartite national pay agreements – brokered every three years between the Government, trade unions and employers. These agreements could be wide-ranging and often covered areas of economic and social policy that went beyond strict wage-bargaining.

In October 1996, the Taoiseach John Bruton invited a number of voluntary and community sector organisations to form a fourth 'community pillar' in the social partnership process, to 'give a voice to those who experience poverty and social exclusion' and allow for greater participation and dialogue for social partners in policy making.⁴¹ The merger of this fourth pillar into the pre-existing national partnership structure meant that the process of negotiation, compromise and agreement between the Government and the social partners – including NGOs concerned with poverty reduction – became one of the main ways in which the Government's anti-poverty strategy was developed. The NAPS was embedded in the day-to-day machinery and workings of government.⁴²

Before the strategy could be formally completed and adopted, a general election was called. This could have been a significant moment of risk for the survival of the strategy, but the main opposition party – Fianna Fáil – announced during the 1997 election campaign that it planned to continue with the implementation of the strategy if elected. Our interviewees recalled that the NAPS "wasn't really an election campaign issue, but it was something that [all parties] had engaged with". In June 1997, Fianna Fáil formed a new centre-right Coalition Government with the Progressive Democrats, and Dermot Ahern – the minister for the new Department of Social, Community and Family Affairs – soon confirmed that the strategy would continue.

A strategy is agreed

The new government coincided with the beginning of a period of exceptional economic growth in Ireland, with Gross Domestic Product (GDP) increasing by 7–8% per annum⁴³ and the unemployment rate falling rapidly.⁴⁴ This engendered a feeling of optimism across government, as one interviewee described it: “I think, it was a period of great expansion in Ireland really and a sense that everybody could be included in this new period of growth. And so there was excitement around the National Anti-Poverty Strategy.”

The strategy, named *Sharing in Progress* and published in 1997, contained an agreed definition of poverty and set the first national poverty target.⁴⁵ Using the ‘consistent poverty’ measure developed by the Economic and Social Research Institute, the target was to reduce the percentage of the population identified as ‘consistently poor’ from a baseline of 9–15% in 1994 to 5–10% by 2007.⁴⁶

The strategy now needed strong leadership to deliver it. With initial political leadership from De Rossa gone, interviewees told us that a powerful mix of political and civil service leadership ensured that progress continued to be made. Interviewees stressed that, politically, it was a whole-of-government approach in this period, involving “leadership from the top, from the Taoiseach to the Prime Minister – as opposed to it being a strategy purely implemented by a social affairs minister”. The strategy also benefited from being championed by senior officials, including the Secretary General of the Department of the Taoiseach, who was personally committed to the cause.

However committed the political and civil service leadership were to the strategy, it was recognised from the outset that ‘strong institutional measures’ were required for the strategy to become fully embedded across government – and within departments’ day-to-day policy making.⁴⁷ Responsibility for oversight of the strategy lay with the Minister for Social, Community and Family Affairs,^{*} but was also supported by several new structures, including:⁴⁸

- **a Cabinet Sub-Committee on Social Inclusion:** chaired by the Taoiseach, this comprised those ministers responsible for policy areas relevant to tackling poverty
- **the NAPS Inter-Departmental Policy Committee:** chaired by the Department of the Taoiseach and the Department for Social, Community and Family Affairs, this was the senior-level committee that developed the strategy and now oversaw its implementation – among other functions, it reviewed annual progress statements that departments were mandated to produce, in which they set out progress in relation to the strategy
- **a dedicated NAPS unit, based in the Department for Social, Community and Family Affairs:** this unit was responsible for co-ordinating cross-government anti-poverty policy and initiatives.

In addition to new institutions, the start of the strategy brought with it a new cross-cutting policy approach – ‘poverty proofing’ – which aimed to encourage government departments, local authorities and state agencies to assess policies and programmes at design and review stages in relation to their likely impact on poverty and inequality.⁴⁹ Poverty proofing was also built into Cabinet processes, so that all high-level policy decisions would take their impact on poverty and inequality into account.

* This is a Cabinet-level position. The department was known until 1997 as the Department of Social Welfare.

While new institutions and approaches were being created to maintain momentum on the strategy, two arm's-length bodies provided important oversight, advisory and evaluation functions:

- the National Economic and Social Forum was tasked with the monitoring and evaluation of the strategy to report back to the social partners
- the CPA also played a role in evaluating the NAPS process, consulting with the voluntary and community sector and reporting to the NAPS Inter-Departmental Policy Committee.⁵⁰

Limitations of the early strategy in practice

By 2001, it had become clear that the speed at which the strategy had been designed and rolled out was limiting its progress. By 1999, two of the main targets in the NAPS – set in 1997 for 2007 – had already been reached, and the other two targets almost met: for example, the number of people in consistent poverty had fallen from 9–15% to 7–10%.⁵¹ While a decline in the number of people in poverty was a cause for celebration, meeting the target this early highlighted problems in the analytical foundations of the strategy. The 2007 target had been set against a 1994 baseline, but the mid-1990s had seen a sharp fall in unemployment and an increase in welfare payment and child benefit rates. As a result of a significant lag in getting the data, no one knew that the target had essentially already been met by the time the NAPS was adopted in 1997.

Other limitations of the strategy were also becoming apparent. Both an independent review and one conducted by the CPA concluded that the strategy had not become sufficiently embedded in government policy, and identified institutional weaknesses as one of the causes.⁵² The CPA suggested that remedies included raising the status of the Inter-Departmental Policy Committee by ensuring senior-level and ministerial attendance, and strengthening the NAPS unit with higher-level leadership and additional resources.⁵³

Interviewees also told us that, by this stage, poverty proofing was proving to be a more successful tool in sensitising policy makers to the poverty dimension of their policies, and raising awareness of the strategy across government, than actually having a tangible impact on policy decisions being made.⁵⁴

Focus shifts to social inclusion: the strategy is revised

Recognising these limitations – but also the significant early successes – in 2002 the Government published a revised strategy, which included plans to enhance structures for policy co-ordination and ensure better data collection and monitoring of policy. The focus was widened to cover broader policy areas related to poverty and social exclusion, and six new themes were added with corresponding targets:

- child poverty
- women's poverty
- health and poverty
- poverty among older people
- housing and accommodation
- 'new and emerging forms of poverty', such as racism.⁵⁵

As part of the revision of the strategy, the Government set a new overall target for poverty reduction: 'reduce the numbers of those who are "consistently poor" below 2% and, if possible, eliminate consistent poverty'.⁵⁶ This came on top of a drive to improve the data used to measure poverty – the experience of meeting the initial targets early without realising it, meant that the whole of government "definitely improved our data as a result", as one interviewee said.

Two factors helped in this process of renewing strategic focus on poverty reduction. First, the broader context was extremely favourable for a continued focus on reducing poverty. Economic optimism was high and the early successes in reducing poverty while the economy grew created a positive feedback loop. At the same time, a favourable international context – with a significant EU anti-poverty drive emerging from the 2000 Lisbon Strategy, significantly informed by the Irish NAPS experience – reinforced the Irish determination to address the problem domestically.

Second, the Government committed to reviewing and refreshing the NAPS as part of a broader new Social Partnership Agreement in 2000. Several interviewees told us that the strategy might not have endured if it had not been incorporated into the social partnership process. This alignment helped with the strategy's political sponsorship – keeping it "under the watchful eye of the Taoiseach, [without which] other departments simply wouldn't have co-operated", as one interviewee noted. Social partnership also acted as a commitment device – one interviewee told us that the Government would have found it "very difficult, probably impossible, to get agreement with the social partners" on wider priorities "if the anti-poverty strategy were being explicitly dropped or progress no longer being pursued".

The strategy loses focus

The Government planned to meet the revised targets through new mechanisms and policy instruments. This included setting up a new Office for Social Inclusion in the Ministry for Social and Family Affairs in 2003, which became responsible for the broader anti-poverty strategy.

Official leadership on poverty reduction waned in this period. Interviewees told us that the Office for Social Inclusion was led by an assistant principal officer rather than a higher-level assistant secretary or secretary general, hampering the ability of the office to make its presence felt across government. One interviewee remarked: "That was the downfall of the level of leadership in the office; it just didn't have a high-enough status to push some of the stuff through."

In 2008, following a review,⁵⁷ the Government announced that from 2009 the CPA – which had been integral to making the case for the strategy back in the early 1990s – would be brought into government and integrated with the Office for Social Inclusion. Some of our interviewees felt that that was a further blow to the leadership of anti-poverty efforts, as it reduced the amount of specialist technical knowledge and expertise upon which the success of the strategy had rested. To these critics, this move also undermined the CPA's role in fostering public and political awareness of and support for continued action to combat poverty, which in turn made it easier to marginalise the NAPS within the political and administrative system.

Eventually, political leadership also started to slide. This dilution of leadership for the anti-poverty strategy on the civil service side ultimately also came to be reflected on the political side as well. Interviewees suggested that by the mid-2000s, politicians had become removed from the strategy's origins. It did not "deliver much in terms of kudos to politicians because once it had been launched it was someone else's initiative; it wasn't the

new person's initiative". "[O]ver time, I think it's fair to say that the enthusiasm for, or even tolerance of, the strategy faded a bit as people began to wonder whether this really was at least politically where they wanted to invest capital."

Compounding this, with the onset of the financial crisis in late 2007 it became clear that the economic confidence that had underpinned the strategy in previous years had gone. The crash hit the Irish economy particularly hard, and led to the skewing of policy priorities away from a poverty focus as middle-income groups' priorities – rapidly declining property prices and rising unemployment – took precedence. One interviewee noted: "[T]hat's a political trend which is, if you like, separate from the National Anti-Poverty Strategy, but certainly undermines it. It's very hard for politicians to keep a focus on the impact of recession on middle-income groups and also on poverty."

Conclusion

The NAPS was launched with considerable political and institutional momentum, championed by a minister whose dual role as also head of one party of government allowed him to reach beyond departmental silos. The strategy succeeded in its early years, despite serious flaws with targets – winning political commitment from the incoming government, enjoying the backing of a powerful set of 'social partners' and benefiting from an extremely positive economic context.

After early limitations with the strategy's analytical underpinnings and a review that concluded that it had failed to significantly embed itself in government working, the policy was successfully refreshed. Significant successes in reducing poverty were made over the 10-year period of the strategy, but ultimately by 2008 focus had waned. The dissolution of specialist institutions and the mainstreaming of the policy was poorly managed and the strategy struggled as its political impetus declined. The ultimate demise of the strategy came when the external context changed and political focus shifted dramatically during the economic recession.

Rough sleepers policy in England, 1990 onwards

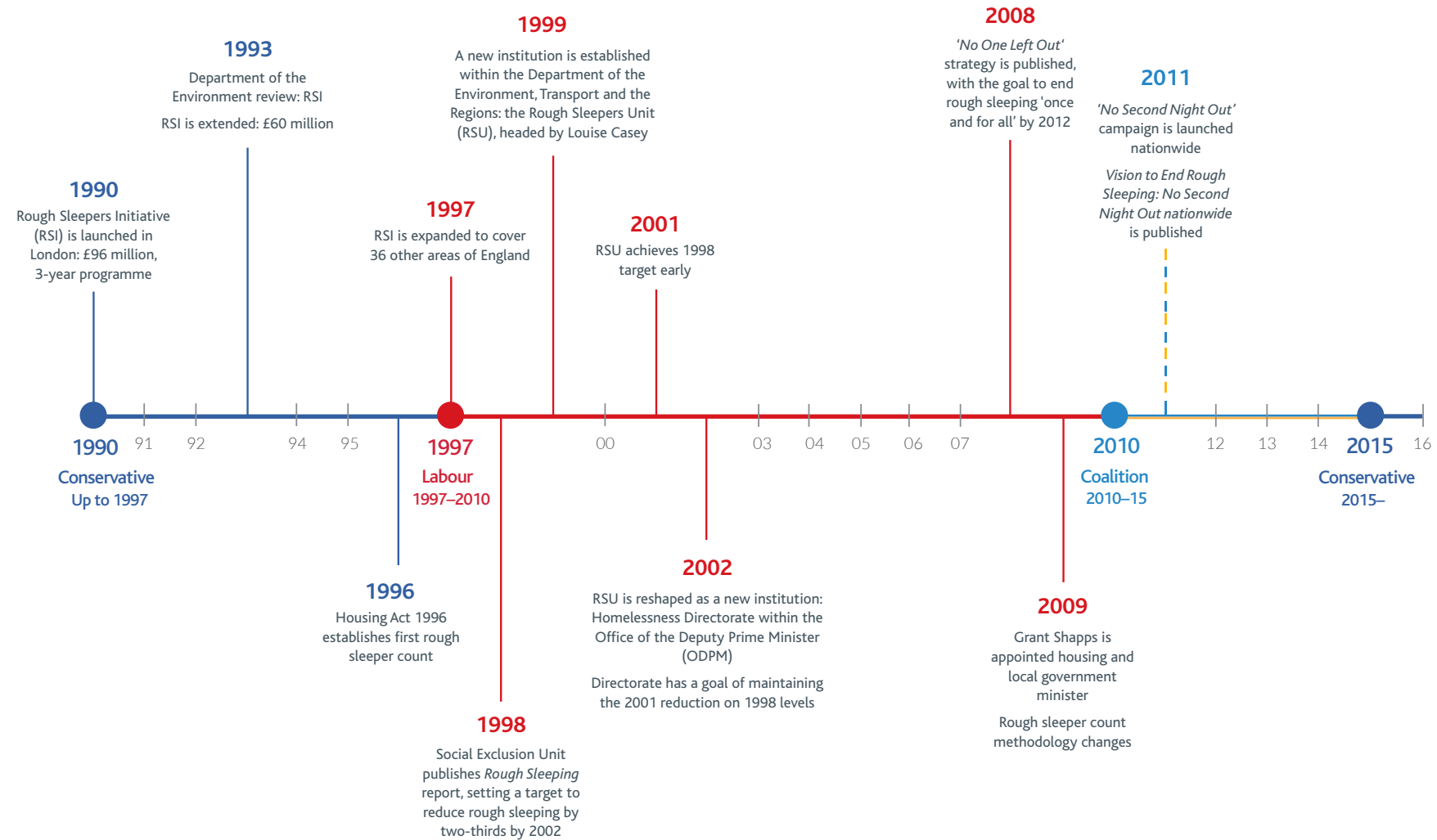
Summary

In the early 1990s, the number of rough sleepers in England was widely thought to be increasing rapidly. But government had no way of measuring the true scale of the problem and, interpreting it as primarily a housing issue, lacked the conceptual sophistication necessary for devising an effective solution. A series of Rough Sleeper Initiatives (RSIs) throughout the decade culminated in the introduction of a 'national rough sleeper count' in 1996 and – after the formation of the New Labour Government in 1997 – the creation of the Rough Sleepers Unit in 1999. Within two years, the number of people sleeping on the streets had been reduced by two-thirds. That reduction was maintained for most of the 2000s, but numbers have doubled since 2010.

The key features of strategic focus in this area have been:

- a series of dedicated, multi-year budgets in the 1990s to provide medium-term certainty
- the use of a disruptive special unit in the late 1990s to establish new ambitions, drive cross-government co-operation and introduce new ways of tackling the problem
- the 'mainstreaming' of the issue as rough sleepers policy was moved into a central government department.

Figure 8: A rough sleepers strategy timeline, 1990 to the present day



1990–97: the response to a crisis

Look at some of the speeches that were made in Parliament around then. It was whacked over the head, it was in the media, there were photographs of people sleeping rough in thick snow ... it was an emblem of a lack of care by the Government. (Interviewee)

In the late 1980s and early 1990s, it was apparent that the number of people sleeping rough was increasing. This was a highly visible problem, whether that visibility took the form of, as one interviewee said, “shanty towns springing up around the country” or, in the alleged words of George Young, Housing Minister at the time, “the people you step over when you are coming out of the opera”.⁵⁸

In response to this crisis, George Young established the first RSI in 1990. The Government made a total of £96 million available for the following three years, with money channelled into outreach work, new emergency hostel places and a range of temporary and permanent accommodation. At the same time, the Government launched the Homeless Mentally Ill Initiative to tackle the specific problem of mental ill-health among rough sleepers.

Initially, the RSI was intended as a short-term measure and focused solely on London but the Chancellor extended it in the 1992 Autumn Statement, making a further £60 million available for 1993–96. One factor that contributed to this extension was increased political competition on the issue. An increasingly vocal parliamentary opposition and high-profile public campaigns increased the Government’s sense of priority on the issue. One interviewee described the sentiment in the country – capitalised upon by the resurgent Labour Party – that “homelessness was the visible symbol of all that was wrong about our country”.

In 1996, the Government was planning the third phase of the RSI, to cover the period 1996–99. But for the first time, it considered extending the scheme beyond London. Budgets were set aside for work outside the capital, but the question was where the budgets should go. The Government was inhibited from acting because it did not have a sound understanding of the scale of the problem in other parts of England.

At this stage, the Government engaged the voluntary sector to devise a methodology for measuring the problem of rough sleeping, so that resources could flow to the areas where they were needed. Civil servants recognised that the importance of the voluntary sector in delivering rough sleeping programmes meant that “you needed [a] methodology which civil servants were as willing to accept as the voluntary sector”.

From 1996, local authorities were asked to provide annual estimates of rough sleeping in their statistical returns to the Department of the Environment as part of the Housing Investment Programme process.⁵⁹ For the first time, the Government had a set of statistics about the scale and distribution of the rough sleeper problem around England.

At the change of government following the general election in May 1997, the outgoing Major Government left the incoming Blair Government with two important legacies. The first was seven years of prioritised work to tackle rough sleeping, with lessons captured in successive White Papers and reports of evaluations by the Department of the Environment.⁶⁰ The second was a method for measuring the problem. As one of our interviewees put it: “It was the right time for the policy to shift.”

1997–2002: the Rough Sleepers Unit

The election of the New Labour Government in 1997 triggered a conceptual shift in government's understanding of poverty. The new frame was 'social exclusion', which is 'what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime environments, bad health and family breakdown'.⁶¹ This new approach was cemented with the foundation of the powerful Social Exclusion Unit (SEU), set up in the Cabinet Office with a cross-government remit.

In 1998, the newly formed SEU published a report on rough sleeping.⁶² Departing from previous understandings, which viewed rough sleeping as primarily a housing issue, the report argued that many rough sleepers were on the streets because they were forced to leave home, were care leavers or had been in prison, and that many faced serious physical and mental health problems, including alcohol and drug addictions.⁶³

The report suggested that new policies were required to focus on prevention, engaging those who were leaving care, the army or prison. Government was called on to take a greater role in disseminating best practice and it was recommended that local partnerships take on the role of co-ordinating the actions of central government, local authorities, voluntary agencies and business in their area.⁶⁴

As well as establishing a new understanding of the problem and new policy prescriptions, the report also announced a new target to reduce rough sleeping by two-thirds by 2002. The existence of this target was only possible thanks to the work of the previous government, because, as one interviewee noted, "when the new Blair government came in there was already a method to evaluate the relative size of the problem – the first counts had been done so we had a baseline that ... no one could kind of argue with in a political sense".

The SEU report recommended various options for how a new 'co-ordinating body' for rough sleepers policy could be constituted, including by creating an independent not-for-profit company. But it was decided that a new special unit should be created – modelled in part on the SEU itself – which would be housed within the Department of the Environment, Transport and the Regions (DETR).

So, in April 1999, the Rough Sleepers Unit (RSU) was established, tasked with reshaping the Government's approach to rough sleepers in line with the SEU report's recommendations, and made responsible for meeting the 2002 target. In an unusual move for the time, the Government appointed the-then deputy director of the homelessness charity Shelter, Louise Casey, to run the unit. The SEU report had recommended that the body needed both non-Whitehall expertise and 'strong and public leadership'; Casey fulfilled both these requirements and was soon announced in public as the Government's 'homelessness czar'.⁶⁵

Special units are generally used in government to incubate and catalyse change, and to challenge business as usual in Whitehall.⁶⁶ The RSU was an organisation in this mould, with one interviewee characterising the approach as "a model where you bring in a group of people that are really going to push for some big change, be a bit challenging, to operate in a different way". A high proportion of its staff were drawn from outside the Civil Service, and while based in the DETR it bypassed the ordinary structures, reporting directly to the Permanent Secretary and accountable for its performance to Number 10.

Over the three years after it was founded, the work of the RSU included:

- funding hostel beds
- hiring new specialists to deal with alcohol, drug and mental health problems
- funding new outreach services called 'contact and assessment teams'
- tackling prevention, particularly with regard to those leaving care, prison and the armed forces.⁶⁷

Many of these policies required the RSU to co-ordinate activities across different government departments – in fact, one interviewee described this as the “crucial ingredient” for the success of the RSU. The SEU report had identified the risk that ‘locating it in one department could be seen as an excuse for others to switch off’,⁶⁸ but the RSU was assisted in countering this by its high-profile, powerful leadership, and closeness to the Prime Minister. One interviewee recalled that “there was a real sense that this was a priority across government; it was easy to get other parts of government at the table about it”. Meanwhile, the fact that there was a clear prime ministerial target “really focused minds a lot”, in the words of one interviewee, and helped to ensure that other departments played ball.

The result of this focus was that the target of reducing the number of rough sleepers by two-thirds was met one year early, in 2001.

2002–08: 'mainstreaming'

In reports issued by the Government at this time, the ambition was articulated as being to reduce the number of rough sleepers in England 'to as near zero as possible' and by 'at least two-thirds'.⁶⁹ So the point in 2001 where the two-thirds target was met was a critical juncture for maintaining focus on this issue: what would be the new ambition, and how would it be achieved?

Interviewees told us that once the two-thirds target was met, the Government felt that the underlying nature of the problem had changed significantly: “[Y]ou’ve gone from a crisis to a situation that is deemed to be under control.” One consequence of this was that the RSU was seen to have served its purpose. It had been set up as a disruptive, short-term institution that, in the words of one interviewee, “was obviously one of those things that ... wouldn’t last forever in that shape”. Previous Institute for Government research has suggested that best practice for governments making use of special units is that they are time-limited and that ultimately the aim should be to ‘mainstream’ the new approach or policy solution back into departments.⁷⁰ Interviewees told us that they thought this point had been reached by 2002, so the RSU was merged with several mainstream departmental functions to become the Homelessness Directorate of the Office of the Deputy Prime Minister (later renamed the Department for Communities and Local Government – DCLG). Many of our interviewees described this process of ‘mainstreaming’ as a turning point at which the strategic focus on rough sleepers policy began to deteriorate. In the words of one, by 2005/06 “it had kind of gone off the agenda of government”. To these interviewees, this loss of focus was driven by three factors.

The first factor was the target. While the original ambition had been to reduce the number of rough sleepers in England to ‘to as near zero as possible’,⁷¹ interviewees told us that after the two-thirds reduction had been achieved, no new ambition was set: “[T]hey hit the target and then it sort of flat-lined.” This meant that there was little inducement to go further. As one interviewee told us: “[I]f you have a prime ministerial target then you have a system that keeps that target in mind; it is simple as that.” In the absence of a target to further reduce the

number of rough sleepers, the policy goal now was simply to maintain the current levels of people on the street and stop things getting worse. With an ambition that simply wanted to keep things as they were, this period became characterised primarily by policy stasis.

The second factor driving the apparent loss of strategic focus on rough sleeping from 2002 was that driving change across government was harder from inside the Office of the Deputy Prime Minister than it had been from the powerful RSU. In 'mainstreaming' the unit there was a risk that what had previously been a cross-government priority now became lost within the structure of a department. Compounding this, in the words of one interviewee, the department was not "one of the big-hitter departments in how influential you can be to get things done and keep the profile" and it found it difficult to "punch its weight in terms of cross-Whitehall engagement".

The third factor in the loss of focus was the change in leadership of the Labour Party in 2007, from Tony Blair to Gordon Brown. Interviewees told us that the 'social exclusion' approach of tackling the complex needs of specific individuals was not felt to cohere with Gordon Brown's understanding of poverty: "It didn't gel with the Brown structural analysis of poverty approach, which is about tax credits and lifting the whole population."

While most interviewees characterised these factors as leading to a loss of strategic focus during the period from 2002, others argued that this period did not see a decline in the effectiveness of rough sleepers policy. To these interviewees, three main factors supported this.

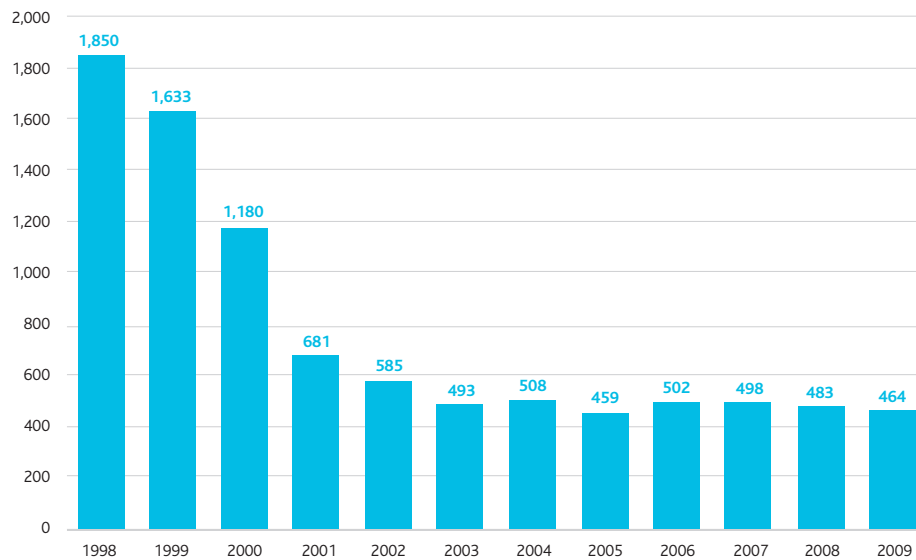
The first factor was the nature of the transition from the RSU to the Homelessness Directorate. Interviewees told us that this change was necessary in order to refresh policy and redirect energy towards a broader homelessness agenda – which, after the rough-sleeping target was achieved, became a more salient issue. Through the publication of *More Than a Roof* in March 2003,⁷² and the creation of the Homelessness Directorate with dedicated resources to work on homelessness prevention and family homelessness, the Government "wanted symbolically to say 'we no longer have a significant rough sleeping population in this country, therefore we don't need the focus on it. What we have is a homelessness population in this country that we need to turn the focus to'". To this end, policy became more focused on preventative policies for statutory homelessness and significant capital investment in hostels to turn them into "places of change".

Second, interviewees contended that the system had been sufficiently changed that rough sleeping would be unlikely to rise under new leadership. Homelessness legislation had been changed, which in one interviewee's words "tied everybody's hands up" and made it less likely that rough sleeping could be driven up as an unintended consequence of other government policy. And success in getting the numbers of rough sleepers down was thought to be relatively self-sustaining if resources and attention remained relatively stable:

So your system had changed as a way of getting help. Sleeping on the streets was no longer how you had to get help. We stopped our feeder groups and we met Tony Blair's target, and we were down to some ridiculously low number that was below our target in the full knowledge that we knew that if it slipped slightly in the intervening period, we would still maintain the target. (Interviewee)

This analysis seems to have been borne out by the relative stability of the number of rough sleepers across the period (see Figure 9).

Figure 9: Number of rough sleepers in England, 1998–2009



Source: DCLG (2010) *Rough Sleeping in England – Total Street Count 2010*

Third, interviewees emphasised that, despite the change in institutional structure, there was significant continuity of the civil servants involved in delivering the policy. One interviewee described how, as late as 2011, “when I arrived in my job there were a lot of people in the team who had been in the role for a long time, who had been in the Rough Sleepers Unit”. The message from these civil servants to new joiners was: “Do not come in and think you know best and chuck all this up in the air. We’ve got a solution; it works. Stick with it.”

It is also important to note that during this period there were significant changes in the role of local authorities. The Homelessness Act 2002 placed a duty on local authorities to secure temporary accommodation for all unintentionally homeless households in ‘priority need’. The Act extended the definition of ‘priority need’ to include all 16- and 17-year-olds, care leavers, vulnerable former prisoners and vulnerable former members of the armed forces. Finally, the Act required local authorities to formulate and publish a homelessness strategy based on a review of the issue in their area. In 2003, the Government also introduced the ‘Supporting People’ programme, a £1.8 billion grant to local authorities intended to fund services to help vulnerable people live independently. This brought together existing funding streams and placed them under the control of local authorities, which became commissioners of services for homeless people and those at risk, marking a further development in the role of local authorities in the period.

The point in 2001 where the rough sleepers target had been met was a critical juncture in maintaining focus on this issue. Depending on whether you view the ambition of the time as reaching and maintaining the two-thirds target, or whether you think that more could have been done to reduce the number of rough sleepers ‘to as near zero as possible’, focus in this period can be said to have been either successfully maintained or diminished. Ultimately, however, the decisions that were made at this point – particularly the decision to ‘mainstream’ rough sleepers policy within a relatively weak department, and the decision to not set a renewed ambition to drive down numbers yet further – put in place conditions that made it easier for numbers to begin to rise again in future.

2007–10: the problem re-emerges

The financial crisis that began in 2007 changed the context for rough sleeping. The scale of the economic downturn led many to predict that the number of people sleeping on the streets would increase dramatically. Labour responded by finalising a new strategy on rough sleeping. NGOs had been lobbying for a new approach since 2005, when the announcement that London would host the Olympic Games in 2012 created a focal point for action. In November 2008, a new paper entitled *Rough Sleeping 10 Years On: From the streets to independent living and opportunity* set out an ambition to 'end rough sleeping by 2012'.⁷³ A total of £200 million was committed to meet the target, but this was not accompanied by any significant policy change or step-up in activity.⁷⁴

At the same time, Grant Shapps was appointed as the Shadow Minister for Housing. Rough sleeping became an issue on which he sought to campaign, and he was described by some of those in government at the time as "quite an activist opposition politician". This appeared to be the first time since 1997 that there was political competition on the issue. Shapps encouraged David Cameron to give a speech at the Conservative Homelessness Foundation, cementing the new focus on the issue.⁷⁵

Shapps' primary criticism of government concerned the integrity of the analytical basis on which rough sleepers policy was predicated – the rough sleeper count, introduced by the previous Conservative Government in 1996:

He was looking for the things to criticise government on at that point and one of the things that there were always rumblings about was this methodology. There were some voluntary sector organisations that would always say 'this doesn't find everybody' and he kind of latched on to that and said once he was in government he'd find a new way of doing this. (Interviewee)

2010: the Coalition Government

The May 2010 general election brought in a change of government and Grant Shapps moved from opposition to become Minister of State for Housing and Local Government with responsibility for homelessness and rough sleeping. Following his campaign from opposition, the count was overhauled and a new method installed by October 2010.

Interviewees described the Minister's genuine commitment to the issue. Describing the increased energy around rough sleepers policy in the early years of the Coalition Government, one former senior civil servant recalled:

[H]e was absolutely the driver. I used to see him, I don't know, several times a week and my team saw him all the time. We got amazing ministerial engagement and involvement. And bluntly when we needed to kind of push things through a spending review or through a departmental spending round, he was incredibly supportive. (Interviewee)

Shapps' desire to stamp his own mark on rough sleeping did not mean that he proposed scrapping the existing approaches for getting rough sleepers off the streets that were thought by officials to be working well. Talking about this continuity of policy, one civil servant who was appointed to the DCLG during this period, stated that "when I moved over to homelessness I felt a bit like I had gone back under a Labour government".

In 2010, the London Mayor, Boris Johnson, announced that £750,000 had been secured for a new programme, No Second Night Out (NSNO).⁷⁶ NSNO focused on getting new rough sleepers off the streets as quickly as possible, intervening before they became 'institutionalised' to sleeping on the streets. In July 2011, Shapps announced that the NSNO policy would be rolled out nationwide.⁷⁷ An assessment of the scheme in 2014 found that 67% of rough sleepers were being helped off the streets the day they were found, and 78% did not return after receiving help.⁷⁸

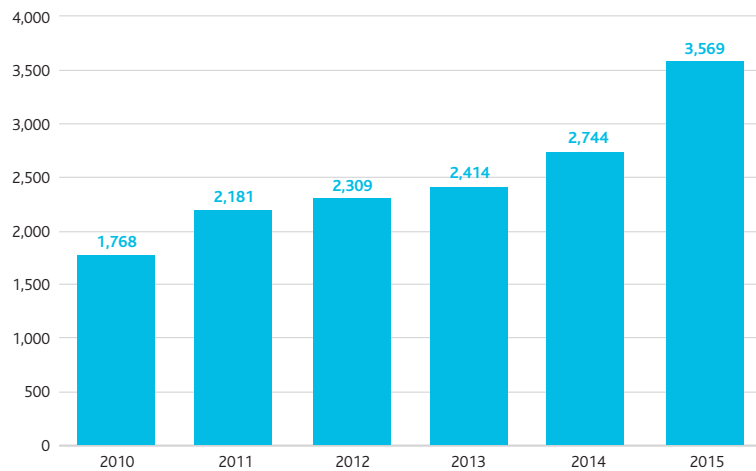
Yet despite Shapps' personal investment in the area, and new interventions like NSNO, the overriding policy goal was still to hold steady the current levels of rough sleeping, rather than seriously to push for reductions. This was in part because it was assumed that the Government's austerity programme would drive people to sleep rough, and mitigating that impact would be sufficiently challenging. One interviewee said: "[T]his was seen as an absolute kind of symbol of whether or not austerity could be delivered in a way that we could all still sleep easy in our beds."

Nor did it become any easier to drive cross-government working from the DCLG. Instead, rough sleeping lost out to other government priorities such as welfare reform and immigration policy. One interviewee noted: "[W]e had the system under control. But the thing that was screwing it over was welfare reform." When conflicts arose with these bigger government priorities, rough sleeping was "never going to win in a straight fight".

The result was that rough sleepers policy became in this period "less a strategic approach ... and more of an initiative-based approach". One interviewee described how this might reflect the very motivation behind tackling rough sleepers: their visibility. Focused primarily on keeping people off the streets, ministers have been less inclined to consider and tackle the underlying structural factors driving the phenomenon. This is despite the fact that 26 years of policy in this area has built up a comprehensive understanding of what a more effective policy response might look like: "It's actually millions, it's not billions to solve the problem. You could do more. You could definitely do more if you wanted to but I think ... I suspect ministers take the view that they are doing enough."

The combination of an ambition that has – at most – sought to hold steady the number of people sleeping rough, the significant countervailing pressures such as welfare reform and Eastern European immigration and the inability of those in charge of rough sleepers policy to have their voices heard in these cross-cutting policy debates has resulted in a situation where, according to the overhauled count, the number of rough sleepers increased each year in the six-period from 2010 to 2015 (see Figure 10).

Figure 10: Number of rough sleepers in England, 2010–15



Note: From October 2010, a revised method of counting rough sleepers was implemented.

Source: DCLG (2016) *Rough Sleeping in England Autumn 2015*

Conclusion

The narrative of rough sleepers policy in England from 1990 to the present day is one that falls into three broad phases:

- the emergence in the 1990s of a focus on and concerted effort to reduce the number of people sleeping rough
- a period of relative stability from the early 2000s in which a scaled-back ambition to simply keep numbers low was broadly met
- a period from the late 2000s/early 2010s in which focus was lost and numbers began to rise.

The first phase of this case study – the 1990s and early 2000s – saw an emerging and consistent strategic focus on rough sleeping. The series of three RSIs from 1990 to 1999 established an initial policy focus. The rough sleeper count of 1996 created an analytical baseline on which ambitions – and progress to meet these ambitions – could be set. The RSU took this foundation and combined it with real political impetus to drive an effective Whitehall response.

The dissolution of the RSU in 2002 was a decision that appears to have been sensible, but in the transition of responsibility to the Homelessness Directorate, some of the energy and strategic drive may have been lost. Government no longer sought to improve the situation, but rather to continue to apply an existing set of policies in order to maintain the status quo.

From 2010 onwards, the number of rough sleepers began to creep up. With new senior leadership and a loss of energy after 2008, the rough sleeping agenda lacked a concerted high-level leadership. The earlier failure to set an ambition that could have continued beyond the electoral cycle, and the inability of the DCLG to make its voice heard in wider policy discussions, contributed to the rise of a problem that never again increased enough in salience for a renewed, concerted focus.

4. Analysis

The case studies described in section 3 provide key insights for those involved in long-term policy making. In this section, we present the lessons for government on how it can be most effective during the three periods of long-term policy making: rising salience, building blocks and embedding.

We consider each of these phases separately, outlining the key tasks for government in the areas of politics, vision, institutions, capability and alignment.

Phase 1: Rising salience

Successful long-term policy making in a period of rising salience requires government to convert the new public interest in an issue into political capital, to refresh its understanding of the problem and to describe what it would look like for the problem to be solved.

Politics

Politics in the first phase tends to be characterised by competition, with government or the Opposition seeking to turn a problem into a new political dividing line. This can be triggered by new agendas in government or the Opposition, or by a sudden change in the scale or nature of the problem that renders it newly political.

For incumbent governments: make the most of fleeting opportunities to set new directions.

In general, well-established governments find it difficult to increase the salience of an issue proactively. In the first instance, this is because the focus on the need to tackle a problem anew implicitly discredits a government's pre-existing efforts in the same area. But there are other reasons too – for example, Cabinet ministers who have been in place for some time establish their own agendas and can be resistant to new cross-cutting approaches that affect policy within their departments.

Instead, incumbent governments seeking to drive a new interest in an area must take advantage of critical junctures at which the opportunity for change presents itself. The academic John W. Kingdon calls these 'policy windows' – opportunities that arise, for example, at a change of administration, when policy entrepreneurs can put new ideas onto the policy-making agenda.⁷⁹ The accession of a new prime minister is one such 'window'. However, Institute for Government research suggests that this window of change does not remain open long. As one former minister told us, the priority for anyone entering government is to 'know what you want to do [and] transmit that as soon as you can after you arrive'.⁸⁰

For incumbent governments: when the Opposition increases the salience of an issue, use the political competition to overcome the barriers to reaching cross-government agreement on the need for change.

Our case studies covered areas in which incumbent governments had to respond to a period of rising salience that was initiated by opposition parties – for example, David Cameron's activism in support of a Climate Change Bill was crucial in prompting the Labour Government's response.

On the one hand, such instances might appear to be purely problematic for incumbent governments, creating a need to focus energy on an issue that was not previously on their agenda. But on the other, our research suggested that such moments could be useful to government by creating an external pressure for action that could override the internal divisions of government. While the Government had struggled to get cross-departmental buy-in to its Climate Change Programme, the Conservative focus on climate change from 2005 onwards was in part responsible for the licence with which the new OCC was able to work across government. The lesson for incumbent governments is that periods of rising salience triggered by opposition or third-party activity can present opportunities to unify government behind a new agenda of change.

For opposition parties coming into government: it is easier to begin long-term change if the period in opposition has been well spent.

While periods of rising salience can appear at any time in the electoral cycle, our research suggests that transitions between governments offer particular opportunities to convert that salience into action. A new government can find it easier than an outgoing one to introduce new initiatives for three main reasons:

- intra-party co-ordination is easier at the outset of a new government as other ministers have not yet had time to make commitments that clash with long-term or cross-cutting initiatives
- a new government is less tied to pre-existing approaches, and receives less negative press for changing tack
- a new government – particularly one with a large majority – benefits from having a lot of ‘space’ to be radical and put forward policies and approaches that may not produce positive outcomes immediately.

A new government will only be able to make use of these qualities if it has used the time in opposition effectively. This involves the following:

- **Using the manifesto process to bind future ministers to long-term plans.** A number of interviewees described the agreement of manifestos as an easier forum in which to make long-term commitments than the ensuing Cabinet-level discussion. In the run-up to the 1997 general election, Clare Short’s ability to include the creation of the DfID in the Labour manifesto enabled her to overcome Tony Blair’s scepticism to the move once in office.
- **Winning the argument by building coalitions with non-party actors.** Policies that endure in the long term are those in which the argument is ‘won’. Opposition provides a particular opportunity in this respect: ‘Opposition can be a chance to bring in fresh ideas, hear critical voices and build up relationships.’⁸¹ In international development, Labour’s 1994–96 Britain in the World Policy Commission ensured that Labour entered government armed with proposals that ran with the current of new academic and NGO thought.

Vision

Vision in this stage is about establishing a clear, shared understanding of the problem, and articulating the desired overall change that government wants to see in the world.

Define what (or who) you are targeting and what outcomes you want to see.

While government draws on its own capability or those of outside groups to refresh its understanding of the problem, it also needs to articulate a new vision for what it would look like to solve that problem. As the Institute for Government has previously found, failure to communicate a vision at the start of a policy phase can doom even sensible ideas. As we noted of the Coalition Government's 2012 health reforms: 'Good policy requires a clear definition of the problem, and a clear explanation of how the policy proposals will fix it. And that explanation needs to be set out in a way that maximises support and minimises opposition. All of that was missing.'⁸²

In all of our case studies, governments used the rising salience phase to move beyond talking about tackling a given issue in the broadest sense, instead articulating what or who would be the subject of intervention and what it would look like for that intervention to be successful.

During the period of rising salience in the run-up to 2008, the Labour Government set out a vision for climate change that made clear that a solution would involve economy-wide decarbonisation driven by legislated targets in a way that was consistent with a smaller than two-degree increase in global temperatures. In Ireland, the Government began to set out a response to poverty that would be based on the pre-existing national partnerships model and intended to apply across government. In international development, the opposition Labour Party began to describe the need to divorce aid spending from foreign policy objectives long before it settled on the solution of creating a new department.

These visions were a broad articulation of the intended direction of travel, and they held back from setting specific policies, targets and timelines at this stage. This was important – during this phase, governments need space to investigate the problem and fully understand it. Specific policy detail or tightly defined targets at this stage tend simply to be arbitrary. During the period of rising salience of climate change, the Labour Government refrained from setting out the precise decarbonisation pathway of different economic sectors, or the policies that would be required to meet this vision. The vision established that there would be legislated carbon targets – it did not say what these would be. These more precise elements of the Government's vision tended to be articulated in the second phase – building blocks – once the Government had established the specific institutions or civil service capability that it wanted.

Capability

In this phase, governments without good horizon-scanning and analytic capability can be taken by surprise by the rising salience of an issue. But even without this capacity in-house, they can look externally to bolster it.

Look externally to bolster your capability to achieve long-term goals.

When government lacks strategic or foresight capacity, it risks being taken by surprise. As an issue enters a period of rising salience – particularly if it does so at the behest of opposition parties or third-party campaigners – government may find that it does not have

the resources to hand to respond to the issue by undertaking the first step of analysing and understanding the problem. As such, periods of rising salience are also those in which the borders of government become porous, and departments become more receptive to the analytical work undertaken by third parties.

In many instances in our case studies, specialist organisations outside government held the key technical or analytical skills that were vital to devising and sustaining credible, long-term approaches. The analytical basis for the Irish anti-poverty strategy was established by the CPA, the National Economic and Social Council and NGOs working in partnership through the 1970s and 1980s. In climate change, it was Friends of the Earth that conducted the most influential assessment of the failed Climate Change Programme, published in 2005.⁸³ The report's main author, Bryony Worthington, was quickly brought into government to help draft the Climate Change Bill. In rough sleeping, the core piece of analysis was the rough sleeper count, introduced in 1996, which drew on voluntary sector expertise to provide a national picture of the scale and distribution of the rough sleeper population. In international development policy, government was able to draw on the work of the OECD, which had established a series of development targets. The technical work behind these targets gave the newly created DfID the basis to set out comprehensive and well-evidenced priorities.

These examples provide a lesson for both government and the third sector. Government benefits from adopting a somewhat porous border, particularly in the early stages of a new area of long-term focus. The other side to this observation is that NGOs that invest in the technical capacity that government lacks can end up wielding great influence by providing the type of core analysis that one would normally expect from the Civil Service.

Alignment

Our case studies show that third parties – including the press, organised public campaigns, NGOs and businesses – can, through effective campaigning, increase the political salience of issues and make it more likely that government commits to a long-term ambition in a particular area. The key question for government in this phase is how it responds to this externally generated pressure.

Engage early with agenda-setting third parties.

All of our case studies were successful in part because government 'won the argument' on the need for long-term approaches. This enabled it to move from simply caring about an issue to justifying action to solve it.

Previous research by the Institute for Government has emphasised the extent to which the creation of wider support for a new agenda is dependent on government's ability to engage with third parties. Ministers, in particular, 'are well placed to take a direct role', 'investing in relationships and broadening the coalition of support that will provide political cover'.⁸⁴ In our Irish anti-poverty strategy case study, the Government used the period of rising salience to convene the 'fourth pillar' of the social partnerships, involving trade unions, NGOs and employers in the formation of its new strategy.

Harness the focus provided by international agendas.

Three of our four case studies harnessed international agendas to create the political will for change. The Kyoto climate change negotiations and the OECD's '*Groupe de Réflexion*' on development created the intellectual and political space for Labour's 1997 climate change

target and the creation of the DfID respectively. In Ireland, De Rossa used the prestige of an international summit in Copenhagen to change the direction of policy back home. Our research suggests that political leaders are able to convert the prestige of international summits, agreements or discussions into new political capital, which can be deployed to create an agenda for change at home.

Phase 2: Building blocks

Successful long-term policy making in the building blocks phase requires government to establish the framework of policies, commitments and institutions that will solve the problem over the long term.

Politics

During the building blocks phase, political competition between parties diminishes, as the debate moves on to the exact nature of the solution, rather than the first-order question of whether or not to act. In this climate, the political qualities of officials become more important.

Politicians need to provide political cover to senior officials who can set the new agenda.

The task of assembling the building blocks for long-term policy responses is frequently entrusted to a senior civil servant with a broad licence to operate. In climate change, Jonathan Brearley was brought from the DCLG to run the OCC, while in rough sleepers policy Louise Casey was brought in to the first of her five tsar roles (to date). The responsibility of these officials was significant – they were tasked with forging new policy on an issue of high political salience, to work across departments and to draw political commitments to long-term goals. In their roles, they held a position that was more public and more political than many civil servants.

To meet their obligations during this phase, senior officials in the case studies depended on 'political cover' from ministers. As the Institute for Government has found previously, the success of these catalysing agents and the units that they run will 'depend on whether or not they are perceived to have the prime minister's ear and as soon as they have lost the prime minister's ear, or prime minister's interest, then they're done for'.⁸⁵

This political cover was to some extent an artificial creation of senior officials who were prepared to take it: '[Y]ou have to magic the power and now say you've got it.'⁸⁶ But it was only once this cover was provided that senior officials had the licence to assemble the building blocks of new long-term policies.

Vision

After the period of rising salience, government's overall vision should be somewhat clear. In the building blocks phase, this broad ambition should be converted into specific goals or targets.

Use targets to signal ambition and vision to others in the system, and to help you build coalitions of support for long-term focus.

Issues requiring long-term strategic focus often have a breadth that requires the co-ordination of a large number of actors both inside and outside government. Our case studies demonstrate

that targets are an effective means of creating and sustaining these coalitions.

Targets are an external signal of the seriousness of government intent. In the climate change case study, interviewees told us that once the private sector began to invest on the basis of the 2050 climate change target and interim carbon budgets, they created “a real inertia effect to keeping on that trajectory”. Similarly, in the international development case study, the commitment to the Millennium Development Goals “was a rallying point. It was a way of getting the public to understand, my god, we can actually halve poverty”.

Targets also send an internal signal to the rest of government about the level of priority attached to an issue. For example, interviewees told us that the publicly stated commitment to the Millennium Development Goals helped to create a cross-Whitehall ‘consensus’ behind the aims of the new approach to development.

Seek the ‘sweet spot’ between ambition and feasibility when setting your goals.

Unachievable targets fail to drive action. While some interviewees disagreed, many who we spoke to felt that the 2012 rough sleepers target for the total eradication of rough sleeping was not seen to be achievable and thus did not drive any behaviour from the DCLG. Instead, we heard that in the absence of a feasible stretch goal, the department reverted to simply “keeping a lid” on the issue.

On the other hand, targets that are achieved too quickly sap the impetus for progress. The Irish NAPS was weakened by the rapid achievement of its 10-year targets within the first two years of the policy. This resulted in two years of drift until the strategy was refreshed and new targets agreed.

While stretch goals create behavioural responses, it is clear that their success is partially dependent on whether they are seen to be feasible. The precise nature of what qualifies as ‘feasible’ is, of course, difficult to judge. By some estimates, the 2050 target to reduce carbon emissions by 80% was not feasible when set in 2008. But clarity about the intended destination has in part driven the emergence of new or cheaper solutions that have established previously unseen pathways towards its attainment.

Account for future uncertainty by creating a timeline and process for targets to be revisited and new goals to be set.

In addition to the need to balance ambition and feasibility, almost all of our interviewees felt that when establishing goals for long-term strategic issues, there is “always [a] balance between flexibility and fixed-ness” that has to be maintained.

When government prioritises certainty at the expense of flexibility, it risks being derailed by unforeseen events. Goals set over extremely long time-horizons are particularly subject to this risk, and as one commentator notes, ‘the further into the future a goal is pushed, the less commitment it is likely to imply’.⁸⁷ But where government prioritises flexibility and fails to articulate specific and time-bound goals, it risks ending up with targets that do not signal a serious commitment to long-term working and which therefore carry little weight and fail to change behaviour.

In the first instance, policy makers best achieve the balance between flexibility and certainty in their goals by setting specific, simple and time-bound targets. But to account for future uncertainty and ensure that government stays focused, this should be reinforced by a clear timeline and review process for revisiting and – if necessary – setting new targets.

In our climate change case study, we heard that the carbon budgeting process has been a successful attempt to manage the balance between certainty and flexibility. While the UK

has a 2050 target that provides a strategic long-term anchor for climate change policy, interim carbon budgets are set roughly a decade ahead of their implementation; for example the 2011 fourth carbon budget covers the period 2023–27 and the 2016 fifth carbon budget covers the period 2028–32. The process and timetable for setting these carbon budgets is laid down in advance. The result is that there is certainty about the long-term trajectory, flexibility in setting medium-term goals and certainty about how that flexibility will be exercised. The result, one interviewee recalled, is known as ‘flexi-certainty’ within government. Flexibility appears to be best accommodated in a long-term strategic policy by giving certainty about when and under what conditions this flexibility will be exercised.

Institutions

Institutions have their own characteristics – such as resources or political clout – that determine the implementation of a policy. In the building blocks phase, government makes decisions about the type of institution that will be best suited to implement the policy in the long term.

Consider creating a special unit to drive progress, but plan for its replacement early.

In previous research, the Institute for Government found that policy-owning special units were seen by Whitehall as a means of tackling ‘a niche issue which left Whitehall perplexed’.⁸⁸ Many issues requiring long-term strategic focus fit this description, and two of our four case studies featured a special unit for part of the time period covered: the RSU (1999–2002) and the OCC (2006–08).

In each of these cases, the utility of the special unit lay in its ability to convert political interest from the centre of government into new approaches that challenged existing Whitehall thinking. The RSU drove a number of innovations, introducing a greater focus on physical and mental health and new preventative interventions for at-risk individuals. The OCC was able to co-ordinate efforts from a number of departments in the drafting of a world-first Climate Change Bill.

But, as the Institute for Government has previously shown, the shelf-life of these organisations tends to be limited to a few years at most, so they are unlikely to be appropriate as a long-term policy moves into the embedding phase.⁸⁹ The fact that special units rely on a high degree of central political support as part of their licence to drive cross-government working means that their effectiveness deteriorates the minute this political support wanes. The disruptive nature of their purpose also makes them unsuitable stewards over the longer term. It is clear that for longer-term issues or ways of working, the aim should be eventually to mainstream them back into departments. Policy makers concerned with the longevity of policies that sit under special units should therefore plan for this – even when these institutions are first being designed.

If the nature of your long-term policy demands it, consider creating a new department to house it, but be aware of the costs and risks involved in doing so.

There is a need to ensure that long-term policies are owned by institutions that have the clout to see that they are enacted. Our case studies involved two instances in which departments – the DECC and DfID – were specifically created to entrench a new strategic focus.

The Institute for Government has previously outlined the costs involved in significant machinery-of-government changes.⁹⁰ Making and breaking departments can cause a massive distraction, with the initial transition taking months, and full integration taking years.

So the process of creating new departments to house problems requiring strategic focus is not infinitely replicable, and should only be considered where there is an extremely strong business case for doing so. Nevertheless, comparing the examples we examined where new departments were created with other case studies, it is clear that dedicated departments are some of the institutions most likely to encourage long-term focus, for three reasons:

- **Departments create vested interests.** Departments have a structure of specialist civil servants, a Cabinet-attending secretary of state and a permanent secretary. The creation of a new department therefore brings into being a set of powerful advocates within Whitehall who are seeking the perpetuation of their own arm of government bureaucracy. If the purposes of this bureaucracy are aligned with a specific set of policy objectives, the result will be sustained focus in the area.
- **Departments have their own decision-making levers.** The power of departments is, of course, not limited to their soft influence across Whitehall. Secretaries of state have their own statutory powers, they are able to conduct ministerial write-rounds and they are able to sit on Cabinet committees. After the creation of the DfID, Clare Short became a member of the Cabinet committees on the environment, drug abuse, women's issues, health and export credits (including arms sales).⁹¹
- **Departments have their own dedicated budget and seat at spending review negotiations.** It is possible for areas of focus to receive this level of access from within larger departments: for rough sleeping, an interviewee noted that the attention of Grant Shapps "was incredibly supportive" when it was necessary to "push things through a spending review". But the creation of a dedicated department guarantees this kind of access without relying on the personal interest of individual ministers.

Whether these advantages outweigh the significant costs associated with departmental restructuring will vary on a case-by-case basis. In addition, government departments are subject to one particular constraint that does not apply to other bodies: the total number of ministerial salaries is capped.⁹² The Ministerial and Salaries Act 1975 states that 'not more than 21' salaries can be paid to secretaries of state at one time.⁹³ This means that when government establishes new departments, it may have to disband old ones, regardless of the business case for doing so. This appears, at least in part, to have been a reason for the abolition of the DECC in 2016.

Make use of 'watchdogs', but give them narrow and clearly defined remits.

Our Irish anti-poverty and climate change case studies involved the use of watchdog bodies to monitor and publicise the Government's success in meeting its long-term objectives, creating an external buttress for government's commitment. Unlike special units, the ability of an advisory body to perform this function is dependent on their continued operation – short-lived advisory bodies cannot drive long-term focus.

In one of our roundtables, we heard that the key risk to advisory bodies was that they become politically inconvenient and are abolished. Key to mitigating this risk was having a clear, narrowly defined remit so that the body could not be accused of 'overstepping the mark'. One participant described the strength of the Low Pay Commission as the fact that it had precisely this type of very narrow remit: to recommend the rate of minimum wages. This stopped the commission from straying into broader policy questions in relation to which there was a risk that the advisory body would end up "crossing swords" with ministers.

Where there is a significant risk that government will backslide on its commitments, watchdogs will be more effective if they report to Parliament.

Advisory bodies must be cognisant of what interviewees described as a natural antipathy

towards them from departments, with one saying of the CCC that it is “exactly the kind of thing that the Civil Service hates because it holds it to account and it’s got the clout and the access and authority to make its life very difficult”. In one of our roundtables, we heard that advisory bodies should aim to have at least 70% of their recommendations adopted by government, or they risk being seen as critical talking shops that are ripe for abolition. In the case of the CCC, having a savvy first chair who held the confidence of ministers was useful in managing this tension.

Not all of the advisory bodies that we studied managed this relationship successfully. In Ireland, we heard that the CPA “walked the political tightrope” between scrutinising and supporting the work of the Government. Over time, the line between advocacy and policy recommendations became blurred and the agency was viewed as a “thorn in the side of government”. It was abolished in 2008.

One of the key ways of managing this risk is to make the advisory body accountable to Parliament, rather than to the department that might desire its abolition. The CCC reports directly to Parliament, not to the government of the day. Asked about the importance of this link for the CCC, one interviewee described it as “the thing that keeps it alive”. These reporting structures give the advisory bodies crucial political cover from the departments that they might criticise.

Capability

Capability in the building blocks stage is about the ability to turn high-level political signals and intentions into a deliverable strategy. In part, this is about the technical and analytical capability, but it is also about the personal characteristics of the senior officials leading the new policy.

Invest in the capability to analyse both the problem and the suitability of your proposed solutions.

Analytical capability in the rising salience phase is necessary in order for government to understand the problem that it is contending with, and to diagnose failings in pre-existing policy. In the building blocks phase, the challenge is to build on this and create policies, plans and goals that can lead to better outcomes.

Interviewees identified that a vital ingredient for long-term focus is the technical capability necessary to produce convincing analytical foundations on which the long-term policy has to rest. In many of our case studies, the Government’s strategic focus in an area had a central piece of analysis at its core. In terms of climate change, this analysis was the assessment of UK-wide emissions and a forecast of the potential shortfall of these emissions against both carbon budgets and the 2050 target. In terms of rough sleeping, the core piece of analysis was the rough sleeper count, introduced in 1996, which for the first time provided a national picture of the scale and distribution of the rough sleeper population.

For each case study, such analysis gave long-term policies the best possible chance of success by ensuring that they were built on an accurate understanding of the problem. The Institute for Government has repeatedly set out the importance of this type of work for good policy making.⁹⁴

Seek out leaders who can work within the system in new, different and disruptive ways.

We have previously described the political cover that is necessary for senior officials to operate in the building blocks phase. Beneath this cover, the personal characteristics of

leaders are key – so appointments are crucial.

Establishing a new policy or approach that is intended to last over the long term necessarily involves approaching a problem from a 'new angle'. All of our case studies involved periods of disruption in their early phases when new ambitions and ways of working were established. In a number of these cases of what one interviewee described as "strategic discontinuity", interviewees ascribed the successful transformation of policy in large part to the personal qualities of the officials who led the work.

In some instances, these leaders were able to turn a strong understanding of the institutional politics of Whitehall to their advantage. Interviewees described how John Vereker, at the Overseas Development Administration in 1997, was able to combat the entrenched interests of the Foreign Office by engaging directly with the Shadow Minister, Clare Short. While the Foreign Office put pressure on Tony Blair to drop the proposal for a dedicated development department, Vereker's decision to ensure that Short was "briefed up to the eyeballs" helped to ensure that the policy survived the transition from opposition to government.

In this fast-moving, disruptive phase, leaders are less reliant on formal power within the system, but can make use of informal political support to create their own power and influence others. As the Institute for Government has previously noted in its work on special units, charismatic officials are able to lay claim to more political support than they might, in truth, have: 'You have to magic the power and now say you've got it.'⁹⁵

Phase 3: Embedding

Successful long-term policy making in the embedding phase sees the framework established in the building blocks phase deliver on long-term policy goals without the same level of political support. This third phase is where poorly designed long-term strategies are often exposed.

Politics

In this phase, political actions are focused on managing the effects of decreased political capital, building consensus and mitigating the risks associated with transitions between governments.

Outgoing governments can attempt to manage the uncertainty of transitions through legislation or by drawing commitments from opposition parties.

Points of transition between governments are critical moments for those leading long-term programmes and initiatives. Transition brings with it the inherent risk that new ministers – or the top leadership of the new government – are less committed to the pre-existing strategy and may abandon it.

In none of our case studies was the focus completely abandoned after a change of government. But in two of our case studies – the Irish NAPS and UK international development – election-time pledges did not succeed in embedding focus over the long term. In both of these cases, the main rationale for parties to make these election pledges was political positioning – a rationale that eroded over time, leaving little deep commitment to the original principles of the strategy.

Managing the risk of a new government undermining strategic focus is not an easy task in a democracy. One commitment mechanism, often used in the past, is for the government of the day to underpin key aspects of the strategy with legislation. This was used in both

the international development and the climate change case studies, in which the basic features of government policy – and a requirement to report on progress – were put on the statute books. One interviewee for the rough sleepers case study told us that looking back he thought “maybe we should have done more, legislatively, to have made it a priority”. However, our research indicates that using legislation as a commitment mechanism is not always effective. New governments – particularly those with a powerful mandate – do not necessarily find it difficult to overturn a previous administration’s legislative attempts to tie their hands when they come into office. And even where legislation remains on the statute books, as it has for international development, this does not always mean that the spirit of the approach or the level of priority it is given endures with it.

Beyond legislation, government can mitigate for the uncertainty of elections by drawing commitments from opposition parties. One interviewee, the former Homelessness Minister, Ian Austin MP, described how civil servants working on rough sleeping pushed him to engage directly with his Shadow and to draw public commitments to the existing government’s agenda. The Institute for Government has previously found a similar programme of opposition engagement to have been effective in creating continuity in pension policy.⁹⁶

Seek political consensus rather than tying the hands of your successors.

As discussed above, political competition is often useful for strategic focus in the ‘start-up’ phase of strategic focus. But while political competition can create the conditions – and in particular the political will – for new strategies by raising the salience of issues, it is political consensus that tends to be more useful for embedding strategic focus and allowing it to endure. If a hostile and combative atmosphere of inter-party competition is maintained into this phase, opposition parties are likely to feel obligated to oppose the Government – and when this opposition gains power they are more likely to abandon the previous government’s focus.

While still in power, government can act to mitigate this risk by adopting more consensual approaches. In the climate change case study, the Green Alliance tried to do this. For the general election in 2015 it adopted a tactic of brokering consensus and depoliticising the issue. It managed to sign up the three main party leaders to a pledge not to reform the overarching approach to managing climate change in advance of the election. This proved remarkably successful, with climate change and ‘green’ issues not forming a major part of the election campaign.

However, as was shown in both the international development and Irish NAPS case studies, consensus can only truly embed a long-term approach when there is a common understanding between government and opposition of the nature of the problem and the value of different aspects of the strategy to resolve it. While an initial reading of the 2010 Conservative manifesto⁹⁷ and the Coalition agreement⁹⁸ indicates a high-level consensus on the aims and structures that should govern the UK’s international development policy, as our case study shows, this belied a deeper lack of agreement on the strength and reach that development priorities should have across government as a whole.

Counter the political impetus for novelty by repackaging existing work.

During the embedding phase, long-term policies may suffer from the political instinct for new policies, particularly after a change of government. In our climate change case study, this instinct was controlled by establishing political consensus on the evidence base for policies. But one interviewee also spoke about the need for officials in charge of policy areas to be able to use “magic and smoke and mirrors and persuasion” to create an impression of change, even if the fundamental policy stayed the same. It was a case of making “the new people feel they’ve got something new, but it’s the old people’s work”.

Vision

In the embedding phase, government must largely adhere to the structure established in the building blocks phase, ensuring a continuity of vision and setting further goals as required.

Stick to your goals, but prepare for circumstances to change.

In the building blocks phase, those leading a good long-term policy should have articulated an overarching vision, backed up by clear targets and a process for revisiting and updating these. It is in this phase that the effects of not doing this are felt. There are two significant risks here: that the external context changes dramatically, and that the long-term strategy itself creates changes that necessitate a response.

The first of these risks comes when a challenge arises in the external context that undermines the ability to meet targets. If the overarching vision and objectives were clearly defined in previous phases, it makes it easier to decide whether the policy model still makes sense when other variables have changed. However, if a strategy lacks interim targets that enable government to reliably measure progress, or if there is political resistance to revising publicly stated commitments, or if there are no 'trigger points' at which this re-evaluation can be done, then focus can easily be lost.

In previous Institute for Government work examining the implementation of the 2001 Fuel Poverty Strategy, this proved to be a key reason for the strategy's failure to deliver on its ambitions. With output measures as the only way in which progress against a long-term outcome target was tracked, the strategy lacked a clear trajectory for progress.⁹⁹ And when the wider context for the strategy changed as energy prices surged in the mid-2000s, this difficulty in tracking progress – compounded by an unwillingness to revisit the original strategy – meant that sensible changes to the original approach were not deployed.¹⁰⁰

The second of these risks arises where changes in circumstances are brought about by the success or failure of the strategy itself. For example, in Ireland, targets were set in 1997 for the end of the 10-year period of the strategy, but it was evident as early as 1999 that the target of reducing consistent poverty to 5–10% (under the baseline figures of the day) had already been achieved. Without a mechanism to respond quickly to this unexpected (and positive) turn of events, focus in the area slackened and it was three years before new targets were announced with the re-invigoration of the strategy in 2002.

Use cycles of further target-setting to recommit and to drive cross-government working.

As noted above, committing at the building blocks stage to set further targets in the future, schedules opportunities once political interest has dissipated and the strategy is in the embedding phase to refresh internal and external coalitions for change.

This 'mustering effect' of target-setting was most successfully employed in our climate change case study, where the statutory obligation to set further carbon budgets at regular intervals means that government comes together to agree a new ambition, and plans how to achieve it. One of our interviewees described how this target-setting process was the best catalyst for cross-government working on the issue of climate change re-engaging political will.

Timetabling points at which targets will be refreshed and renewed does not just help to bring interested parties together; it can also provoke new rounds of policy making, assisting in maintaining energy and momentum in the embedding phase. In our climate change case study, many interviewees described a gradual erosion of policies designed to meet the

2050 target following the formation of the Coalition Government in 2010. But the need to set a fifth carbon budget in 2016, and to produce a plan for meeting that carbon budget, meant that “now there’s a whole team in the new department [Department for Business, Energy & Industrial Strategy], which is producing a new carbon plan to meet the fourth and fifth carbon budgets, only a year after they abolished all the previous policies. And they are required to do that by the [Climate Change] Act” – noted by one of our interviewees.

While this means that the strategic focus of government on climate change has been uneven – involving a cycle of new ambition and new policy, followed by a gradual erosion of this progress, before new ambition and new policy have once more been required – the result has been that the general trajectory of decarbonisation has been maintained.

Institutions

In the embedding phase, government needs to mainstream an issue by transferring ownership of the long-term policy to an institution with political capital to ensure that progress continues.

Long-term policies will fail if the institutions with lasting responsibility for them do not have sufficient political capital.

In the building blocks phase, long-term policies often have the interest and attention of senior government leaders, and cross-government working can be driven by this sense of priority. But it is a political reality that – over the extended period required to address these complex issues – political support will wane. When this happens, those driving a particular policy fall back on the political capital of the government institution in which they are housed. This means that the medium-term success of a strategic policy focus is partially dependent on the institution to which it is assigned.

Our case studies demonstrated the effect of assigning problems to institutions with insufficient political capital. Rough sleepers policy suffered as a result of a move to the DCLG, which, as stated by one of our interviewees, could not “punch its weight in terms of cross-Whitehall engagement”. When rough sleepers policy came into direct conflict with other government policies such as welfare reform, the DCLG was “never going to win in a straight fight”. In Ireland, the decision was taken not to place the NAPS in a government department, because of fears that the issue would lose prominence. But the dedicated Office for Social Inclusion had a surprisingly junior civil service officer as its head, which affected its ability to broker agreements across departments and influence policies. In both of these instances, the decision of where to house the issue became a limiting factor on government’s ability to respond to it.

By contrast, in development policy the decision was taken to entrench a particular approach (aid without commercial considerations) in its own dedicated department, with its own permanent secretary and Cabinet minister. The result has been a greater ability to drive cross-government working on the issue that has been stable over time, with one interviewee describing its “tremendous clout on trade and global economic policy”.

Manage the ‘mainstreaming’ of special units into government departments – do not simply abandon them.

While policy-owning special units are useful in the early stages of a long-term policy focus, they have a limited shelf-life, and are usually disbanded in this phase – with their functions ‘mainstreamed’ within a government department.

Ideally, planning for this would have been done earlier during the building blocks phase. But in our case studies, mainstreaming was at times poorly managed, damaging focus. In the case of rough sleeping, some interviewees felt that the closure of the RSU was anticipated but not adequately prepared for. When the unit was disbanded and the policy responsibility transferred to the DCLG, the new department “never knew really where to put it”, and our interviewees suggested that it was four or five years before the issue benefited from sustained political focus once more. In Ireland, the merger of the CPA – an atypical special unit – into one of the core departments, risked a similar loss of focus, which, as one interviewee noted, put “the function into play, if you like, in the ongoing internal tension as to priorities and resources”. In both cases, the moment at which the functions of the unit were mainstreamed into a core department was a key transition in which focus risked being lost.

By contrast, the abolition of the OCC appears to have been better handled. As with the RSU, the OCC was merged into a department – the DECC. But rather than disappearing into the general structure of the department, the OCC became the DECC’s new strategy team, ensuring that ways of working and principles of the special unit were cemented during the mainstreaming. The unit did, however, lose its previous role in supporting ministers across government.

Capability

In the embedding phase, government focuses on long-term commitments of capability, the ability to build coalitions of support for long-term policies and the characteristics of those civil servants to whom these policies are entrusted.

Resist the inclination to downgrade the formal authority of civil servants entrusted with long-term delivery.

In this phase – particularly after mainstreaming within a department – the entrepreneurial drive that helped to create and build a long-term strategy becomes less important and less effective. As political will declines, so too does the prestige attached to the policy area and the sense of energy that allows disruptive leaders to operate. In order to exercise leadership in this phase, officials rely more on the licence to operate derived through more formal political support and their authority within their institutions.

This authority derives in part from seniority. The importance of this factor was most starkly demonstrated when it was absent: in the Irish NAPS case study, the Office for Social Inclusion struggled because it was led by more junior civil servants who did not have the clout to drive through change, with one interviewee stating that “it needed to be led at least at assistant secretary level”. In a Civil Service that continues to set store by formal grade structures, this meant that those working in the Office for Social Inclusion “just didn’t have a high-enough status to push some of the stuff through”. Similarly, some interviewees were concerned that as part of the mainstreaming of rough sleepers policy in 2002, the homelessness brief was effectively downgraded to a deputy director-level job, with rough sleepers policy a grade 6 job below this. This significantly weakened the ability of officials to drive change or to elicit co-operation from other departments. The lesson from our case studies is that long-term policies struggle when they are entrusted to civil servants without sufficient formal authority.

Use your analytical capacity to build a shared and uncontested evidence base.

In our case studies, strong and robust analytical foundations for long-term policies bolstered their longevity by creating political consensus around an issue. If the analysis of the problem remains credible, and there is robust ongoing monitoring of the effectiveness of the response to the problem, it is difficult for critics of the policy to win the argument over time. One interviewee said that they had “not heard anybody have a serious attack on the CCC from a kind of analytical point of view”. The result was that actions arising from this analysis were able to draw on this political consensus, as demonstrated by the eventual all-party support for the passage of the fourth and fifth carbon budgets through Parliament.

In our climate change and Irish anti-poverty case studies, the consensus-building capacity of analysis was augmented by moving the capability away from ministers and into independent advisory bodies. Where the core analysis was not moved out of departments – such as in rough sleepers policy where the DCLG retained responsibility for the rough sleeper count – the analytical basis for policies became politically contested, as seen with Grant Shapps’ campaigning on the issue ahead of the 2010 general election.

Consider providing ring-fenced resources to ensure long-term certainty.

Two of our case studies involved multi-year budgets to provide certainty for policy makers. In rough sleepers policy, the three RSIs (1990–93, 1993–96, 1996–99) made multi-year resource commitments. In terms of climate change, the transformation of the electricity generation sector benefits from a ring-fenced pot of funding known as the levy control framework. Agreed in 2011, this framework set out the funding for low-carbon electricity generation to 2021 and is designed in part to give investors certainty about the availability of future funds in this area, allowing them to scope and bring forward new low-carbon projects.

However, there is a risk that these resource pledges become a political item, with politicians keen to pledge inputs without stating how they will relate to outputs. Interviewees were sceptical of the Government’s 2008 pledge of £200 million to aid rough sleeping.¹⁰¹ This announcement was accompanied by a commitment to end rough sleeping by 2012, but interviewees said that it was unclear how the money and the ambition were related. There is also a risk that the ring-fencing of resources becomes a politically contested issue. One interviewee recalled advising government not to push for the 0.7% aid spending target as this would incite hostility from other departments.

Alignment

In the embedding phase, government must build a constituency of support beyond the governing party, making changes stick and minimising the risk from changes in government.

Create opportunities for businesses and NGOs to invest in a long-term policy, producing inertia effects to keep government on track.

Governments are not just the passive recipients of lobbying from third parties – they can sculpt this pressure to create the conditions for a strategy’s continuation. The basic logic of this is that once third parties have invested in the strategy, bought into the approach or been given a role in a decision-making forum, they become vested interests that then help government to keep on track and will put pressure on future governments that deviate.

According to our interviewees, the incorporation of the Irish NAPS into the national wage-bargaining or social partnership process was crucial to securing its continued existence.

While not originally a part of these negotiations, in 1996 voluntary and community sector organisations were invited to join in order to 'give a voice to those experiencing poverty and social exclusion' in the process.¹⁰² By bringing these groups into the national pay-bargaining process, the Coalition Government essentially locked the anti-poverty strategy into long-term decision making. Interviewees told us that the later Fianna Fáil governments would have subsequently found it "very difficult, probably impossible, to get agreement with the social partners if the anti-poverty strategy were being explicitly dropped or progress no longer being pursued ... it would be like abandoning a child on the way home from a picnic".

The climate change case study demonstrates a different kind of 'virtuous cycle' arising with the private sector. One interviewee described businesses that have invested in particular ways due to government subsidies and market signals that are anxious that these commitments are met fully, which therefore exert an "inertia effect" on government policy. In part, it was this pressure that led to government creating the levy control framework in 2011.

However, the buttressing of government commitment offered by NGOs and businesses may not be permanent. One interviewee in our rough sleeping case study reflected that the loss of focus on the policy came, in part, from the fact that "the voluntary sector took their eye off the ball; they had it very good for a very long time and I don't think they adapted with the changing circumstances".

Work with international partners to 'lock in' commitments, but be wary of international and domestic commitments clashing.

Government can also work with international organisations to 'lock in' commitments to long-term policy making. In our international development case study, one interviewee pointed to the OECD Development Assistance Committee's peer review system as a good example of this. Each Development Assistance Committee member country is peer-reviewed every five years by two others, with the intention of helping the reviewee to strengthen its development strategy and structures. One interviewee noted that this process is "powerful ... and it can lead to some publicity which ministers won't necessarily like if it's critical". This means that it has teeth when it comes to ensuring that government sticks to an effective strategy. A powerful tool in its own right, one interviewee gave an example of how this process was used by the UK to lock in its own approach to development. They described how the OECD had – partly at the UK's instigation – launched an untying initiative, which not only led to other countries untying aid from national procurement, but also ensured that any future UK divergence from this policy would be judged harshly in public by its peers.

Similarly, in the climate change case study, one interviewee recalled how the Liberal Democrat Secretary of State for Energy and Climate Change, Sir Ed Davey, was able to use ambitious commitments in the EU to reflect pressure back onto the UK Government to drive further action.

However, this ability to 'lock in' domestic commitments is only effective where the goals at both the domestic and the international levels align. This is not always the case. The EU 2020 transport decarbonisation targets are more ambitious than the UK targets. One interviewee described the resultant risk that the UK might adopt one technology (biofuel transport) rather than waiting for a more efficient technology (electric vehicles) to emerge.

5. Conclusion

How to achieve strategic long-term focus

There are many challenges that government faces that can only be tackled by sustained effort and focus. The main focus of this report is on the specific actions that government can take to make long-term approaches work.

We have distilled lessons and offered advice on what – at different stages in the lifecycle of long-term policies – government should be doing in order to give itself the best possible chances of success. These will not be universally applicable, so the report is neither a prescription nor a manual.

For politicians and officials involved in designing policy and deciding between different ways to secure long-term change, we hope that this report has offered useful insights. For those outside government who wish to see greater long-term thinking and strategic approaches in their areas of policy, we hope that our analysis will prove useful in testing the approaches that government does adopt, and challenging these where they fall short of expectations.

Some of our most important findings are summarised below.

Phase 1: Rising salience

- Government has fleeting opportunities to set a new direction. It needs to make the most of these critical junctures. The accession of a new prime minister is one such opportunity, as is the point at which the Opposition begins to compete in earnest on a particular issue. Hesitation or delay will make it harder to get the system focused on new priorities.
- Opposition parties coming into government find it easier to establish successful long-term policies than incumbent governments, but only if they have invested in building consensus across their top team before being elected.
- In this early phase of rising salience, government must define the problem it is tackling, articulate who or what would be the subject of the intervention and describe what success would look like. Without this overarching vision, it will be difficult to gain the broad support needed to maintain focus over an extended period. But in this phase it is too early to provide specific proposals – precise targets, mechanisms or institutions – since they can reduce the chances of long-term focus, as any future departure from these commitments will look like failure.

Phase 2: Building blocks

- At the building blocks stage, government must consider creating an institution(s) that can convert political will into action and put in place a new – often disruptive – approach to solving the problem. Policy-owning special units are well suited to this purpose, but to maintain focus over the long term, government needs to plan for the replacement of these units well in advance to avoid losing momentum.
- At this stage, government should look to turn its overarching vision into a set of measurable targets. These act as a rallying point for the coalitions of support that sustain long-term focus. But government must account for the uncertainty inherent over long time periods by creating a timeline for targets to be revisited and new goals set.

- It is a particular type of civil service leader who is suited to the disruption of the building blocks phase. Such leaders will be tasked with forging new policy on issues of high political salience, working across departments and establishing a sense of progress. To allow these leaders to succeed in establishing a new approach, politicians must provide them with sufficient 'licence to operate'.

Phase 3: Embedding

- Once a long-term policy has been established, government needs to mitigate the risk that focus is abandoned in moments of political transition. It should do this in the first instance by seeking to build political consensus – rather than attempting to tie the hands of its successor.
- Cycles of further target-setting are vital for re-engaging politicians, driving cross-government working and periodically rebuilding the coalition of external support that underpins long-term focus.

During the course of our research, we identified a number of tools that can contribute to strategic focus. These are set out in Appendix 1 of this report, grouped according to the policy making phase in which they are most likely to be employed.

Achieving strategic long-term focus in the current context

Each of our case studies was successful because it was responsive to its particular contexts. The political situation, fiscal outlook and influence of other government priorities differed in every instance. For Theresa May, attempting to achieve strategic focus on her own agenda, the relevant contexts appear to be particularly challenging.

Brexit

Brexit poses the 'greatest challenge that the Civil Service has faced since the Second World War'.¹⁰³ There is a danger for the Government that the enormity of preparing for the UK's exit from the EU detracts from its ability to set new, long-term ambitions in other areas. As the Institute for Government has previously noted, the response to the referendum has already incurred delays in other parts of government's business.¹⁰⁴

Our case studies do suggest that it is possible to set long-term policies in one area while major events appear to be luring government's attention to another. The implementation of the Climate Change Act (passed in November 2008) was not derailed by the financial crisis. Rough sleepers policy benefited from revived ministerial engagement in 2010, despite the concurrent shift in government towards a narrative of austerity. But both of these cases are also examples in which policies were in or at the end of the building blocks phase when the government agenda shifted – it is likely to be significantly more challenging for Theresa May to launch a period of rising salience if her focus on Brexit becomes exclusive.

Finances

The Government continues to face a significant spending challenge. Chancellor Philip Hammond has committed to George Osborne's plans for a real-terms cut of £10 billion in day-to-day government spending by 2019/20. As the Institute for Government has stated previously, the pressures on the NHS, social care and other policy areas are increasing.¹⁰⁵

This fiscal context clearly presents difficulties for Theresa May's new agenda on long-term social policy, particularly in areas where upfront investment is required to unlock distant benefits. But it is not simply a case of the size of the amount of money available – our case studies demonstrated the value of medium- or long-term *certainty* around that amount as well. The Government's indication that it is prepared to borrow more should the economy deteriorate – rather than respond with sudden cuts – will go some way to mitigating this type of uncertainty.

The fiscal challenge to long-term policy making is not insurmountable. Non-financial innovations can be extremely effective: in the international development case study, for instance, the initial focus was on a series of principles and institutional structures, with the target for aid spending not met until 16 years after the DfID was established.

A new government or an incumbent government?

Our research found that there are moments that are particularly propitious to the establishment of new long-term policies, in particular at changes of government or when the opposition parties launch a new campaign on a topic. By contrast, it is notably harder for incumbent governments to demonstrably break with the past and establish a new long-term agenda.

Theresa May therefore starts from a weak position – while she is a new prime minister, she currently governs on the basis of the manifesto drafted by her predecessor. It seems probable that the window in which to credibly establish discontinuity with the past is small. It is therefore vital that she moves quickly on those areas where she would like to establish a new long-term agenda, before she becomes irrevocably associated with existing approaches.

Wider strategic capability

Many of our case studies benefited from the support of central, strategic capacity in Whitehall. Whether it was the Performance and Innovation Unit, the PMSU or the SEU, these bodies provided the space to plan for the long term. The PMSU provided some capacity for identifying and analysing future challenges, such as through its regular strategic audit exercises in the mid-2000s. However, the PMSU was dismantled in 2010, 'leaving a gap', and since then governments have not fully benefited from this kind of support.¹⁰⁶

The Prime Minister will feel this institutional gap particularly keenly as she attempts to increase the salience of the issues on which she is seeking to establish a new agenda – our research suggests that it will be harder to identify precisely who or what will be the subject of the new policy. There is a risk that the new long-term agendas simply become catch-all titles used to associate similar-sounding but fundamentally distinct short-term policies.

Maintaining focus on the current government's priorities

Although the current government has no manifesto of its own, Theresa May has outlined some of her government's top priorities. Unsurprisingly, many of these are not simple policy fixes or issues that legislation – however well drafted – can resolve. Low levels of social mobility and the uneven economic fortunes of different areas of the UK are long-term, entrenched and knotty problems that governments have repeatedly tried to address with varying degrees of success.

If Theresa May is to create a convincing approach to improving social mobility or crafting a modern industrial strategy, her government will need to get better at staying focused on delivering long-term change than her predecessors. The ambition for each of these two priorities has already been stated publicly, and work has begun within Whitehall to flesh out what they will look like in practice. Both are therefore in the rising salience phase of strategic focus – and decisions made at this juncture will to a large extent determine their future success.

Over the coming year, the Institute for Government intends to use the analysis we have produced through this research to track and evaluate the progress of these ambitions – testing decisions as they are made against the insights in this report. We have developed a short evaluation tool, contained in Appendix 2 of this report, which lists the key questions that we will be asking at each phase in the lifecycle of these initiatives.

Appendix 1: Tools for strategic focus

In the course of our research, we identified a number of tools that can contribute to strategic focus. These can be roughly divided into the phase of policy making at which they are most likely to be employed, as follows.

Rising salience

| Type | Description | Contribution to strategic focus | Examples |
|---|--|--|--|
| One-off commissions and policy reviews | Investigations draw on a wide evidence base and actively seek 'outside' perspectives to develop a consensual understanding of the problem, which can create the basis for long-term strategic focus to be established. | Commissions are particularly useful during the rising salience phase (or at the start of the building blocks phase): they are able to review the quality of past policy making in an area and, where necessary, 'reset' government's vision and its analytic understanding of the nature of the problem. | <ul style="list-style-type: none"> • Davies Commission • Dilnot Commission |

Building blocks

| Type | Description | Contribution to strategic focus | Examples |
|-------------------------------|--|---|---|
| Special units | Special units are small groups of ring-fenced civil servants, attached to the centre of government (or with the particular interest of those at the centre), with a high-profile lead official and usually a cross-departmental purview. | As described on page 40, special units are particularly useful at the start of the building blocks phase, when they are able to disrupt existing policy responses and convert political capital into new approaches to tackling the problem. | <ul style="list-style-type: none"> • Office of Climate Change • Rough Sleepers Unit • Social Exclusion Unit |
| Ministerial groupings | Ministerial groupings operate as discussion and decision-making bodies at the top of government. They can take the form of Cabinet committees, sub-committees or taskforces. | Ministerial groupings indicate the political priorities of the prime minister and so serve to keep priorities on the ministerial agenda. By bringing together the key decision makers from different departments, they also facilitate cross-government working. | <ul style="list-style-type: none"> • Irish Cabinet Sub-Committee on Social Inclusion • Troubled Families Task Force |
| Non-legislated targets | Targets should articulate exactly what government wants to have done and by when. They should be specific, measurable, achievable, relevant and time-bound (SMART). | Targets work by introducing a political 'bite' to failure and can be effective in communicating political priorities to those tasked with implementing policies. | <ul style="list-style-type: none"> • 4-hour Accident & Emergency (A&E) waiting time • 1999 rough sleepers target • 3 million apprenticeships by 2020 |
| Legislated targets | As above, except that legislated targets seek to 'entrench' long-term focus on an issue by establishing a goal that could only be missed if a future government was then willing to repeal the legislation. | As above. Additionally, legislated targets rely on the 'asymmetry' in legislation; it is easier to legislate than to repeal legislation. While no government can bind a successor government to them, legislated targets ensure that there is a political cost to renegeing on commitments. | <ul style="list-style-type: none"> • 2000 fuel poverty target • 2008 climate change target (for 2050) • 2010 child poverty target • International Development (Official Development Assistance Target) Act 2015 |

| | | | |
|---|---|---|---|
| Long-term funding commitments | Long-term funding commitments are pledges to commit specific resource for a given issue or to achieve a stated objective. | In our case studies, spending commitments made it easier for those running long-term policies to plan. However, there was a risk that the spending commitment became a goal in itself, shifting political attention towards inputs and away from outputs. Commitments were also easily reversed. | <ul style="list-style-type: none"> Levy control framework for low-carbon electricity |
| Obligations and schedules to make future commitments | While not targets in themselves, these obligations (often with a statutory basis) require government to set intermediary targets on the route to a long-term objective. | As described on page 20, obligations to set targets provide government with a useful level of flexibility about the trajectory towards a long-term goal (which is useful for managing uncertainty), while also creating occasions on which government is forced to set new ambitions for itself, reviving political interest that may have dissipated in the intervening years. | <ul style="list-style-type: none"> Legal obligation to set carbon budgets every five years |

Embedding

| Type | Description | Contribution to strategic focus | Examples |
|---------------------------------------|---|--|--|
| Advisory and monitoring bodies | Advisory bodies operate with a level of independence to evaluate and advise government on day-to-day policy. | Advisory bodies normally produce a public critique of government. If this critique is focused on government's own stated long-term ambitions, it can create a political pressure on government to stay the course. As described on page 20, advisory bodies in this research worked well when given enough analytic clout and a focused remit and were sufficiently politically savvy in their recommendations to government. This means that they are seen as a critical friend, not a nuisance ripe for abolition. | <ul style="list-style-type: none"> Committee on Climate Change Low Pay Commission Regulatory Policy Committee Social Mobility Commission |
| Regulators | Regulators are not necessarily organisations with long-term aims. But the fact that they operate to see a set of principles manifested in the sectors that they oversee means that, over time, they can achieve long-term reform. | (Regulators were not covered as part of this research.) | <ul style="list-style-type: none"> Ofcom Ofgem Oil and Gas Authority |
| Government departments | Government departments are statutorily defined entities with representation in Cabinet and their own seat at the negotiating table of spending reviews. | As described on page 53, departments create a powerful set of vested interests who work to see that the departments are perpetuated and their reach extended. If the objectives of the departments are aligned with long-term policy objectives, they can therefore 'lock in' momentum on these issues. | <ul style="list-style-type: none"> Department for Energy & Climate Change Department for International Development |

Appendix 2: An evaluation tool to assess government’s long-term policy making

Phase 1: Rising salience assessment

| | Questions to consider | | | | | Notes |
|-------------------|--|--|--|--|--|-------|
| Politics | <p>Is this a good opportunity to change direction? And is the Government making the most of it?</p> <ul style="list-style-type: none"> • Are there changes to the context that facilitate a change in approach? Has the Government used these effectively? • What is the degree of political competition on this issue? Has the Government responded productively to this? • Have long-term policy proposals been agreed while in opposition, and is the party committed to these? | | | | | |
| Capability | <p>Does the Government have the capability to identify issues early and begin to plan effectively for long-term focus?</p> <ul style="list-style-type: none"> • Has the Government looked externally to bolster its capability to do its early thinking? | | | | | |
| Vision | <p>Has the Government clearly defined the problem and articulated the overall change it wants to see?</p> <ul style="list-style-type: none"> • Is it clear who is being targeted? • Is there consistency in how the problem is being defined, and is this definition shared by others outside government? • Is the Government’s vision too precise for a period when the strategy has not yet been outlined? | | | | | |
| Alignment | <p>How has the Government engaged with agenda-setting third parties?</p> <ul style="list-style-type: none"> • Do these groups feel valued, and are they invested in the Government’s agenda? • Have these groups bought into the overarching vision? • Has the Government looked to harness international agendas to meet domestic ambitions? | | | | | |

Phase 2: Building blocks assessment

| | Questions to consider | | | | | Notes |
|---------------------|---|--|--|--|--|-------|
| Politics | <p>Have politicians set out the solution to the problem, and clearly articulated how they think that this will work?</p> <ul style="list-style-type: none"> • Is it clear who politicians have delegated this to? • Have they provided these officials with enough licence to set a new agenda? | | | | | |
| Vision | <p>Has the Government translated its broad ambition into specific targets and goals?</p> <ul style="list-style-type: none"> • Do these targets adequately signal the Government’s ambition and vision to others? Do others agree with them? • Will these targets allow the Government and others to track progress? • Do these goals strike a balance between ambition and feasibility? • Is there a timeline and process for targets to be revisited and new goals to be set? | | | | | |
| Institutions | <p>Has the Government created effective institutions to own, manage or support its long-term policy?</p> <ul style="list-style-type: none"> • Was there a clear business case for doing so? • Is this an adequate response to an existing institutional failing? • Has the Government created a watchdog? Does it have a clear remit? Does its structure allow it to maintain its independence? | | | | | |
| Capability | <p>Does the Government have the right capability in place – analytical, technical, leadership – to create a credible, deliverable strategy?</p> <ul style="list-style-type: none"> • Does the long-term policy have strong analytical foundations? • Is the new approach being led by leaders who can work within the system in new, different and disruptive ways? | | | | | |

Phase 3: Embedding assessment

| | Questions to consider | | | | | Notes |
|---------------------|--|--|--|--|--|-------|
| Politics | <p>Would the policy/approach survive the transition to a new government?</p> <ul style="list-style-type: none"> • Have opposition parties committed to maintaining focus on this issue? • Is this now an area of political consensus? | | | | | |
| Vision | <p>Is the Government still committed to the goals/targets that it has set?</p> <ul style="list-style-type: none"> • Have contextual changes affected the appropriateness of these goals/targets? • Is there a timetable for reassessing the Government's goals and/or opportunities for the Government to recommit to the strategy? | | | | | |
| Institutions | <p>How well has the Government handled the transition to an institution(s) that can manage focus over the long term?</p> <ul style="list-style-type: none"> • Does the institution(s) with lasting responsibility for maintaining focus have sufficient political capital to do so? • Has the 'mainstreaming' of a special unit led to a decline in focus? | | | | | |
| Capability | <p>Does the Government have the right capability in place – analytical, technical, leadership – to maintain the strategy over the long term?</p> <ul style="list-style-type: none"> • Do the officials entrusted with long-term delivery have sufficient authority? • Has the Government built a shared and uncontested evidence base? • Does the policy benefit from certain/ring-fenced resources? | | | | | |
| Alignment | <p>Has the Government built a wide constituency of support for the long-term policy?</p> <ul style="list-style-type: none"> • Are businesses and non-governmental organisations invested in the Government's approach? • Do the efforts of international partners push in the same direction as the Government's? | | | | | |

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All views, along with any inaccuracies, errors or omissions are those of the authors.

About the authors

Oliver Illott joined the Institute for Government in 2015, after working for the Shadow energy team in Parliament. He has previously worked in the House of Lords and in public sector public relations. Oliver graduated from the University of Cambridge with a degree in English.

Joe Randall was a senior researcher at the Institute until October 2016. He joined as a researcher in 2013 and managed the Institute's work on decentralisation in England. He also worked on Whitehall Monitor – the Institute's data journalism project. Joe was the Programme Manager for the Institute's Connecting Policy with Practice programme and also contributed to the organisation's work on the UK's national devolution settlement after the 2014 Scottish independence referendum.

Alex Bleasdale worked at the Institute between September 2015 and August 2016, researching both digital government and strategic focus.

Emma Norris joined the Institute in July 2012 and has led work on effective policy making and implementation, and ministerial development. Prior to joining the Institute, Emma was an Associate Director in the RSA's public policy team, working on a range of issues, including public service reform, social exclusion and governance. She has also worked on social policy as a Research Fellow at the Institute for Public Policy Research, and she is a former President of Oxford University's Student Union. Emma has been a commentator both in print and on the radio, for outlets including *The Guardian*, the *Today* programme, *Sky News* and *Civil Service World*.

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2 Carlton Gardens
London
SW1Y 5AA

Tel: +44 (0) 20 7747 0400

Fax: +44 (0) 20 7766 0700

Email: enquiries@instituteforgovernment.org.uk

Web: www.instituteforgovernment.org.uk

Twitter: @instituteforgov