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Targeting sustainability

A review of the UK Government's
outcome delivery plans

January 2022

Briefing Paper | Richard McNeill Douglas

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**Targeting sustainability—A review of the UK Government’s
outcome delivery plans**

Briefing Paper for the All-Party Parliamentary Group on Limits to
Growth, by Richard McNeill Douglas, January 2022

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Summary

Introduction

In July 2021 the UK Government introduced a new system of outcome delivery plans (ODPs), designed to improve its focus on the delivery of key national priorities. This briefing examines this initial collection of ODPs, and holds it up to the findings of previous research on good practice—especially relating to the environment and wellbeing (sustainable prosperity) agenda.

Key findings

- The pursuit of economic (GDP) growth is embedded at the heart of the ODP regime overall. There is no acknowledgement that this may be unsustainable in itself or conflict with other objectives.
- The emphasis in these ODPs on cross-cutting priorities is positive, but questions remain about how this will work in practice.
- There is evidence of environmental and wellbeing objectives being widely reflected in departmental programmes, though this falls far short of adding up to a coherent vision.
- Both objectives and performance metrics are often framed too broadly to be effective as tools of either management or accountability.
- The presentation of performance metrics often appears to be inadequate to enable Parliament and the public to gauge the Government's progress towards its promised outcomes.
- Plans are still inwardly-focused, although there are interesting signs of new thought about citizen experience and engagement.
- There is significant room for improvement, but these are early days for ODPs, and there are some very promising features to build on.

Recommendations

To avoid wider priorities being undermined by a pursuit of unsustainable growth

1. HM Treasury should consult on the design of a metric of sustainable wellbeing to replace GDP growth as one of its key performance measures.
2. The Cabinet Office and HM Treasury should work towards developing ODPs which aim to calculate the net effects of conflicting policies on different priorities (for example, reflecting the negative impacts of road-building investment on air quality and climate change objectives).

To increase focus on the highest priorities, including the UK's carbon reduction commitments

3. For the next annual iteration of ODPs in 2022, the Cabinet Office should set out a high-level outcome delivery plan for HM Government overall, identifying a short list of the Government's highest overarching priorities with related performance metrics. This should include a clear presentation of the UK's carbon budgets and progress towards net zero.

To increase transparency and effectiveness of scrutiny

4. The Cabinet Office should provide parliamentary committees with access to the full plans underlying the published set of ODPs, as required. Further, it should develop interactive versions of ODPs that allow external users to explore the full range of a department's published statistics.

To enhance an overall focus on sustainable prosperity

5. The Cabinet Office, working together with Defra and BEIS, should develop one overall sustainability dashboard, pulling together all of the Government's most important targets and commitments on the environmental and wellbeing policy agendas.

To improve engagement and insight into what citizens want from policy, and what parliamentarians want from ODPs

6. The Cabinet Office should consult select committees (for example, via the Liaison Committee) on the content and design of the Government's ODPs, and strive to revise them in time for next year's iteration of plans. The Cabinet Office and HM Treasury should publish more of the research the Government has developed on what actually delivers the outcomes citizens want, and demonstrate how it has engaged with the public to generate this knowledge.

To improve the meaningfulness of performance metrics, and help observers tell, not only if progress is being made, but if sufficient progress is being made, sufficiently quickly

7. The Cabinet Office should ensure that all ODPs present performance metrics together with the targets for which the department is aiming, along with the interim milestones and pathways required to get there.

Introduction: A new opportunity to deliver on sustainable prosperity

In July 2021 the UK Government introduced a new performance management system, designed to improve its focus on the delivery of key national priorities. New outcome delivery plans (ODPs) set out the main priorities for each government department, aiming to bring together the outcomes the Government wants to achieve, the policies it is using to achieve them, and the metrics it is using to measure progress.¹

This system creates a new opportunity for the Government to improve the effectiveness of its actions—and for Parliament, the press, and the public to hold it to account for the delivery of what ministers have promised they would achieve.

Cross-government focus on sustainable prosperity

Notably, this new regime of ODPs devotes attention to cross-government priorities which span the responsibilities of individual departments. This, plus the fact that even the plans of individual departments have all been developed and launched together, is of particular significance to the issues of environmental sustainability and human wellbeing.

First, it is well-established that, in many countries, environment ministries tend to lack real influence when it comes to deciding government priorities.² Where a government's environmental commitments are all owned or led by its environment ministry, there is always the potential for this agenda to be marginalised by the more powerful finance ministry (the Treasury in the UK), and the overriding priority it tends to give to the pursuit of economic growth.

Second, to deliver overarching environmental objectives—notably the UK's legal commitment to achieve net zero greenhouse gas emissions by 2050—will require transformations in every sector of the economy, and thus a truly cross-government effort.³ Equally, to foster the conditions for collective wellbeing will often mean taking into account the interactions between different policy agendas and agencies. As one example, prolonged and regular access to 'natural environments' (such as parks, woodlands, and beaches) is associated with improved mental and physical health.⁴ In this way, environmental management, urban planning, sustainable transport, physical health, employment (providing opportunities to work in nature, and the opportunities to spend leisure time within it), and the boost to wellbeing and productivity arising from good mental health—all are connected.

Bringing all of the Government's priorities and measures of progress together into one visible system thus offers the potential not only to make the delivery of policy more effective, but to make it more joined up and thus able coherently to implement strategies for sustainability and wellbeing.

Putting this new regime to the test

But this is not the first time the Government has adopted an overall system of priorities and targets. Previous systems have come and gone, some ending in disappointment after being launched with great fanfare. Just because this new system has the potential to improve the quality and effectiveness of government intervention does not mean things will necessarily work out like that. A range of reviews have identified lessons which the Government ought to be heeding in its development of ODPs.

If they are not done well, the risk is that published ODPs will essentially fulfil the role of promotional material—publications whose purpose is to put departments in a good light by selectively highlighting policies and metrics that convey an impression of activity and progress, but do not add up to a 'warts and all' picture of whether government objectives are likely to be delivered.

Evidence on the collaborative development of performance indicators

The APPG on Limits to Growth (the APPG) has previously taken evidence and published recommendations on a core component of regimes such as these new outcome delivery plans: the use of performance indicators to measure progress in the delivery of sustainability objectives (see Annex 1 for more details). Drawing on such research, the APPG wrote in August 2021 to the then Cabinet Office Minister, Michael Gove, with recommendations on how to embed the latest thinking on sustainable prosperity in its cross-government planning.⁵ This briefing further draws on these insights to review and make recommendations for the improvement of this first iteration of outcome delivery plans.

How this briefing is structured

This briefing scrutinises the Government's new system of outcome delivery plans, holding it up to the APPG's previous research and recommendations on good practice:

- Section 1 reviews Whitehall's three previous performance management regimes, summarising key themes in critical reviews made of them.
- Section 2 presents an overview of the new system of outcome delivery plans.

- Section 3 discusses the strengths and weaknesses of ODPs in the light of recognised good practice.
- Finally, section 4 presents a set of key recommendations on the design and scrutiny of ODPs.

1: Getting a grip on government policy: past attempts in the UK

This is not the first time the Government has introduced a system of departmental targets and indicators. In fact, it has been a feature of British public administration that performance management systems have come and gone, in contrast to other countries which have succeeded in consistently operating performance regimes over a long period.⁶ Most recently (in 2016) the Government introduced a regime of single departmental plans, which aimed to link each department's objectives, policies, and metrics of progress.

Single departmental plans (and previous iterations of performance management system) have been subject to numerous reviews by bodies such as House of Commons select committees, the National Audit Office (NAO), and the Institute for Government (IfG) (see Annex 2 for more details). Reviewing these commentaries, certain repeated themes emerge:

- **Government departments have not been good enough at monitoring and reporting on progress in meeting high-level commitments to sustainable prosperity.** The UK has adopted a number of impressive national targets for mitigating climate change and improving quality of life. But too often departments have not translated these targets into policies that would fully deliver the scale or pace of change required. Meanwhile, the reporting of progress in meeting these targets—for example, the Sustainable Development Goals—has been piecemeal and patchy.
- **The UK Government has a track record of inconsistency when it comes to its performance measurement systems, undermining public accountability.** Systems have come and gone as they fail to live up to the promises made for them when they were launched, or as they have lost key political sponsors. Letting whole systems atrophy before launching an entirely new version impairs public accountability for the delivery of vitally important commitments on sustainable prosperity. Given such commitments (e.g. net zero, 25 Year Environment Plan, the Sustainable Development Goals) tend to be both of

national importance and to run far beyond the lifetime of particular governments, it would aid the longevity and effectiveness of related performance management systems if these were to be developed and overhauled in greater partnership between the Government of the day and Parliament.

- **The UK's performance management systems have over the past decade suffered from a lack of strategic focus.** Single departmental plans were notable for featuring a myriad of objectives; but as the IfG noted, if everything is a priority, then nothing is.⁷ Across government each departmental plan was presented as being of equal importance, and within each plan, every objective and policy was similarly presented as having equal weight. There was not a clear sense of the Government's starting with a cross-departmental vision of overarching national priorities, which were then broken down into departmental responsibilities to manage and report on. Nor was there a convincing medium for managing and reporting the delivery of objectives that required genuine cross-departmental working.
- **Performance indicators have often been inadequate to illustrate the extent of progress.** Single departmental plans at least sought to bring together priorities (the outcomes departments wanted to achieve), inputs (the policies and resources intended to bring those outcomes about), and metrics (the indicators to illustrate whether departments were on track to deliver). However, the fit between these elements was often unclear: frequently they would brigade together some policies that were relevant to an objective, but it was far from clear that these policies would be sufficient to actually deliver it. Meanwhile, metrics might report some relevant data, but without reporting against interim milestones and pathways, it was often not possible for observers to use them to gauge whether departments were on track to deliver.

2: What are outcome delivery plans?

The Government began developing a new regime of outcome delivery plans (ODPs) for use in its 2020 Spending Review, a report on which was published by HM Treasury in December 2020.⁸ The first public announcement of ODPs was made in March 2021 in a joint letter from the Treasury and Cabinet Office to the Public Accounts Committee (PAC).⁹ This was in response to a PAC recommendation that the Government show how the previous regime of single departmental plans was influencing its planning to deliver long-term, sustainable value for money.¹⁰ Summary versions¹¹ of each department's ODP were then published in July 2021.¹²

Taking these sources together, a number of points emerge as the standout features of this new regime and what the Government is seeking to achieve through it (Box 1).

3: How do outcome delivery plans measure up?

Drawing on the findings and recommendations made by the APPG and other observers (see Annexes), I identify the following key issues:

The pursuit of economic (GDP) growth is embedded at the heart of the ODP regime overall. There is no acknowledgement that this may be unsustainable in itself or conflict with other objectives.

- Economic growth is central to HM Treasury's ODP. All of the Treasury's priority outcomes (placing public finances on a sustainable footing, levelling up the economy, and ensuring the stability of the financial system) are supported by performance metrics that expressly or implicitly require growth in the UK's Gross Domestic Product (GDP). Given the Treasury's pre-eminence among departments (and joint lead, with the Cabinet Office, over the ODPs as a whole), this sets a clear signal to all departments that growth is to be treated as the Government's overarching priority.

Box 1: Outcome delivery plans: key features

- A focus on outcomes for, and accountability to, the citizens of the UK. The Treasury is clear that 'the success of spending decisions is measured by their impact on people's daily lives', and that departmental ODPs mean 'Citizens will be able to track government performance against finalised outcomes through public reporting'.¹³
- An emphasis on inter-departmental work to tackle complex issues that require a cross-cutting approach. The Treasury has recognised that 'many policy challenges require cooperation across multiple departments' and thus 'the government needs to break down silos and maximise cross-public sector coordination and collaboration'.¹⁴ Accordingly, the Government has agreed 16 cross-cutting priorities, which are reflected within the individual ODPs of those departments which share accountability for them.¹⁵
- A shorter lists of priorities. As part of a renewed emphasis on achieving outcomes, each ODP is now focused around three to four priorities, which aim to capture the Government's long-term policy objectives.¹⁶
- A commitment to policy evaluation. As part of its creation of ODPs, the Government is placing greater emphasis on high-quality evaluation of departmental policies, and promising to learn lessons from 'what truly delivers outcomes for citizens' in its future policy designs.¹⁷
- A greater focus on, and accountability for, delivery of objectives within government. ODPs are intended to require each department to more thoroughly consider the costs and challenges of their objectives, and to assess these demands together with their capacity to meet them, in order to ensure their delivery plans are realistic. In addition, the Government intends there to be greater scrutiny of departments' performance against their plans by the Treasury and Cabinet Office.¹⁸

- The prioritisation of economic growth is further suggested by the scant coverage in the Treasury’s ODP of environmental objectives. While it mentions supporting a ‘green economic recovery’ and ‘transition to net zero’, these are fleeting references, presented as being incidental to the Treasury’s three priority outcomes. No details are provided as to what environmental goals the Treasury is working towards or how its performance should be measured.¹⁹
- One of the main performance metrics in the Treasury’s ODP is ‘Gross Domestic Product (GDP) growth’. This is presented uncritically as an obvious good: there is no attempt to address arguments which criticise GDP as a measure of progress, or which question the ongoing compatibility of GDP growth and the achievement of the UK’s carbon reduction commitments.
- The emphasis on economic growth runs through other ODPs as well. Notably, the Department for Education’s number one priority is to ‘Drive economic growth through improving the skills pipeline, levelling up productivity and supporting people to work.’²⁰ This kind of framing sends a message to civil servants across Whitehall to look favourably on policy proposals that are advertised as boosting growth, and to be critical of proposals that it is argued would hamper growth.
- A truly integrated review of the Government’s programme would seek to gauge the net impacts of simultaneously pursuing objectives, such as promoting economic growth and protecting the environment, that were potentially in conflict with each other. These potential tensions are left unaddressed by this iteration of ODPs. For example:
 - The Department for Business, Energy & Industrial Strategy (BEIS) has four overarching priorities. Priority #2 is ‘Tackle climate change’, while priority #4 is ‘Back long-term growth’. There is no sign within this ODP of any consideration that achieving one objective might make the other harder to achieve, nor how such conflicts might be reconciled.
 - Alongside its priorities to secure free trade agreements and to deliver economic growth, the Department for International Trade (DIT) refers to furthering trade in low carbon goods. It does not, however, indicate any attempt to assess the net contributions of its policies as a whole to the UK’s carbon reduction commitments or other environmental objectives. Notably, there are no references to sustainable agriculture, and no objectives held jointly with Defra.

The emphasis on cross-cutting priorities is positive, but questions remain about how this will work in practice.

- In this first set of ODPs the Government has chosen to assign each cross-cutting objective to an individual lead department, with other departments listed as contributors. The Government needs to show how it will overcome the difficulty observed when a similar approach was taken with public service agreements, where contributing departments did not in practice engage as fully regarding those objectives over which they did not feel ownership.
- Presentationally, the new ODP regime does not make a feature of its cross-cutting objectives: they are not listed as a distinct collection, but instead all listed within the ODPs of individual departments. Crucially, this presentation does not clearly set out the four or five most important priorities of the Government as a whole; all of the objectives contained within the 19 departmental ODPs are presented as though carrying the same weight. This seems at odds with the overriding importance and complexity of the UK’s commitment to achieve net zero, in particular.

There is evidence of environmental and wellbeing objectives being widely reflected in departmental programmes, though this falls far short of adding up to a coherent vision.

- Several departments have explicit objectives relating to the environment: for example, the objective to ‘Tackle climate change: reduce UK greenhouse gas emissions to net zero by 2050’, led by BEIS, is shared with the Department for Environment, Food and Rural Affairs (Defra), Department for Transport (DfT), Ministry of Housing, Communities & Local Government (MHCLG; while this department has now been renamed the Department for Levelling Up, Housing and Communities (DLUHC), its former title is still used in these extant ODPs), and HM Treasury.
- At the same time, sustainability objectives within ODPs do not appear to be harmonised well with wider commitments. For example, while Defra refers to the Government’s 25 Year Environment Plan (25YEP) in its ODP, it does not clearly set out how the objectives in its ODP link with the 25YEP’s 10 overarching targets.
- Similarly, while the Sustainable Development Goals (SDGs) are widely referred to throughout departmental ODPs, the performance indicators within ODPs do not clearly map across to particular SDGs—and no indicators at all are displayed on the one central webpage where the Government’s SDG commitments are all gathered together in one place.²¹ This

disjuncture would make it difficult for observers to use this performance regime to judge how well the UK is meeting its SDG commitments.

Both objectives and performance metrics are often framed too broadly to be effective as tools of either management or accountability.

- Defra's ODP includes a number of air quality statistics as performance indicators against its objective to 'Improve the environment through cleaner air and water, minimised waste, and thriving plants and terrestrial and marine wildlife'. However, because both this objective and the performance indicators are set at the aggregate level of the UK as a whole, the ODP does not provide any focus on local hotspots for pollution.²² It thus provides limited accountability for environmental quality as actually experienced by local communities.
- Another important example concerns MHCLG's objective for 'More, better quality, safer, greener and more affordable homes'. MHCLG is reporting eight performance indicators against this, but only one ('Number of Energy Performance Certificates created') relates to the 'greener' component of this objective. The ODP does not provide any guidance on the weighting to be given to this component and its indicator, meaning it is unclear how its reporting will differentiate its performance in delivering 'greener' as distinct from 'more' homes. Under its list of policies by which it aims to deliver this objective, MHCLG does include the Future Homes Standard, which is designed to improve environmental standards of all new homes—though it remains to be seen how effective this will prove in practice.²³ Nor does the ODP provide any details of how performance in reducing the emissions from the existing housing stock should be judged.

The presentation of performance metrics often appears to be inadequate to enable Parliament and the public to gauge the Government's progress towards its promised outcomes.

- ODPs continue a trait of the single departmental plans they have replaced, in presenting isolated metrics of recent past performance as indicators of future success in achieving a certain objective. On its own, such presentation is inadequate: what is missing is a department's depiction of what 'good' looks like. In order to make such metrics really meaningful as performance indicators, the data needs to be presented with milestones and pathways towards a future target, so that parliamentarians and the public can judge if a department is *on schedule to deliver*, or if extra actions are still required.
- This is most apparent in the case of BEIS, which

illustrates progress towards its objective of tackling climate change with indicators such as 'Total UK greenhouse gas emissions'. This indicates the recent direction of travel—i.e. whether emissions produced within the UK are decreasing year on year. But it does not indicate whether they are decreasing fast enough to match the UK's declining carbon budgets, nor whether policies in the pipeline are forecast to deliver the requisite pace of reductions in future years.

Plans are still inwardly-focused, although there are interesting signs of new thought about citizen experience and engagement.

- As in the case of single departmental plans, it appears that the outcome delivery plans published by departments are only summary versions of larger plans that departments use internally. The risk with this approach is that it turns published ODPs essentially into promotional material, whose purpose is to put departments in a good light by selectively highlighting policies and metrics that convey an impression of activity and progress, but do not add up to a 'warts and all' picture of whether government objectives are likely to be delivered.
- In various places ODPs refer to extensive planning and evaluation efforts—precisely the activities that could provide a more detailed picture of departments' progress—going on behind the scenes. For example, the BEIS ODP refers to its evaluation strategy, under which it refers to plans for many net zero proposals, and to its sustainability strategy, which 'will set out our internal plan for how we are going to help deliver key government commitments including the Greening Government Commitments, the Clean Growth Strategy, the 25-year plan to improve the environment, the Ten Point Plan for a Green Industrial Revolution, and achieving net zero carbon emissions by 2050'.²⁴ Not reflecting more of this work within published ODPs themselves necessarily limits their usefulness in making sense of how well departments are going about achieving their objectives.
- At the same time, there are some intriguing signs of an outward-facing turn in these ODPs, in their expressed interest in seeking 'Improved knowledge of what truly delivers outcomes for citizens'.²⁵ This appears to follow from the emphasis on citizen engagement in the Treasury's 2019 Public Value Framework, which has helped to shape the thinking behind the ODPs.²⁶ In terms of the production of these ODPs themselves, however, there appears to have been little thought about engaging the citizens and parliamentarians who might want to use them to understand how the Government is performing.

There is significant room for improvement, but these are early days for ODPs, and there are some very promising features to build on.

- The most promising aspect of this set of outcome delivery plans is that they have been launched with apparent enthusiasm and commitment, from both HM Treasury and the Cabinet Office. This offers the hope that, if they encounter problems and criticism, they will be revised and improved rather than abandoned after only a couple of years.
- Substantively, there is also promise in the way ODPs: make a feature of cross-departmental commitments; their commitment to evaluation; and their interest in citizen engagement and outcomes, underpinned by the systematic review and policy toolkit found in the Public Value Framework.



4: Recommendations

Arising from this analysis, the following recommendations are suggested. These are aimed at ensuring outcome delivery plans embody lessons learned from best practice internationally, as well as previous performance management regimes in the UK:

To avoid wider priorities being undermined by a pursuit of unsustainable growth

1. HM Treasury should consult on the design of a metric of sustainable wellbeing to replace GDP growth as one of its key performance measures.
2. The Cabinet Office and HM Treasury should work towards developing ODPs which aim to calculate the net effects of conflicting policies on different priorities (for example, reflecting the negative impacts of road-building investment on air quality and climate change objectives).

To increase focus on the highest priorities, including the UK's carbon reduction commitments

3. For the next annual iteration of ODPs in 2022, the Cabinet Office should set out a high-level outcome delivery plan for HM Government overall, identifying a short list of the Government's highest overarching priorities with related performance metrics. This should include a clear presentation of the UK's carbon budgets and progress towards net zero.

To increase transparency and effectiveness of scrutiny

4. The Cabinet Office should provide parliamentary committees with access to

the full plans underlying the published set of ODPs, as required. Further, it should develop interactive versions of ODPs that allow external users to explore the full range of a department's published statistics.

To enhance an overall focus on sustainable prosperity

5. The Cabinet Office, working together with Defra and BEIS, should develop one overall sustainability dashboard, pulling together all of the Government's most important targets and commitments on the environmental and wellbeing policy agendas.

To improve engagement and insight into what citizens want from policy, and what parliamentarians want from ODPs

6. The Cabinet Office should consult select committees (for example, via the Liaison Committee) on the content and design of the Government's ODPs, and strive to revise them in time for next year's iteration of plans. The Cabinet Office and HM Treasury should publish more of the research the Government has developed on what actually delivers the outcomes citizens want, and demonstrate how it has engaged with the public to generate this knowledge.

To improve the meaningfulness of performance metrics, and help observers tell, not only if progress is being made, but if sufficient progress is being made, sufficiently quickly

7. The Cabinet Office should ensure that all ODPs present performance metrics together with the targets for which the department is aiming, along with the interim milestones and pathways required to get there.

Annex 1: Good practice approaches to measuring sustainable prosperity

Measuring Prosperity

In 2019 the Centre for the Understanding of Sustainable Prosperity (CUSP) published research on best practice on using indicators of sustainable prosperity, focusing on examples from around the world such as New Zealand's Living Standards Framework (NZ LSF).²⁷

This research paper made a distinction between indicator systems based on their overarching purpose: are they there to inform government decision-making, or to change hearts and minds (of both policy-makers and the public)?

Concentrating on those systems that function as an aid to decision-making (as most relevant to outcome delivery plans), this research concluded:

- **Disaggregated indicators:** For systems to support detailed policy-making, they suit disaggregated indicators—i.e. reporting of data against individual, specific measures. These may be accompanied by a dashboard that summarises progress in each of them, but not replaced by aggregated measures which seek to represent the net progress across a basket of measures with a single metric. Disaggregation of performance measures is important in allowing decision-makers, and those scrutinising them, to focus on the impacts of individual policy measures.
- **End-user involvement:** Research shows that beliefs and expectations of the end-users of indicator systems can sometimes have a greater impact on their use than any technical characteristics of the indicators themselves. This highlights the importance of involving end-users (in the context of ODPs, this would be ministers, civil servants, and parliamentarians and the staff that assist who their scrutiny) in the development of indicators.
- **Political support:** The political conditions in which indicators are deployed can either serve to enable their influence, or to hinder it. The NZ LSF is a particularly important example: its development was driven primarily by the chief economist over the course of 10 years. This support was re-doubled when the new government took office in 2017. The complementary support of high-level civil servants and enthusiastic ministers gave the framework the traction it needed to be properly embedded in treasury budgetary processes.

Wellbeing Matters

Drawing on CUSP's research paper, in 2020 this APPG published a briefing paper which made recommendations on the use of new indicators to measure the impact of government policy on sustainable prosperity.²⁸ It argued, not only for the use of such indicators, but for them to be instituted with the clear purpose of influencing government policy: towards achieving societal wellbeing, rather than the narrow pursuit of GDP growth. It recommended that the Government:

- **Make a determined effort to develop new measures of societal wellbeing and sustainable prosperity.**
- **Lead a full integration of these measures into central and local government decision-making processes.**
- **Align regulatory, fiscal and monetary policy with the aims of achieving a sustainable and inclusive wellbeing economy.**

Rebuilding Prosperity

In 2021 the APPG heard evidence from UCL's Institute for Global Prosperity on their work to develop citizen-led indicators of sustainable prosperity.²⁹

Working with a team of citizen social scientists and community organisations, the IGP carried out research with hundreds of people living in east London to understand what prosperity means to them.

Key among these were: secure livelihoods, access to key public services, good quality and genuinely affordable homes, and a sense of inclusion. Prosperity was also affected by other factors: rewarding work, lifelong learning, having a voice in society, being part of the community, being in good health and having a healthy environment to live in, personal freedoms and hope for the future.

In the IGP's London-based project, a set of 32 headline indicators (constructed from new household survey data or from secondary data sources) are used to generate a Prosperity Index: this compares levels of prosperity in east London neighbourhoods to the average for London.³⁰

Annex 2: Previous performance management systems used by the UK Government

New Labour: Public service agreements (1998)

In the late 1990s New Labour introduced public service agreements (PSAs), supported by hundreds of detailed performance indicators. These became more influential within government after the 2001 election, when the new Prime Minister's Delivery Unit focused on a selection of the Government's high-priority PSAs, based on Labour's 2001 manifesto commitments. In 2007 they were reorganised around 30 overarching priorities, with new mechanisms for focusing on the deliver of cross-departmental policies. This ambitious reform encountered some difficulties in governance: in practice, departmental leaders tended not to prioritise cross-cutting objectives to which they were seen as merely contributors, rather than being responsible for either their success or failure. A repeated criticism of PSAs was that they were top-down and prescriptive, which could lead to perverse incentives for public bodies to 'game' the system. The senior civil service was generally convinced of their effectiveness, however, and they were emulated in several other countries. Soon after taking office in 2010 the Coalition scrapped it, viewing PSAs as imposing an onerous bureaucratic burden on departments.³¹

The Coalition: Departmental business plans (2010)

The Coalition introduced a new system of slimmed-down departmental business plans in 2010. These focused on short-term actions rather than long-term outcomes, reflecting the view among ministers that the Government should focus on the delivery of policy inputs for which it was wholly responsible, rather than social impacts which lay beyond its direct control.³² However, this system of departmental business plans fell into disuse before the end of the 2010-15 Parliament. According to the Institute of Government (IfG) they lacked the status or incentives to be taken seriously within government, while the National Audit Office (NAO) observed they significantly reduced the information available for scrutiny by Parliament and the public.³³ Even the then Cabinet Secretary, Sir Jeremy Heywood, despaired of how ineffective they were as an instrument to chase departments on their progress.³⁴

Conservatives: Single departmental plans (2016)

In 2016 the Conservative Government introduced another new system: single departmental plans (SDPs). These sought to align policy inputs with a renewed focus on the objectives that departments were seeking to achieve. They also aimed to identify the resources available to each department in implementing these policies, so as to 'put the "what" and the "how" together in a single document for the first time in Whitehall'.³⁵ Finally, they aimed to report key metrics of progress to enable Parliament and the 'armchair auditor' to assess performance. In practice, the NAO found that departments were weak at setting out the relationship between inputs, outputs and outcomes, creating the 'risk of making unachievable commitments and failing to see when they are off-track'.³⁶ Among its recommendations, the NAO was clear that departments should publish metrics that enabled people to judge how well they were performing in achieving their objectives.³⁷ For its part, the IfG found that departments listed so many priorities that the effect was to confuse rather than focus their efforts, with many being too vague for anyone to assess whether they were going to be delivered or not.³⁸ The Public Accounts Committee criticised the Government for only publishing summary versions of SDPs, with the stressing the contrast with Canada, which publishes an [interactive version](#) of its departmental plans, allowing for a wide exploration of performance data. The last set of SDPs was published in 2019.³⁹

Cross-cutting environmental targets

In addition to its overall performance management regimes, the Government has also adopted a range of important priorities and metrics on the themes of environmental protection and sustainable prosperity, notably:

- **Climate change:** Under the Climate Change Act 2008 the Government introduced a regime of emissions reduction targets and reporting arrangements, with the independent Committee on Climate Change (CCC) publishing annual reviews on the UK's progress. From 2020 onwards the CCC has begun recommending actions for each department to take in order to help deliver the Government's overall climate change commitments.⁴⁰ Examining the Government's management systems for achieving net zero by 2050, the NAO found in 2020 that the Government had no process for monitoring the progress of its climate mitigation policies on a regular basis, resulting in limited oversight of whether its policies were on course to achieve necessary emissions

reductions. It recommended that the next iteration of single departmental plans should include a cross-government plan for achieving net zero.⁴¹

- **Natural environment:** In 2018 the Government published a 25 Year Environment Plan, with 10 overarching goals, supported by a range of individual policies.⁴² In 2021 the Public Accounts Committee (PAC) published a critical report, finding the Government had still not translated its high-level goals into a clear set of policies, and that it had only established around half (38 out of 66) indicators to measure progress. It also found that the Department for Environment, Food and Rural Affairs (Defra) lacked clout within government, and that departments were not taking environmental impacts into account in spending decisions.⁴³
- **Sustainable Development Goals (SDGs):** In 2015 the Government committed to achieving the UN's 17 Sustainable Development Goals (SDGs) by 2030. In 2017 the Government announced it would not develop a standalone system of indicators to report the UK's progress in meeting the SDGs, but would instead embed them wholly within its system of single departmental plans. At the time the Environmental Audit Committee (EAC) expressed deep scepticism that this would be adequate.⁴⁴ Reviewing progress in 2019, EAC found that while all but one single departmental plan now referenced the SDGs, the policies and metrics within them did not clearly map onto the SDGs' objectives and indicators. This made it difficult to judge whether the Government was succeeding in meeting its SDG commitments.⁴⁵


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