

# Heywood Quarterly

History's lessons

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7th Edition

# Contents

Editor's Letter	3
The progress is real but not irreversible	6
Why pragmatism, not ideology, shaped Britain's approach to the global economic order	13
How to make bureaucracy great again	19
Delivering value through AI in central government	24
What's shaping AI adoption among civil service communicators?	33
Which leaders create lasting change?	37
UKGI: A special blend of public and private	40
What AMR teaches us about policy innovation	45
Round-Up	51

## Editor's Letter

There are several surprising and provocative insights in the recent Heywood Quarterly podcast on public sector leadership, which took as its starting point a fascinating study on failing schools in England. One that stood out to me is that the best headteachers, defined as those most likely to turn round such institutions, are historians by academic training. That's what the data said, at any rate, and it makes sense that those knowledgeable about and inspired by the stories of great men and women who have changed society in the past are themselves more likely to bestow a lasting legacy through their own efforts.

About the same time as we were promoting our own podcast, I was listening to Munira Mirza, a former British political advisor who is currently the Director of Civic Future, lamenting the declining quality of those who hold public office. Part of the problem, she said, is our old friend short-termism, the disproportionate rewards for those who are good at soundbites and the lure of more lucrative professions – but she also blamed the malaise on reading habits. Citing an observation of the late Henry Kissinger, she suggested that few in government these days read history or biography, and that as a result they lack perspective on current events and understanding of the “deep structural trends” which drive societal change.

I hope several of the articles in this issue of the Heywood Quarterly will remind you not to look and plan forward without first looking back.

The opening article by Dame Menna Rawlings, our former Ambassador in Paris, is not just an uplifting account of how a woman from a modest social background scaled the heights of the Foreign Office and continues to have an impact on public life far beyond. Her description of the culture of the diplomatic service in her early days is a reminder that the old “boys' club” world of Whitehall and King Charles Street did not fade away in the 1950s and 1960s, as many of us probably like to imagine, but was still highly recognisable in the late 1980s. Don't miss Menna's sidebar and its assertion that technology has been “genuinely transformative”, flattening hierarchies and bringing embassies and ambassadors out of the shadows to communicate directly with people rather than solely with governments.

History, meanwhile, is front and centre of the second article (pp 13-18) about reshaping the global economic order, the topic of this year's Heywood Fellowship at Blavatnik School of Government, Oxford. Taking better informed policymaking as their underlying message, Martin Fitches and Michael Leger present two case studies – the early years of the League of Nations and the General Agreement on Tariffs and Trade (precursor to the World Trade Organisation) – to demonstrate how a combination of self-interest and pragmatism has lain at the heart of British policy for at least the last century. Martin also shares some useful practical tips on how to get the best out of historians, a topic we will come back to in future editions.

Stephen Webb, in his strikingly headlined article "How to make bureaucracy great again", is more explicit still about the lessons of history, and sounds a warning that without urgent reform in Whitehall those who want to destroy our institutions could prevail over those striving to preserve and improve them. Stephen harks back to what he sees as earlier golden ages of public administration, marked by clarity of strategic purpose, lean operations, an absence of cumbersome processes and a comfortable and constructive working relationship between government and the private sector. "Restoring authority to ministers is part of the story," he writes, "but anyone who loves public service and does not want to see it burnt down needs to recognise the poor state the administrative class has got itself into."

If looking back is one place to find answers, the forward march of artificial intelligence continues to look unstoppable. It may be that many of us are already sated with ministerial statements and ambitions on this topic, but the Heywood Quarterly will continue to welcome constructive and practical contributions on this transformative technology.

Owen Pengelly, a senior executive with technology consultants Gartner, was once a private secretary to Jeremy Heywood and a former Cabinet Office, Treasury and Trade official. In his article on pp 24-32, he brings together all these perspectives to explore how the Government can best extract value from AI, pointing out that it won't be enough to simply put shiny new tools in the hands of civil servants. AI's reach, he argues, will need to extend into the processes and systems on which government runs and to upend settled departmental structures, norms and programmes as part of more radical organisational upheaval.

Whereas Owen's view is at least partly outside-in, Harry Booty's take on AI is research-driven from the inside. A strategic communications professional working for the Welsh Government, Harry set out to investigate the behavioural, social, organisational and professional factors that will either encourage or frustrate AI adoption by his peers. The overall picture (admittedly based on a small sample and a single function) is of a workforce experimenting pragmatically rather than one driven by ideological commitment or generational urge. Do let us know if you see similar or other patterns emerging elsewhere in the Civil Service and if you would like to share your own experience.

In the last few months the UK has been absorbing the recent lessons of history in the shape of the Covid pandemic, a theme touched on at the start of Charles Donald's interesting reflections on his time in charge of UKGI, the Government's in-house corporate finance boutique. UKGI is just 10 years old (though its predecessor components date back further) and Charles' account throws light on a small but influential organisation where corporate bankers, civil servants and ministers wrestle with some of the more complex commercial and financial challenges of our time.

When it comes to challenges, though, there are arguably few bigger than the global fight against Antimicrobial Resistance (AMR). In the last full article of this edition, Professor Dame Sally Davies, UK Special Envoy on AMR, explains how and why the UK has been at the forefront of this campaign and what's required from actors across government – and from our international partners – to keep up the momentum in the years ahead.

Finally, you'll find a short summary of the main takeaways from the leadership podcast on pp 37-39 – do listen, you won't be disappointed! – and our usual round-up of snippets about things you may have missed in recent months relating to government and the public sector.

**Tim Dickson, Editor in Chief.**

## The progress is real but not irreversible

Menna Rawlings reflects on three and a half decades as a diplomat – and on peaks women yet have to scale

When I was eighteen, I completed the Tour du Mont Blanc with a group of school-friends. It was one of my first trips outside the UK, and I was bowled over by the beauty of the Alps – the bright, improbable blue of the sky, the sharp edges of the glacial landscape, the scale of everything. But mostly I remember the long, grinding ascents and the rhythm that kept me going: just put one foot in front of the other. Don't think about the whole trek – all 170km of it. Don't look too far ahead. One step, then another.

It wasn't until the final afternoon in Chamonix, sitting with our boots off in the sunshine, beers in hand, that we paused long enough to reflect on our achievement, to look back and appreciate just how far we had come.

I feel much the same about my 36-year diplomatic career, which ended last summer following four intense years as British Ambassador to France, the first woman in that role. Returning to the UK and entering a different landscape altogether – Cambridge, and my new role as President of Queens' College – has finally given me space to reflect. For decades, I rarely stopped to take stock. There was always the next brief, the next crisis, the next posting. But now, I can look back on a life-long diplomatic journey around the world and absorb the extraordinary nature of it all.

When I joined the Foreign Office in 1989, it still carried the imprint of a world formed centuries earlier. Diplomacy had long been dominated by men who were well-connected, well-educated and very sure of their place in the system. Women had only been fully admitted into the UK Diplomatic Service in the post-war period, with the first female diplomats appointed in 1946. The marriage bar – which forced women to resign when they got hitched – remained in place until 1973.

I thus entered a system caught on the cusp between a bygone era and a period of massive societal change. When I told my grandmother that I wanted to be a diplomat, she said – “Surely you mean a diplomat's wife!” This surprised me, as I had been brought up to believe that opportunities were open to me. After all, we had a female Prime Minister in Margaret Thatcher and a female Head of State (HM The Queen) at the time, so the idea that diplomacy was out of the reach of women felt bizarre. I had no idea that in 1989 we only had two female ambassadors representing Britain overseas.

Stepping into the hallowed halls of the Foreign Office that year was a massive culture shock. Aside from gender, I entered that world from an ordinary

comprehensive school via the London School of Economics, so I had no clue about diplomatic protocol (still not my strongest point!). I was keen to learn but felt deeply unsure of myself, as though everyone else knew the rules of a game I had never been taught.

Recently, I watched a documentary series on the Foreign Office that was broadcast around the time I started my first role. The accents, the all-male meetings, the smoking in offices look more like the 1950s than the late 1980s. Watching it, I understand why I felt so out of place, as a woman from a modest background – a double whammy – and the impact that had on my psyche. Back then, I simply felt inadequate, an imposter trapped in a syndrome that had not yet been invented.

Things changed when I left London. Overseas postings – Brussels, Nairobi, Tel Aviv, Accra – were where I grew into the job. Embassies felt less formal, more human. Working alongside brilliant locally-engaged colleagues, I found a diplomatic culture that valued relationships, creativity and simply getting on with things. I discovered that my natural instincts – curiosity, empathy and a genuine interest in people – were strengths rather than distractions. With few senior women to emulate, I pieced together my own way of being a diplomat, against a world in flux.

Some of my early experiences were difficult. In Brussels, I endured sexual harassment from a senior colleague. In Kenya, I was held up at machete point in Nairobi and later dodged bullets at a polling station. On another trip, a plantation owner turned up uninvited in my bedroom. These days, there are harassment policies and risk assessments in place for all our staff. Thank goodness for that – but I also learned from each tough experience, becoming more resilient and more confident.



Alt text: Keir Starmer and Menna Rawlings walk the streets of Paris, smiling and talking.

There were still hurdles to overcome, as the Foreign Office dragged itself towards the 21st century. When I hit my 30s and my child-bearing years, my partner and I

were unmarried – meaning he was ‘unrecognised’ by the Foreign Office and not entitled to any of the benefits available to spouses. He still tells the story of how our baby daughter and I flew business class to Tel Aviv, while he arrived the next day at the back of a charter flight (reader, this was the year 2000).

When I told the DSWA (Diplomatic Service Wives’ Association – still wives!) that the policy was discriminatory and outdated, the Chairwoman responded that her generation had put up with it, so I was expected to do the same. I started to use my voice more to advocate from within, joining a growing band of women to push for change and more supportive HR policies for women and their families. Change came in fits and starts initially, but the Office started to feel like a different place – a Diplomatic Service that looked more like the country we served, connecting foreign policy with positive outcomes for communities across the UK. Now, around 40% of senior British diplomats are women – a sea-change from those early days.

And there are plenty of ‘diplomums’, juggling work overseas with childcare and issues around spouse employment. My partner and I went on to marry, and had three children who travelled the world with us. That was not always easy, but I’m grateful to have lived in an era when it became possible, for the first time in our history. Finally, women have choices.

Of course, it wasn’t just British society that changed dramatically over the intervening period. The Cold War ended just as I was starting out, reshaping alliances and opening doors that had long seemed sealed, even if some have slammed shut since. China has risen from a distant power to a central force on the global stage. Terrorism, especially after 9/11, changed foreign policy priorities almost overnight. And technology has transformed the pace and nature of diplomacy (see Sidebar). Adaptation became second nature – a professional muscle memory.

Soft power, public engagement and later social media reshaped the job yet again. Authenticity, not artifice, became one of the most effective diplomatic ‘tools’. Turning up as yourself, speaking directly and openly, often achieved more than the most carefully polished communiqué. As Robert Cooper argues in his book, *The Ambassadors*, in diplomacy “empathy and imagination matter as much as clarity and precision. Indeed they matter more. Diplomacy is an art not a science.”

Hear hear. And women, I would dare to suggest, often excel in this modern diplomatic era. We understand that diplomacy is a team sport, founded on collaboration, relationships and inclusive leadership of diverse teams. We are practised at juggling multiple demands. We have deep reserves of resilience, passed down through generations of women who managed more with less. And we can, when required, shake the glitter on the driest of diplomatic gatherings – creating connection on unpromising terrain. When I arrived in Paris in 2021, with diplomatic relations in the doldrums, we leant heavily on soft power, throwing sparkling launch

events for new Bond and Paddington films, which the French found hard to resist! The death of Her Majesty Queen Elizabeth II, loved and revered in France, reminded us of the emotional connection between our two countries, and the enduring nature of our ties.



Menna Rawlings and Brigitte Macron walk hand in hand down the red carpet and towards the Elysee Presidential Palace in Paris for the opening ceremony of the Paris 2024 Olympic Games.

People often ask me what impact the arrival of female diplomats has had on diplomacy and international relations. Not as much as I would have liked, I say, given the turbulence and kinetic change of the last 40 years. Women seem marginalised in a world dominated by strongmen with big guns (and drones), as we watch with horror the events unfolding in the Middle East. But in my more optimistic moments, I know that gender has entered the mainstream of foreign policy, with strong British leadership on issues like Preventing Sexual Violence in Conflict (PSVI), the campaign against female genital mutilation (FGM) and better development outcomes globally for women and girls.

For a moment in 2021, every UK Ambassador in G7 capitals (Paris, Washington, Berlin, Rome, Ottawa, Tokyo) was a woman – a milestone that spoke to a long-awaited shift. As the first female Ambassador in Paris after 36 men, I felt proud to be part of this dynamic. Yet even then I heard whispers in the corridors of power

that the Foreign Office had gone “too far”. Pretty rich, given that globally just 20% of ambassadorships are held by women.

We have seen some striking female leaders on the global stage: Jacinda Ardern, Giorgia Meloni, Ursula von der Leyen and the new Japanese Prime Minister, Sanae Takaichi. But only 29 countries are currently served by a female Head of either State or Government; and at the same rate of change it will take another 130 years for equity to be reached in the highest positions of power. We still have far to go.

So the recent backlash against diversity and inclusion troubles me. A decade ago, diverse representation felt firmly part of the mainstream diplomatic conversation. Now these issues are sometimes dismissed as distractions or political indulgences. That is a mistake. Institutions that stop valuing diversity narrow their field of vision. They lose adaptability. They miss opportunities. The same is true in diplomacy, where relationships, empathy and judgement matter as much as strategy.

So where does this leave us? With the need for vigilance. The progress we have made is real but not irreversible. The UK has often led the way on diversity – for moral reasons, yes, but also for practical ones. A diplomatic service that draws on the full breadth of the country is a stronger, more resilient one, better able to connect to the local communities that we serve. We should not take that for granted.

And a final word to the young women who may read this. You do not need to have everything worked out. You do not need to fit a mould. Don’t wait for perfect confidence – it may never arrive. Use the voice you have now. Support one another. And when the path seems steep or uncertain, remember the lesson I learned on the Mont Blanc trail and carried with me throughout my career: take the next step. The rest will reveal itself.

### Sidebar: Tech and Diplomacy

Recently, I was sitting on a train from Blackheath to London Bridge, gazing at the London skyline. An elderly couple next to me were doing the same, commenting in awed tones on Canary Wharf and the city beyond. “I can’t believe all this change has happened in our lifetime,” the woman said.

I often feel the same about technology.

To have worked internationally over four decades is to have witnessed an extraordinary transformation. The impact may be less visually dramatic than London’s skyscrapers, but it has been more profound in how it has reshaped our

world. Keeping up has sometimes felt like running for a bus that has just pulled away.

“What’s a fax?” I remember asking my Dad in the mid-1980s, mystified as we drove past a garage advertising ‘Send your fax here!’ “What’s an app?” I asked my husband in 2008, reading about how they would transform our phones and our lives. “What’s Twitter?” I asked a Foreign Office colleague around the same time, as diplomats began to explore social media.

For diplomacy, technology has been genuinely transformative. Embassies and ambassadors have been brought out of the shadows, able to communicate directly with people rather than solely with governments. Few have embraced this better than Hiroshi Suzuki, Japan’s Ambassador to the UK, described by the Telegraph as an “adopted national treasure.”

Technology has also flattened hierarchies. In Australia and France, I built relationships with senior politicians and business leaders through social media — including the DM function — far quicker than navigating official channels. WhatsApp exchanges between world leaders are now routine, if not always secure. Some argue this diminishes the role of ambassadors. I see it differently. Our purpose is to enable relationships, not to stand between them.

The implications stretch far beyond new tools. We are more connected than ever and information travels instantly, shrinking geographical distance. Even in Australia, major consular cases sometimes reached the UK media before I heard about them. In the cacophony, long and detailed political or economic analyses carry less weight than when I joined the Service.

Rather, modern diplomacy puts the emphasis on being outward-facing, visible and focused on outcomes. Public diplomacy has been transformed by digital campaigns — on media freedom, preventing sexual violence in conflict and preparing UK citizens in Europe for Brexit, to name just a few. Diplomatic skills have evolved too. Speed, creativity, agility and an entrepreneurial mentality sit alongside — and sometimes ahead of — discretion and caution. There is still a place for deep knowledge and expertise, but artificial intelligence is rapidly challenging even that. Co-pilot helped me to edit this article, a tool I would not have considered a year or two ago.

If diplomacy is to remain relevant, it must anchor itself firmly in human space. That is why I dislike the tendency to steer customers overseas towards voicemail and call centres, rather than allowing direct access to a human being. The real risk is not that technology moves too fast for diplomacy, but that diplomacy moves too slowly for the world it serves. In an increasingly digital age, diplomats must be

visible, empathetic and accountable. That is the human craft at the heart of our profession — and without it, we risk making ourselves obsolete.

**Dame Menna Rawlings is the President of Queens' College, Cambridge, and former British Ambassador to France.**

# Why pragmatism, not ideology, shaped Britain's approach to the global economic order

Martin Fitches and Michael Leger say history teaches important lessons for today's policymakers

We are at a pivotal moment in the reshaping of the global economic order. Uncertainty is high. But it's far from the first time in history that we have lived through such a significant period of flux.

In this article, we demonstrate why history matters and how government officials can learn from the way the UK has navigated out of crises in the past. We will share some reflections on how to get the most out of historical research, as well as recommendations on how policymakers can work most effectively with professional historians.

## UK in the GEO: A potted history

The UK has been instrumental in the creation of the global economic order as we know it today, starting with the expansion of the British Empire in the mid-1600s, followed by the Industrial Revolution one hundred years later and continuing well into the 20th and even 21st centuries. English law and the English language continue to provide the structure for international commerce and serve as the global lingua franca. Thanks to our Special Relationship with the US, we were pivotal in designing the rules and institutions that paved the way for a long period of stable economic growth after the Second World War. Then, the world needed a new way of thinking about how to encourage open trade, how to govern international money and how to rebuild after the disasters of global conflict. Together with Americans, British economists and diplomats led the way in outlining the roles of the International Monetary Fund (IMF), the World Bank, the General Agreement on Tariffs and Trade (GATT) and later the World Trade Organisation (WTO).

The UK's continued role as a global financial hub, strengthened by our participation in the offshore dollar system, meant we were heavily affected by the global financial crash of 2008–09 and therefore played a key leadership role in the G20's response. We have been a core strategic partner of Europe as well as the US. Our membership and influence over the creation of the world's biggest single market – and subsequent decision to leave it – put us at the centre of one of the biggest events shaping the global economic order in recent times.

It is not an exaggeration to say that at key moments the UK has led transformations in the GEO. Now as a middle power, we are witnessing existential challenges to

global economic institutions made for the realities of the 20<sup>th</sup> century, hence the 2025–26 Heywood Fellowship team’s ambition to develop a refreshed UK strategy for navigating the changing global economic order.

In our research so far, we have identified three key lessons from history: that Britain’s approach to the global economic order has always been pragmatic, not ideological, and has changed dramatically over time; that the global economic order is dynamic, and that flexibility and ambiguity are important for success; and that multilateral frameworks should be seen as tools that might not be useful one moment but can become useful later.

The following are two short case studies that bring these lessons to life.

### The League of Nations, the gold standard and preferential trade

The British were key architects in the creation of the League of Nations after the First World War, but they were also among the first to break its rules. The League was established to prevent war and economic coercion and to encourage open trade and the return of the gold standard. The proponents of the League understood that prosperity was necessary for peace, and that international administration and cooperation was crucial to achieve that end.<sup>1</sup> A small group associated with the Liberal Party, called the Bryce Group, was first to flesh out a blueprint for the League during the War: they sent their plan to the US and for five years campaigned for it. Historians have since shown that the plan was not associated with utopianism, idealism or even pacifism, but with realism. Britain, and others, recognised that they needed an international forum through which to prevent the outbreak of another war and to prevent nationalist economic policy.

The economic recovery after the shock of the First World War took much longer than expected. Gradually, the UK broke each of the international rules it had designed. For example, there was immense pressure to return to the gold standard because it was what people associated with the old order. In the end it took the UK six years to get back on the gold standard after the war, and only six years to leave it again. That was because in the Depression its binding nature became an obstacle to stability rather than the hallmark of stability for which many hoped. It hamstrung Ramsay MacDonald’s capacity to respond to domestic social and financial upheaval, encouraging him to abandon the very part of the international order that was previously central to Britain’s empire and the shared commitment to the League of Nations’ peace plans. Britain turned protectionist with the 1932 Import Duties Act, effectively protecting domestic workers and industry from foreign competition. These tariffs catalysed British manufacturing, and by some assessments made the UK the

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<sup>1</sup> P Clavin, ‘The Ben Pimlott Memorial Lecture 2019 – Britain and the Making of Global Order after 1919’.

second fastest growing economy behind Nazi Germany for five years. When push came to shove, Britain strategically pivoted to stay ahead.

For a long time, the League of Nations and its rules were viewed as a failure. More recently, historians have shown that even though its success was short lived, it did lay out a precedent for the IMF to follow. Britain’s economy may have buckled from the constraints it had put on itself in the 1920s, but at least the League left a blueprint for how to build international economic order two decades later.

### The GATT and preferential trade

Britain, we all know, played a key part in establishing the IMF and the World Bank at an international conference in Bretton Woods, New Hampshire, in 1944. What is less well-known is the highly influential role of the British team of negotiators in making the rules of the GATT (the precursor of the World Trade Organisation) more flexible, signed three years later in 1947. The irony of the GATT is that it is famously known to have been responsible for globalising the liberalisation agenda in the second half of the 20th century. Yet at its founding moment, UK representatives were pushing for greater ambiguity and case-by-case interpretation of countries operating in the grey area of trade liberalisation, precisely so that Britain could gradually ease its imperial preferences rather than opening up too quickly and exposing the domestic economy to a sudden shock. The Americans, by contrast, wanted to push for complete and unfettered free trade underpinned by multilateral agreement (see Table 1).

The reason they conceded to the British view was because the economic case for gradualism was well-grounded in evidence and compellingly made by the British representatives: Hugh Dalton, Stafford Cripps and John Maynard Keynes. The British successfully diluted the more simplistic American goal by creating a more flexible multilateral framework. Table 1, which sets out the American pre-negotiating positions and the successful British outcomes, illustrates the point.

Table 1: American compromises on economic principle – 4 key issues

	September 1945 Pre-negotiation positions:	December 1945 Compromises in the Washington Proposals:
Preferences	US: The Americans demanded the abolition of Imperial preferences. VS. UK: The British intended to keep Imperial preferences.	UK position accepted: No demand for an immediate elimination of preferences; Americans also accepted the British charge that reduction in preference margins required considerable US tariff concessions.

Quotas	US: The Americans wanted to eliminate quantitative restrictions. VS. UK: The British supported quotas to help with balance of payments difficulties.	UK position accepted: Exceptions for balance of payments reasons, as the British had demanded.
Cartels	US: The Americans adamantly opposed cartels in principle, because of their damaging effects on competition. VS. UK: The British felt that cartels should not be prohibited, as they provide stability in prices and business conditions.	UK position accepted: Rather than providing strict rules curtailing the practices of cartels, as the State Department had proposed, the planned international trade organisation would investigate any purportedly malignant trusts on a case-by-case basis.
State Trading	US: The Americans wanted to outlaw state trading. VS. UK: The British supported non-discriminatory state traders.	UK position accepted: Americans agreed to permit state trading as long as complete monopolies pledged to buy and sell on a commercial basis.

*Table from James Miller, "Origins of the GATT - British Resistance to American Multilateralism", 2000*

### What the cases tell us

The main lesson of both these cases is that a combination of self-interest and a desire to find mutually beneficial solutions has always lain at the root of UK policy towards the global economic order. Concretely:

1. We have used multilateralism as a means, rather than an end in itself, to achieve our goals. There is often a tendency to interpret our history as a straight line from mercantilist empire to bastion of free trade, but the pendulum between openness and protectionism has often been swinging. The UK has always depended on foreign trading relationships to secure economic stability and on rules and norms to stabilise international trade, but as the League of Nations and GATT examples both show we have also been unafraid of breaking the same rules we created if it's in our economic interest.
2. For international economic orders to work they do require flexibility and exceptions. Even Adam Smith, when critiquing the Navigation Laws in *The Wealth of Nations*, argued for exemptions around national security and moments of transition. Tolerating flexibility and ambiguity in international

economic relations can sometimes be a source of strength, not a failure. In extreme moments, international agreements, particularly those that are too rigid, tend to be overridden by domestic needs and this is as true for Britain as for any other country. Taking economic theory or imposed order to their extremes has never been the British way. The world is dynamic and changing, which means the global economic order and multilateralism is a tool that must be used differently in different periods.

3. Even when old order and rules no longer seem relevant, it is rarely necessary to reinvent the wheel. The seeds sown by the League of Nations were critical to the success of the Bretton Woods institutions. For nearly a decade after it assembled in 1999 in response to the Asian financial crisis, the G20 was helpful but not instrumental; then during the Great Financial Crisis, it proved to be the most effective multilateral tool Britain could deploy in response.

## Bridging historical expertise and policy practice – Martin’s perspective as a civil servant

As an experienced policymaker, I’m embarrassed to admit that I have used history in my policymaking less than I would have liked. Yes, as I embarked on negotiating the UK’s Free Trade Agreement with New Zealand, I had an appreciation for the history of imperial preferences and the impact on New Zealand when we joined the European Economic Community. And yes, as I led our post-Brexit strategy for the World Trade Organisation, I appreciated the role that the UK had played in the creation of the Bretton Woods Institutions and how these institutions had evolved over time. However, my understanding in both instances was partial and had I had a more sophisticated understanding, I believe I could have been more thoughtful and confident, even if it might not have changed my overall strategy and advice to ministers.

Too often, understanding history – particularly over longer time periods – seems obscure and a nice-to-have. The Heywood Fellowship has provided me with the opportunity, including working with a historian on our team, to better appreciate the history of a policy area that I have worked on for 10 years. I can now see the benefits of understanding deep historical perspectives as we design policies for today and the future. At heart, we know that context and perspective are critical for good policymaking. History provides this context.

With this in mind, I want to share a few tips on working with history in policymaking.

1. History can provide us with a frame of reference, insights about the debates going on at the time and the conditions that made a particular policy a

success or not. Importantly, it can help us avoid pitfalls that we've already experienced, though it does not offer quick and easy answers.

2. Translating history into practical application today is a skill. Policymakers and historians often speak different languages, and this can lead to misinterpretation or misunderstandings. Historians can provide expert and detailed accounts of what happened in a particular period or era, but they will not necessarily have thought how this applies to a current policy problem. Extracting lessons requires careful listening and targeted questions.
3. The big challenge for policymakers is how to most effectively and regularly engage academic expertise for pressing policy challenges. In our research we have convened a number of roundtables involving historical experts. Running seminars or workshops can improve understanding and nuance of a period better than reading the literature or conducting a single conversation with a historian. A number of groups work to bring together the historian community and policymakers, notably the History and Policy group at the Institute of Historical Research and Cambridge's new Downing Battcock Institute.

A final word: Jeremy Heywood was a leader in urging the UK to adopt more open policymaking practices by engaging deeply with experts in and outside of Whitehall. At moments like the present, with so much change and uncertainty, open policymaking practices are more vital than ever. We should ground ourselves in history and look to those that came before us to help us chart a path forward.

**Martin Fitches is Visiting Fellow of Practice as part of this year's Heywood Fellowship. He has held a range of senior trade policy roles since Brexit, including as Deputy Director of Multilateral Trade Policy and the WTO, and most recently as Co-Director for US trade policy at the DBT.**

**Michael Leger is Policy Fellow as part of this year's Heywood Fellowship. He is a PhD Candidate in International Political Economy at the University of Cambridge.**

**To understand the wider work of this year's Heywood Fellowship, the team's [first paper](#) sets out the context and diagnosis of the current challenges facing the UK as it navigates the changing global economic order and offers some initial thoughts on how the UK might need to adapt.**

# How to make bureaucracy great again

Stephen Webb argues that we should replicate what we can from the style of administration that worked in earlier centuries

Whitehall is in a beleaguered place. The appointment of Antonia Romeo as the new Cabinet Secretary had barely been announced before Reform spokesman Danny Kruger declared that Romeo's job would be split into three should Reform come to power. This was accompanied by an indictment of the permanent secretary class as "a pool of senior civil servants who have presided over broken Britain".

It might have been easy in the past to dismiss some of this as hostility from a political quarter that has always had a deep suspicion of the Civil Service. But that would be dangerous. Such criticisms have more resonance than we have heard for decades. When asked in a recent poll to choose between "our political and social institutions are worth preserving and improving, not destroying" or "when I think about our political and social institutions, I cannot help thinking 'just let them all burn'", the public only opted for 'preservation' by 62 points to 38. Among those aged 18-24, there was a clear majority for burning it all down.

Condemnation of the failings of the state used to be seen as 'right-coded', driven by paranoia towards the 'deep state' or a distaste in principle for the public sector. But it did not take long for ministers and officials in the current Labour Government to begin making similar complaints about Whitehall's performance and responsiveness.

Much of what has been written in this area fails to explain why the administrative state operates as it does. In recent times, for example, its most dysfunctional aspects like grade inflation and constant job churn can arguably be explained by individuals' perfectly rational responses to civil service reforms championed by both main parties since the 1990s.

For all the enormous leverage a developed bureaucracy can give political leaders, however, the relationship between governments and their officials has never been straightforward. As far back as you look, even to the first ancient empires, there was an inherent tension between rulers and the administrative class, beset by misaligned interests and different time horizons.

At the same time, British people aren't wrong to feel we used to be able to govern far more competently than we do now. Over a range of periods, roles and circumstances, you can find case studies in which the British state has performed remarkable feats: from Thomas Cromwell in the reign of Henry VIII to great 'proto civil servants' like Samuel Pepys, father of the Royal Navy and the administrative

machines supporting ministers like Robert Peel in the Home Office, David Lloyd George delivering the first social insurance and Aneurin Bevan founding the NHS.

Then there's the Admiralty's blockade of French-held ports, direction of fleet movements, and general logistical support for the Navy during the Revolutionary and Napoleonic Wars of the early 19th century, and the great local government reforms of Joseph Chamberlain in Birmingham. Given our current preoccupation with operational delivery and infrastructure, it's salutary to recall the Regency Post Office and the first 'communications revolution' provided by the mail coaches.

Nothing preoccupies critics today as much as our inability to build. Yet during the early build-out of the UK's civil nuclear programme, the UK led the world. In its 18th century struggles with France, that strange and brilliant hybrid organisation the Bank of England was described by Adam Smith as "not an ordinary bank, but a great engine of state."

Citing case studies where the heat of the policy battles has faded makes it easier to set aside our personal prejudices and concentrate on understanding the conditions that made previous achievements possible. For the most interesting questions here are, what is it about the way we governed then that we don't do now, and is it really not possible to return to approaches that bore such fruit in the past?

History offers some common themes. The first is the clarity of purpose that high functioning organisations enjoy. We have a habit of describing government in mechanical terms – the Civil Service as a 'Rolls Royce' (or a less flattering make). The implication is that if we design and build the machine properly, it will serve us well, irrespective of the task. But institutions are composed of humans, with human motivations. Not even the best organised civil service will perform if neglected, subject to constant change or directed at confusing or trivial ends.

It is also striking how little attention great reformers tended to pay to the workings of the administrative system itself. They did not see themselves as 'government reformers' as such, being preoccupied with bigger strategic goals. Typically they would do whatever was necessary to the administrative system to land their immediate strategic aims, with little concern for consistency.

Even the lauded Northcote-Trevelyan reforms and their counterpart, the Pendleton Act in the US, were arguably motivated more by political and cultural factors than by compelling evidence of the failure of the systems they were looking to reform. For all its limpid prose, the Northcote-Trevelyan Report puts forward very little actual evidence for the supposed poor performance of existing departments. Historians vaguely point to the administrative shortcomings demonstrated in the Crimean War. This would be ironic, as one of the main bodies criticised, the Army Commissariat, fell under none other than Charles Trevelyan at the Treasury. Rather, the move to a

strict merit-based system and the end to patronage was a stake demanded and secured by the rising middle classes in the running of the country. Similarly, in the United States, civil service reform was a push back by the WASP classes on the (then) semi-literate Irish, Southern and Eastern European immigrants who were accused of selling their votes to the corrupt party machines in return for jobs.

A second theme is just how much used to be achieved by so few. While the modern Treasury has about 3000 staff, Lloyd George passed the People's Budget with 26. Peel ran the business of most of modern Whitehall from the Home Office with 17. The process of drafting Lloyd George's National Insurance Bill seems astonishing now. Braithwaite, an assistant secretary (deputy director in modern civil service terminology) led the drafting with a single assistant, dealing with a single Parliamentary draftsman and close cooperation with one Treasury official. He dictated drafting instructions on the Bill to a team of typists between 4–8pm and then at home to his wife, finishing on one occasion at 2am. An exercise that would nowadays easily involve 60–100 staff was being carried out by a handful.

Thirdly, the case studies suggest that, at its peak, British administration seemed to strike a balance between recognising the importance of process, for example on appointments by merit and on procurement and audit, but without allowing the processes to become ends in themselves. Lloyd George's civil service combined the first outstanding generation of senior officials who had come up through the exam route with brilliant mavericks like Beveridge, appointed on a more old-fashioned patronage basis. Procurement was characterised by multi-decade contracts, huge degrees of reward for success and an ability to set process aside when the situation demanded it.

Today, in contrast, all the pressure from organisations like the Institute for Government and the good government lobby is to take codification and processes through to their logical conclusion. Perhaps the good working of government resembles our perceptions of the human face. We appreciate growing symmetry but only up to a point – perfect symmetry can even be offputting, just as a fully codified and rules-based system risks stagnation and unresponsiveness.

The final striking difference between then and now is just how comfortable government used to be in conducting operations, building things and striking long-term symbiotic relations with private sector entities. Eighteenth and nineteenth century governments were small, but included large and effective operational arms like Excise, the Post Office and the naval dockyards. These organisations were frequently pioneers in the industrial revolution, as with the first introduction of mass manufacturing techniques in the Navy yards. Chamberlain railed against private ownership of the utilities, while the 19th century Post Office pioneered some extraordinary risk and profit share arrangements impossible to imagine today.

My generation grew up on a diet of New Public Management, of consultancy-driven dogma about government needing to withdraw from operations and acting instead as the 'intelligent customer' with a web of contractual based relationships with the private sector. But once you no longer know how to do something yourself, your ability to be an intelligent customer rapidly decays.

If this is strong meat for some, applying the lessons learned to the problem of administration and setting out remedies may be even harder. Given the critical policy challenges ahead, the trend of recent decades to give power away needs to be reversed. We have seen ministers and Parliament setting policy aspirations in statute, inviting judges to act as arbiters of what is proportionate. Arm's-length bodies have been set up with broad powers in their specific areas, but with neither the political mandate nor the legal duty to take decisions in the round. Critical decisions are increasingly given to independent bodies or overseen by statutory oversight groups, justified by the competence that technical expertise supposedly guarantees but questionably demonstrated by many of these organisations' performance over recent years.

The remedy to this is to bring power home to ministers, restoring the Westminster System which enabled democratically elected governments to make radical change rapidly and taking advantage of a strong but independent civil service. There is a 'cultural cringe' on both the Left and Right towards the US, with its separation of powers and the grandeur of its presidency – but who, looking at the challenges we face now, really wants to replicate the federal gridlock in the UK?

Restoring authority to ministers is part of the story, but anyone who loves public service and does not want to see it burnt down needs to recognise the poor state the administrative class has got into. Few have fully grasped the eye-watering scale of senior and, particularly, middle management grade inflation, while the decay of subject matter expertise is attributable in part to a pay system that is increasingly uncompetitive at senior grades even while the pension costs for the wider service are becoming unsustainable.

A stronger government would actually benefit from a stronger Parliament, too. It is no longer controversial to lament that parliamentary drafting and scrutiny of legislation is not what it used to be. Few are prepared to question whether the Cook modernisation reforms, the Nolan Principles and the growing layers of scrutiny by unelected bodies on standards and expenses are part of the problem, rather than the solution.

Indeed the focus on integrity and ethics, while obviously desirable, would have had a pretty devastating impact on otherwise great figures from history. Pepys' sexual misconduct, corruption around Lloyd George, Bevan perjuring himself in a libel trial, the whiff of political violence around Chamberlain – modern standards of behaviour

would have finished them all off. The only one who would have survived was Peel, which is perhaps why so many of his colleagues thought him a bit of a prig.

Analysing polling in this country and abroad suggests that the crisis of trust in government and politicians has less to do with behaviour than competence, and their ability or even intention to deliver what they had promised. If the system cannot be reformed to enable political leaders to match deeds to promises, we can expect a further groundswell of support for the 'burn it down' option.

**Stephen Webb has worked in senior roles in the UK Civil Service, is Director of Programmes at Fix Britain and writes the [Wallenstein's Camp](#) Substack. His book *Make Bureaucracy Great Again* is due out from Polity Press later this year.**

# Delivering value through AI in central government

Owen Pengelly says civil service leaders need to distinguish between productivity and financial efficiency

How should policymakers view the opportunities and challenges of introducing AI more deeply into the UK Civil Service?

As AI transforms the global economy, the Government has clearly signalled its intention to ensure that the UK unlocks the full potential of this transformative technology. The State of Digital Government Review, for example, identified potential savings and productivity benefits of £45–87b per year (4–7% of total public sector spend), while Re:State's 'AI and the productivity revolution' cites one estimate of £200b in productivity benefits to 2030.

But alongside high expectations in Westminster and Whitehall sits much uncertainty about the speed, nature and impact of the change.

In departments and agencies now deploying generative AI chatbots like Microsoft Copilot and Google Gemini, there is a particular emphasis on AI's anticipated ability to automate administrative or routine tasks, freeing up public servants, especially at lower grades, for 'higher-value' work. The good news is that those at the sharp end consistently report increased job satisfaction and perceived enhanced productivity in evaluations of GenAI deployments. However, eye-catching calculations of the potential to reduce and reallocate the budgets and headcount needed to deliver public services in future years could prove optimistic in the short term.

In this article I will explain why, as well as demonstrating that the best way to harvest significant value for our public sector and meet current ambitions is to extend AI's reach into the processes and systems on which government runs, and to upend settled departmental structures, norms and programmes as part of a more radical organisational upheaval.

**The 'Productivity Leak' – time saved does not equal money saved**

Even as AI becomes an accepted tool in policymaking and the administrative process, translating the benefit of productivity improvements into organisational value that can enhance outcomes, or bear down on budgets, is proving difficult. Productivity gains at the individual level tend to 'leak' away – up to 69% of time saved isn't reapplied to work tasks – in the face of the reality of the modern workplace. That's not to say there is no benefit here – private sector organisations consistently see a rise in employee loyalty, satisfaction and engagement after the

deployment of AI tools, and the same effect is visible in emerging pilot evaluations and people surveys in the Civil Service.<sup>2</sup> But happier, marginally more task-productive people don't free up significant new resources, especially in the comparatively rigid structures of government departments, faced by continually rising demand for more and better services.

The 'J-Curve' work on the impact of general purpose technologies by Eric Brynjolfsson and others provides a wider perspective on the AI challenge.<sup>3</sup> Brynjolfsson holds that ultimately transformative new technologies initially depress productivity due to a combination of critical investment in new infrastructure, the need to redesign the way work gets done, the cost of re-skilling the workforce and the drag of legacy processes and technologies underpinning existing services. Once this technology and skills base is mature, productivity tends to soar.

In the Sixth Edition of Heywood Quarterly (Winter 2025–26) [Professor Anthony Finkelstein](#) eloquently described how the Government will have to surmount what he called the "technology debt" across HMG before it will realise the benefits of AI. Repaying technology debt is insufficient without a broader reconsideration of the operating models of the departments and organisations seeking to realise benefit from AI; the longer this takes, the bigger the risk that AI's productivity gains will fail to break out of the decades-long trend of productivity growth, let alone drive the sharp upward shift set out in the benign 'Singularity' scenario in Figure 1.

### **Figure 1: AI and GDP per capita – which path?**

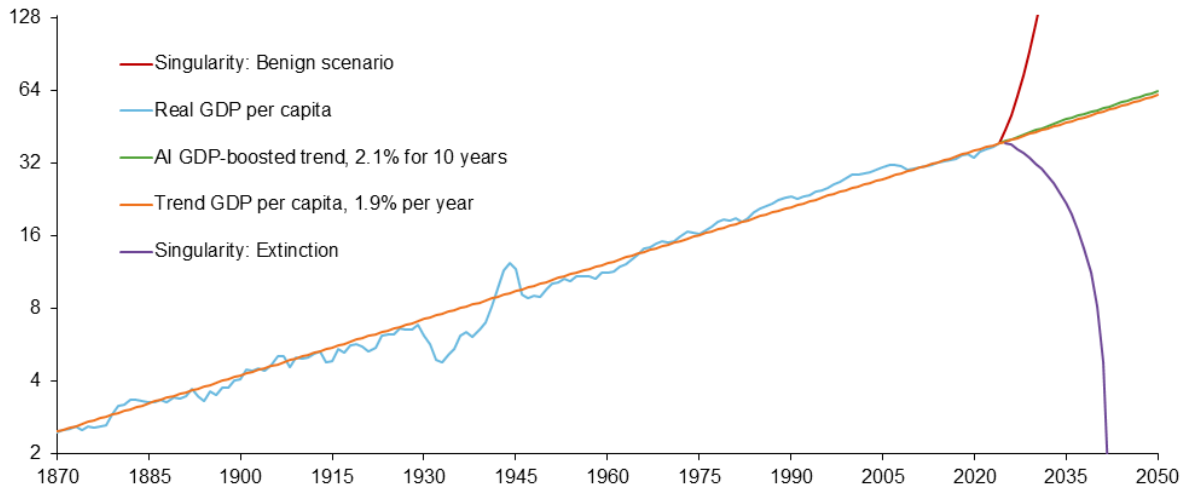
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<sup>2</sup> Government Digital Service, '365 Copilot Experiment: Cross-Government Findings Report', 2 June 2025.

<sup>3</sup> E Brynjolfsson, D Rock, and C Syverson, 'The Productivity J-Curve: How Intangibles Complement General Purpose Technologies', National Bureau of Economic Research, Working Paper 25148, January 2020.

**Chart 1**  
**AI scenarios**

1990 dollars (thousands), log scale



NOTES: The blue line is real gross domestic product (GDP) per capita in 1990 dollars. The orange line is a trend line fitted to the data for 1870-2024 with a trend growth rate of 1.9 percent per year. The red, green and purple lines are hypothetical paths for per capita GDP based on different scenarios.

SOURCES: Bureau of Economic Analysis; Haver Analytics; Macrohstory.net; United Nations; authors' calculations.

Federal Reserve Bank of Dallas

Alt text: A chart titled AI scenarios, which shows GDP per capita trends from 1870 to 2050. Lines depict benign singularity (red, steep rise from around 2021), extinction (purple, eventual decline around 2042), real GDP (blue, slight rise), AI-boosted trend (green, moderate rise), and trend GDP (orange, steady rise), indicating various economic outcomes.

The principal message is that policymakers and operational leaders, as they develop their narrative about the impact of AI on government services, have to distinguish better between productivity (doing more work) and financial efficiency (spending less money).

### Defend, extend, upend

A useful way to think about the kind of value AI can bring to any organisation is to segment AI deployments by type of benefit. “All models are wrong, but some are useful”, as the 20th century British statistician George Box once said, so the ‘Defend, Extend, Upend’ framework developed by Gartner is offered here as one pragmatic way of thinking about those different kinds of AI value. In the next sections I will run through these three broad categories of benefit.

**Figure 2 – Defend, Extend, Upend**

	Defend	Extend	Upend
Ambition	Augment individual productivity to	Transform existing process/team to improve public	Disrupt the organisation and create new

	maintain employee value proposition	service outcome	sources of public value
Expected return	Return on Employee  Improved wellbeing and engagement	Return on Investment  Financial return	Return on Future  Tackle wicked public policy problems
Examples	Administrator productivity, coder productivity	Customer service re-org, transformed claims process	New public service delivery models
Cost per year (USD 2024)	\$500 (per worker)	\$250k to \$5m	\$20m to \$250m+

Source: Gartner

### **Defend – Return on employee**

The Defend part of the Framework essentially describes the opportunities most government departments and organisations are now exploring, and the ways they are trying to help individuals get their jobs done more efficiently. AI tools range from general-purpose generative AI chatbots through more specialist tools like those transforming the practice of software engineering, to very early stage experimentation with ‘AI Agents’ capable of taking action autonomously to achieve specified outcomes. By pursuing this innovation, the Government is seeking to make good on the promise of 2025’s AI Opportunities Action Plan, to ‘mainline’ AI into the veins of the nation.

Evaluations of these tools consistently show that they do save time and result in higher quality work, though there are often interesting discrepancies between observed and perceived time savings. A Gartner study found an average time saving of just under 5–5.4 hours per week across all industries in the private sector. In the public sector a recent evaluation of a Copilot trial within the Department for Work and Pensions (DWP) found an average time saving of nineteen minutes per day across eight routine tasks. These marginal gains are also typically accompanied by a greater sense of employee wellbeing and a reported, if not always measured, sense of increased personal productivity.

However, despite the innate attractiveness of multiplying individual minutes gained by large numbers of civil servants, turning time savings into a harvestable return on investment in AI tools – re-purposable headcount or shrinkable budgets – is very hard. Minutes gained per chatbot user quickly ‘leak’ away into activities ranging from learning about how to use the AI tool, having an extra cup of coffee or a watercooler

chat to focusing on a new task. So rather than Return on Investment (RoI) departments should think about deploying AI tools in this way as RoE – Return on Employee.

Why do we characterise these moves as ‘defensive’? The reality of today’s workplace is that access to AI tools has become a pre-requisite for any modern organisation wishing to attract, and above all retain, scarce talent in an increasingly competitive marketplace for skills. And the Civil Service – unable to compete with the private sector on salary alone – has a particularly acute need to be able to bolster its employee value proposition.

### **Extend – Return on Investment**

To find harvestable – repurposable, if not always narrowly cashable – value in the form of genuine RoI from investment in AI tools, civil service leaders need to extend AI’s reach into the processes and systems on which departments run, and which support interactions between service users and the state. Gartner research shows that Generative AI can improve the productivity of customer service by between 14%–34%. This is wholly different sort of work from the ‘defend’ benefits of AI productivity tools like Copilot and Gemini, and is well-suited to the programmatic rigour and investment appraisal processes of central governments.

Examples include Singapore’s ‘Sense’ capability, which uses AI to optimise the policymaking process, enabling natural language querying of multiple agency data sources using large language models fine-tuned on policy definitions. This has unlocked annual savings of \$800,000 in participating agencies. The Government of Spain, meanwhile, has implemented AI document summarisation and anonymisation of complex legal documentation, thereby allowing the redeployment into higher-value work of staff formerly engaged in manual processing of unstructured information.

Other potential areas where costs can be cut include the use of AI to correct information asymmetries between a department and its key suppliers, especially in the digital domain, to support a commercial re-contracting strategy. AI-catalysed knowledge acquisition lowers the barriers to entry for potential new suppliers as well as equipping senior civil servants with improved levers for negotiation. AI can also improve planning in an organisation’s internal financial processes, bearing down on the need to hold working capital and resulting in better forecasting. This has the potential to be transformative for government entities of all sizes.

### **Upend – Return on the Future**

This third category of AI investment will require a more profound organisational impact than the previous two. To ‘upend’ a business model in the private sector is to fundamentally change the way an organisation operates and thinks: entering new markets, for example, or finding entirely new ways to do business and provide services using insight or other capabilities flowing from investment in AI.

In the UK public sector there are already globally significant organisations pursuing game-changing advanced AI capabilities, like the UK's Advanced Research and Invention Agency (ARIA) and the Alan Turing Institute, the UK's national institute for data science and artificial intelligence. These organisations operate at the cutting edge of research and there is an appreciable gap between their insights and what's needed to develop a practical mechanism for more humdrum government entities to deploy significant 'big bet' resources in pursuit of new benefits. No senior official welcomes the prospect of an appearance before the Public Accounts Committee to discuss the writing-off of an investment that tried – and failed – to 'upend' delivery of a vital public service. 'Upend' initiatives still need to operate within the limits of existing business processes and investment conventions – like the workaday but profound example of a chemicals and materials science company that built a bespoke GenAI capability able to uncover compounds with an aggregate value of triple the more than \$90m investment in the AI and pull-through R&D. There are emerging examples of where AI-infused initiatives have tackled public service delivery challenges previously thought intractable. A 2025 World Bank study found that six weeks of teacher-directed AI tutoring for a cohort of secondary school students in Nigeria produced learning gains equivalent to up to two years of 'business as usual' schooling.

The UK Government's AI targets – embodied in the £45–£87b of annual efficiency savings and productivity benefits identified by the State of Digital Government Review – are commendably ambitious. But they are also sufficiently demanding that to have a chance of meeting them the Civil Service will need to think in terms of such upending of settled structures, norms and programmes.

### The workforce transformation

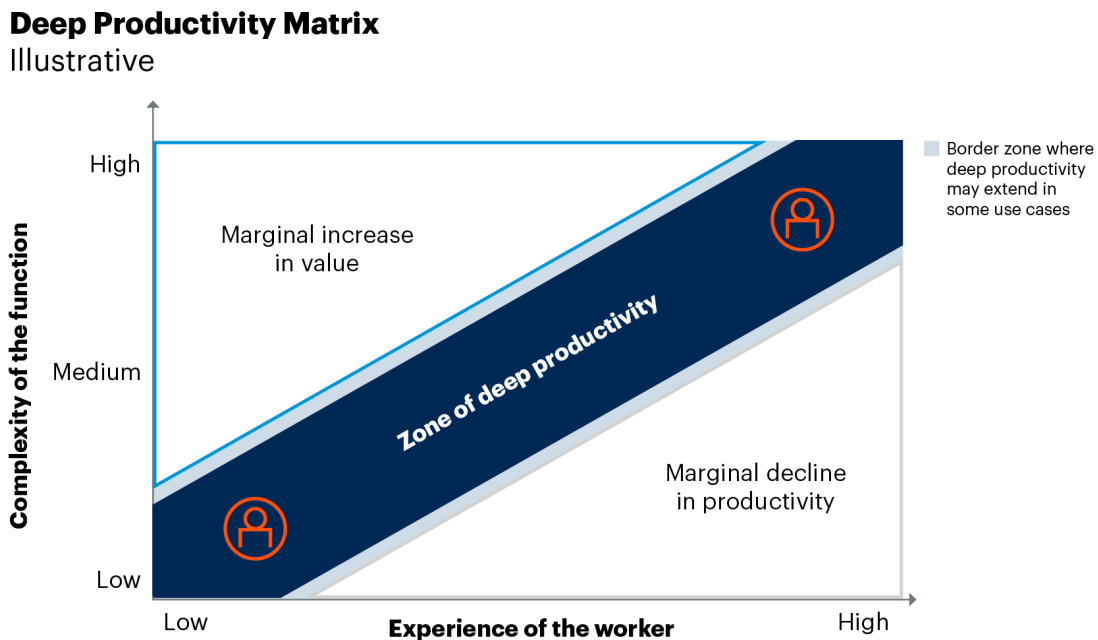
Being hard-headed is just a first step in the fundamental transformation required to seize the benefits and manage the risks of AI in the UK. Technology investment of any kind is nothing without an equal focus on attracting, retaining, training, and where necessary redeploying, the right workforce skills. In the Civil Service this issue is particularly acute, given the longstanding challenge of retaining skills and constraints on hiring scarce specialist AI capabilities. The need for a people-centred approach to AI productivity is all the more urgent given long-running trends like stagnating population growth and increasing competition for skills.

### Deep productivity

As AI tools become more common in the workplace, the personal productivity benefits identified in the 'Defend' domain accrue differently depending on the experience of the worker using the tool, and the complexity of their functional area. This raises questions for senior civil service leaders about not just to whom they

deploy AI tools, but more importantly, how to manage the consequences for staff engagement and advancement in a rapidly changing workplace.

**Figure 3 – Zone of Deep Productivity**



Source: Gartner  
821334\_C

**Gartner**

Alt text: Graph titled "Deep Productivity Matrix" shows experience of the worker (x-axis) vs complexity of the function (y-axis). Diagonal "Zone of deep productivity" divides productivity.

Workers within the zone of deep productivity (Figure 3) will likely become significantly more productive when enabled with Generative AI tools. Those outside the zone will not, and may even experience a decline in productivity at the margin like the 'productivity leak' cited previously. There are two explanations for this phenomenon: Experience Compression, and Skill Magnification.

In Experience Compression workers with relatively limited experience, performing relatively low-complexity tasks, will learn more quickly. One US government study (albeit of a commercial enterprise) found call centre workers were as productive after two months with AI tools as their predecessors had been after six, and after six months in the role were performing at a level approximately 50% higher. There are obvious parallels to customer-facing and information-processing civil service roles here – supported by many of the early evaluations of the internally developed AI Exemplars.<sup>4</sup>

<sup>4</sup> Department for Science, Innovation and Technology, 'AI Exemplars Programme', <https://www.gov.uk/guidance/ai-exemplars-programme>.

The counterintuitive phenomenon of Skill Magnification is especially interesting for the senior Civil Service. In this case, at the top right of the 'zone of deep productivity', experienced workers in complex roles typically become more creative when given access to generative AI tools. Leaders learn to use AI to challenge or simply fine-tune their thinking, considering options from different perspectives. CFOs in particular benefit from AI tool-assisted investment appraisal; securely-implemented AI tools can confer similar benefits on a range of analogous C-level analytical tasks. For civil service leaders, the productivity value of Generative AI lies not in time savings but in better strategic decisions.

## Structural implications

The biggest impact of this differential 'AI effect' on skills acquisition and capability enhancement across the workforce could be a significant re-think of civil service career and organisational structures. If entry-level hires accumulate experience more rapidly, and leaders become more creatively empowered and effective, what will the future hold for the traditional core of SEO to Grade 7 policy and delivery roles, and how will expectations be managed around the pace at which civil servants develop towards and through them? Interestingly, the relatively structured nature of many civil service career journeys – development programmes like the Fast Stream, an enduring culture of expected 'tour lengths' in some departments – could provide an insulating factor against the 'jobs chaos' becoming apparent in the relatively more dynamic employment market outside government.

Though probably too soon to discern workforce effects, in the near future these workforce-structural effects of AI-driven productivity changes might begin to show in the overall distribution of grades within departments. One hypothesis applying to organisations generally is that traditional 'pyramid' grade structures will become more column- or even inverted pyramid-like, as phenomena like experience compression and skills magnification are felt. Civil service organisations subject to these changes would most likely be large operational delivery-focused departments like the Department of Work and Pensions and the Ministry of Justice. The structural effects on more 'diamond-shaped' policy departments will likely be more subtle – but in each case, departments will need to confront a tightening race for AI-literate talent at the top and a need to catalyse the AI-learning of less-experienced staff.

## Conclusion – what would Jeremy think?

I had the privilege of serving as Private Secretary to Jeremy Heywood, for whom the Quarterly is named, during his time in government. The present generation of AI tools provided to civil servants, both those responsible for policy and those for delivery, evoke something of the former Cabinet Secretary's formidable analytical and summarisation skills.

No doubt Jeremy would have recognised the human motivation to turn some of the minutes gained per day into an espresso or two. But he would surely also have understood that the true, profound value of AI for improving the Civil Service and wider public service delivery lies in applying its formidable capabilities to reimagining the systems and processes that underpin it all. And in doing so, he would surely have wanted to pursue equally profound, perhaps uncomfortable, changes to the Civil Service workforce, so as to develop more mission-oriented and more satisfying roles for those at the heart of public service.

**Owen Pengelly is a Vice President, Executive Partner with Gartner. He served in the Cabinet Office, Treasury and Department for International Trade from 2004–2019.**

# What's shaping AI adoption among civil service communicators?

Research by Harry Booty suggests that a mix of cultural and pragmatic considerations are at play

It is now slightly more than three years since large language models (LLMs) in their current form burst into our collective consciousness and began to remake the information world.

In the meantime, we've heard much about how significant AI will be for the future of work, how far it will change society, how the accuracy of AI output (or lack of it) raises ethical concerns and how LLMs will require huge investment in training if they are to run at scale.

However, after two years of working with and studying LLM tools I am interested in a more practical question, namely how we can use these tools ethically and effectively to be better civil servants.

As [Professor Anthony Finkelstein discussed in the Sixth Edition](#) of Heywood Quarterly, the effective use of AI at scale is dependent on a digital infrastructure that provides the foundation for efficient use of the latest technology and software. But there are multiple other behavioural, social, organisational and professional factors that can foster or frustrate the adoption of AI by civil servants wholly apart from the Government's technical ability to fully utilise this technology.

## AI and government comms

Perhaps I say this as I am not a digital professional. Instead, like roughly 7000 other civil servants, I am a member of the [Government Communications Service](#) (GCS). Our profession, covering numerous areas such as media management, strategy, crisis management, social media and more, is arguably amongst those [most at risk from LLMs](#). Generative AI's abilities to create text, audio and video cut right to the core of our function of generating content to explain and defend government activity. In addition, they simultaneously [turn up the dial on mis-, dis- and mal-information](#) that make it harder for effective communications to cut through.

Faced with that, why would a communicator adopt AI? And how might an organisation adopt it well? It was those specific questions that I have lately sought to understand further.

## Research aims

As well as being a civil servant for thirteen years, I recently spent two years studying part-time at the University of Birmingham.

Here I undertook independent research on the motivational, organisational and behavioural factors affecting adoption of AI by UK civil service communicators. Between January and August 2025, I conducted primary and secondary research to try and understand this topic and break those big questions down into academic and practical insights about what is helping (or hindering) the UK Government communications profession engage with AI.

For my primary research phase I undertook both primary quantitative and qualitative research (ninety-three survey responses, fifteen one-hour interviews and one six-person focus group) to ask what serving civil servant communicators thought about AI, how they were using it and the factors underpinning their views and use of LLM tools.

For reference, these tools were predominantly Copilot as well as the dedicated '[Assist](#)' tool that was created by GCS as a tailored LLM tool for civil service communicators.

## The findings

Not surprisingly perhaps, there was pervasive and near-universal uncertainty about the full impact of AI on communications work, with all interview respondents expressing excitement balanced by trepidation when it came to future employability and job satisfaction.

AI use was shown to be widespread, with 69% of survey respondents reporting weekly (49%) or daily (20%) use. However, nearly all my research sample was approaching AI through what I termed 'pragmatic adoption' – many felt it made their jobs easier now and wanted to stay up to date on these tools into the future to safeguard their employability. Whilst 42% were either positive or very positive about the impact of AI on the civil service, a third (32.5%) were neutral – emphasising the high degree of ambiguity in this area.

The professional identity of communicators, meanwhile, appeared to be a significant influence on respondents' view of AI tools. 62% of survey respondents felt that they were saving at least 30 minutes a week by using AI – and AI was viewed favourably when it was framed as a tool to aid rapid task delivery. This same efficiency, though, was perceived by some at the interview stage as a threat, given the possible need for fewer human communicators in government in future. So far, so predictable; skilled workers have worried about the wholesale introduction of automation [for at least 215 years](#).

More interestingly, however, I found essentially zero correlation between tenure in role and attitude to AI – meaning that age or length of service did not affect attitudes to AI in any meaningful way. The cliched image of an older worker holding on to their typewriter, landline or even BlackBerry in the face of technological change does not seem to hold true here. I suspect this may be down to the way LLMs are used – via natural language processing you can ‘talk’ to them like a human rather than code them like a software programme.

Building on that, I also gained valuable insight into which tasks civil service communicators felt were appropriate for AI and which ones they felt needed a human touch. I termed this the ‘authenticity-efficiency paradigm’ – an informal and intuitive scoring and ranking of tasks by whether authenticity or efficiency was most important, and some correlation between that reasoning and the willingness to subsequently use AI.

Examples where authenticity was prized included responding to ministerial requests, finalising a piece of communications such as a press release prior to external distribution, or acknowledging and actioning challenging feedback. Efficiency was consistently preferred for large scale qualitative analysis (e.g. summarising and discussing themes from multiple think tank reports) or producing lower-level communications at scale (such as creating a social media post series on a specific policy area).

Finally, I found that an informal form of what I called ‘outsourced moral licensing’ was taking place in the way my research respondents have been choosing to adopt AI. By this I mean that the proactive approach to AI by all levels of leadership in the UK Government, as well as the dedicated initiatives such as the creation of the Assist tool mentioned above, have created both the permission and the expectation that communicators should be experimenting. This approach has effectively given delegated institutional approval to try it despite general concerns such as accuracy and data security.

Maybe this says little more than ‘leadership matters’ – but when one looks back at the academic study of appropriate technology adoption, it could be something more profound. For example, as Ben Green of the University of Michigan wrote in an [excellent 2021 article](#), it is increasingly unrealistic to expect simple human oversight to suffice in an era of ever more complex machine intelligences; instead the times require a system of institutional oversight that creates an organisational framework within which digital tools can be safely and effectively used. My research sample, however small, suggests this institutional framework could be growing from the ground up.

## What it means

Taken together, the findings show that LLM adoption among civil service communicators is being shaped less by technical capability and more by a blend of motivations, identitarian factors and organisational culture.

The communicators I studied tended to adopt AI because it offered immediate practical value, fit their task-oriented professional identity and came with clear approval (explicit and specific or informal and systemic) from leadership. At the same time, uncertainties about accuracy, authenticity and long-term professional impact continue to sit just beneath the surface. The overall picture is one of a workforce experimenting with new tools, not out of ideological commitment or generational divides but through a pragmatic balancing of convenience, caution and professional norms.

While I am cautious about generalising too widely from a modest sample within one civil service profession, the themes that emerged – around motivation, professional identity and institutionally-conditioned pragmatism – may well speak to wider patterns across government as we continue to confront what AI means for public sector work today.

**Harry Booty is a civil servant and strategic communications professional currently working for the Welsh Government.**

# Which leaders create lasting change?

The Heywood Quarterly's first podcast provides some compelling answers

What sort of leaders perform best in schools? What qualities distinguish enduring organisations like NASA, the All Blacks rugby team, the Royal Shakespeare Company and the Royal College of Music? And what can we learn from them to help improve leadership in the UK public sector?

Suzanne Heywood, Chair of the Heywood Foundation, sat down in January this year to discuss these questions with Professor Alex Hill and Dr David Halpern, two distinguished leadership and organisational experts.

Alex is Professor of Operational Management at Kingston Business School and Co-Founder and Director of The Centre for High Performance (a collaboration between senior faculty from the Universities of Kingston, Duke Corporate Education, London Business School and the University of Oxford). David founded the Behavioural Insights Team (or Nudge Unit) in Tony Blair's government, remains at the forefront of applying behavioural science to the real world and is now Director and Fellow at Downing Battcock Institute, Cambridge.

The conversation focused on two recent research projects led by Alex – a 2015 study of more than 400 UK state-funded academies, in which he identified five archetypes of school head, and his 2023 book *Centennials: The 12 Habits of Great, Enduring Organisations*, which looks at the qualities institutions need to thrive over the long-term.

Here are some takeaways from the podcast which you can listen to [here](#).

## Sustainable change takes time

We all know that real change doesn't happen overnight. As Alex argues, "headteachers should make at least a five to ten-year commitment" at their schools in order to deliver meaningful improvement. Anything less risks surface-level gains that disappear when they move on. That's why great leaders are also great stewards – they don't just focus on the current results, but also on what happens after they leave.

## We often reward the wrong leaders – and the wrong outcomes

Beware the opportunists. In schools, this means heads who take poor performers out of the exam system, move the best teachers to the exam classes and thereby boost the proportion of students in their schools achieving five GCSE passes (widely seen

as a predictor of success in life). These tactics seem to work on paper and they're often rewarded.

As Alex notes, a third of those who game the system in this way – the ones he calls the “Surgeons” – get knighthoods. “There was one head who had a picture of every student on the wall, and it was like a race track to get them to five GCSEs,” he recalls.

Such measures of performance not only reward short termism but discourage growth (good teachers have an incentive to stay in small schools). Great organisations with great leaders should be scaled up, so as to maximise their impact.

### The best leaders are “Architects”

The most successful leaders are “Architects”, humble and often inconspicuous people who are in it for the long haul, engage with all stakeholders and build the right environment before focusing on improving everything else. As one Architect put it, “nobody should notice when I leave the room.” Despite that, Alex says “everyone on the inside knows who they are and how significant they are.”

By contrast, “Philosophers” may be charismatic and good at delivering inspirational speeches, but they make the most ineffective school heads.

While hubristic leaders often encourage group think, David says the best leaders build teams and seek to recruit people [who] are even better than them. We need to find and support “Architects” in the public sector, he says, understanding that it takes time for them to build effective systems.

### Too much management and leadership thinking comes from business

“If you want to understand long term success, look at the arts, look at sports, look at the military, look at science,” Alex argues. “Business is great if you want to do well for 10 years. But if you want to do well beyond that, then you need to think differently.”

One example is The Royal Academy of Music, a Centennial where around 70% of staff work part-time. They don't follow the conventional business maxim that you should own all your resources. “What I want is the best people in the world to give me a third of their time,” Alex explains. “I want to know that they are working on the best things elsewhere, learning elsewhere, and then bringing all that learning back [to me]”.

## We should balance stability and a disruptive edge

Successful and enduring organisations have a core around purpose and clarity, but they also have a disruptive edge.

According to David, large government departments often lack that disruptive and innovative edge. One indicator of this is how much they spend on R&D: in most cases, it's a lot less than 1%, with many spending less than a quarter of a percent. In contrast, the car company Volkswagen spends roughly double the UKRI budget in a year just to make their cars slightly better.

“If you're working with a startup, [...] the challenge is to put some stability [into the structure],” Alex says. “If you're working with a 200-year-old organisation, the challenge is to put some disruption into it.” Getting that balance right is critical..

**You can [listen to the whole podcast here](#), or via Spotify and Apple Podcasts.**

# UKGI: A special blend of public and private

Charles Donald reflects on the first ten years of the Government's in-house corporate finance boutique

For a former investment banker still relatively unfamiliar with the wider policy dynamics of Whitehall, it was a baptism of fire. Five days into my new job as CEO of UK Government Investments (UKGI), I found myself sitting in a meeting of the COBR Covid-19 Economic and Business Ministerial Implementation Group surrounded by the Chancellor of the Exchequer (in the chair), 12 other cabinet ministers and several senior government officials. It was mid-March 2020 and the start – as we all know now but did not know then – of a grim and painful two-year period for the country and the wider world. We were faced with a situation that required a delicate mixture of urgent action, calm heads and innovative thinking. Needless to say, as a new boy on the block, my contribution to that gathering was necessarily limited!

The onset of the pandemic, however, was a defining moment for UKGI. As a small and relatively recently-merged combination of the Shareholder Executive and UK Financial Investments (UKFI), set up as a wholly-owned subsidiary of HM Treasury in 2016, UKGI's core mandate was (and still is) to act as the Government's centre of expertise in corporate governance and corporate finance – essentially an in-house corporate advisory boutique staffed by a mix of civil servants, secondees and emigrés from the City of London. On top of that important but relatively unglamorous role, Covid suddenly and unexpectedly thrust us into the front line, initially to support the delivery of the Bank of England's £85b Covid Corporate Financing Facility (CCFF) and to assemble a team of restructuring experts for Project Birch, the Government's contingency plan to provide support as a last resort for critical companies. We remained integrally involved with delivery throughout the crisis, lending senior staff to the Vaccine Taskforce's commercial negotiations, for example, as it embarked on the vital task of vaccine procurement.

Looking back over the last six years, UKGI's objectives have evolved, expanded and matured, at least in part due to the opportunities to demonstrate our capabilities provided by the pandemic. Now seems a suitable time to examine our various roles, reflect on an organisation that brings together talent from the City and the Civil Service, and consider what lessons have been learnt as UKGI embarks on its second decade.

## UKGI's widening scope

UKGI brought under one roof two separate government-owned bodies, the Shareholder Executive (established in 2003 to perform the corporate governance responsibilities of the Government) and UK Financial Investments (formed in 2009 in the heat of the global financial crisis to oversee the management of publicly owned

financial assets). An important part of our remit, which has grown in scale and sophistication, remains to act as the Government's shareholder representative for some of the UK's most complex, most commercial and most valuable arm's length bodies. These now include AWE, Eutelsat Group, the National Wealth Fund, the National Energy System Operator, Reclaim Fund Limited, Sheffield Forgemasters and Sizewell C.

Our activities in other areas have also expanded. While demand for our advice on major government corporate finance matters, including government interventions, negotiations, mergers and acquisitions activity has remained pretty constant, we found ourselves privatising and nationalising during the period to an extent not expected at the outset. And following the introduction of the Financial Control Transactions Framework in 2024, UKGI now plays a central role in monitoring government loans, equity investments and contingent liabilities to enhance fiscal discipline and transparency. This broadening of scope reflects a growing recognition of UKGI as an incubator for private sector and civil service advisory capabilities, designed to ensure that private sector advice lands successfully across government.

## The UKGI shareholder role

UKGI operates at the boundary between government and commercial reality. By 2025, its portfolio consisted of twenty-six organisations, on behalf of nine government departments, ranging from ministerial departments to limited companies in sectors as diverse as finance, defence, energy, transport and communications. Our work with each organisation will always depend on the Government's shareholder relationship. At the arm's-length end of the spectrum is Channel 4, where we do not sit on the board. At the other end are organisations like the British Business Bank and The Royal Mint, where government is the 100% owner. In these cases, we have a non-executive director role, much like a private equity owner might have across its portfolio. UKGI applies private sector governance disciplines and contributes portfolio knowledge and experience from working across government on multiple arms' length bodies, its representatives combining financial and commercial expertise through their experience on public and private sector boards.

Over the past six years we have sought to build and refine that expertise, developing a new cadre of skilled and experienced NEDs and shareholder teams. What sets us apart is that individuals must be comfortable wearing the 'two hats' of a shareholder representative and board member with fiduciary responsibility to the company. Our centralised shareholder function allows shareholder NEDs to benefit from shared best practice and experience, commercial and legal support, a continuous improvement programme and peer support and review. To stretch a geographical analogy, an effective shareholder NED must be part of a close-knit archipelago rather than operating as a desert island.

In our shareholder representative role, we engaged very closely with the Post Office Horizon IT Inquiry and have embedded our preliminary lessons from that engagement into our Shareholder Representative NED Development Programme. I expect there will be further lessons when the inquiry produces its final report.

## Asset realisation and major transactions

UKGI has a long-standing role advising government departments on any significant asset disposals or purchases. Two transactions dominated my time at UKGI – the first a ‘privatisation’ and the second a ‘nationalisation’. These were the sale of shares in NatWest Group (formerly Royal Bank of Scotland, RBS) and MOD’s purchase of Annington Homes.

When I joined UKGI in May 2018, HM Treasury still owned more than 62% of RBS. Our objective was to actively seek opportunities to return NatWest Group to private ownership whilst achieving value for money for the taxpayer. We designed the disposal structures and executed the sales, but it took us until May 2025 to sell the final tranche. Why did it take us so long?

The biggest challenge was assessing value for money for the taxpayer, complicated by the turbulence in markets from late 2018 until mid-2021, whether because of the struggle in Parliament to approve the mechanism to leave the EU, the severe stock market impact of the Covid pandemic or Russia’s invasion of Ukraine. It became increasingly apparent in early 2018 that RBS (as it then was) was going to start generating surplus capital which, potentially, could be applied to future share buybacks. We decided to put in place a mechanism for a Directed Buy Back, whereby RBS would purchase shares directly from HM Treasury via an overnight transaction but, crucially, at the market price. This would avoid HM Treasury providing any sort of discount to the purchaser – a typical feature of the Accelerated Book Build transactions that we completed in 2018 and 2021 – as well as maximising the sale proceeds. With HM Treasury needing to abstain from the shareholder vote to ensure that RBS’s minority shareholders approved, we approached the EGM in February 2019 with some apprehension. But much to our relief, 98.7% of the minority shareholders who voted were in favour of the proposal. We employed the Directed Buy Back mechanism five times between 2021 and 2024, selling a total of about 13.5% of the company back to the bank for total proceeds of around £5.8b.

The Trading Plan disposal mechanism, launched in August 2021 to sell small amounts of shares into the market, again, crucially, at the market price, also worked well, resulting in proceeds of £13.2b over the four years it was in place. Shares in this case could only be sold when the stock was trading above an agreed ‘floor price’.

The other transaction that dominated my time at UKGI was the reacquisition of the Service Family Accommodation estate from Annington Property Ltd, which was led by a small UKGI team, headed by UKGI's CFO Rob Razzell, and completed in December 2024. The resulting transaction reversed a sale by the Government back in 1996 and ended an arrangement which had involved the taxpayer spending billions of pounds on rental payments for military housing whilst still remaining liable for rising maintenance costs. Under the agreement the MOD bought back 36,347 houses, valued at £10.1b when not subject to leases and purchased from Annington for £5.99b. The transaction also eliminated an annual rental bill of £230m.

UKGI's involvement focused on the rent review negotiations and advice on the exercise of the MOD's statutory leasehold enfranchisement rights via test cases and associated value for money assessments (upheld by the High Court).

### International engagement and thought leadership

For many years a UKGI team has staffed the UK's delegation to the Working Party on State Ownership and Privatisation Practices at the Organisation for Economic Co-operation and Development (OECD) in Paris, providing an opportunity to contribute to the development of international standards on state-owned enterprise (SOE) governance and privatisation. At the start of 2021, I was appointed Chair of the Working Party which required me, in March and October each year, to join more than 120 participants representing OECD member countries, the European Commission, non-member partner countries and OECD accession candidate countries in a multilateral dialogue. The Working Party is responsible for drawing up the OECD's Guidelines on Corporate Governance of State-Owned Enterprises, first adopted in 2005 and then revised in 2015.

In 2023 the OECD decided that the guidelines should be revised again, in view of the recent evolution in corporate governance, to reflect the latest OECD standards and best practices. It fell to me to chair the 18-month revision process, which turned out to be a lesson in international diplomacy, arm-twisting and negotiation. Although the guidelines are aspirational and non-binding, there were 120 different views on how they should be drafted, not surprising perhaps given the range of different types of economies, from free market to statist. The 79-page document, which provides strong guidance for any custodian of government assets on what 'good' really looks like, is a testament to the pragmatism of the OECD's membership.

### Organisational challenges

UKGI is relatively small – a company of just over 150 employees located on the third floor of 100 Parliament Street. In my experience it is the pre-eminent place for private sector people to have an impact on the commercial day to day work of government, rubbing shoulders with civil servants and ministers on complex commercial and financial challenges.

It's a modern, inclusive and open organisation with an emphasis on: learning and development (staff completed an average of 17.4 hours of professional development each year by 2024 and shareholder NEDs 55 hours each year); employee engagement (our employee engagement score of 73% in 2024/25 compared with a civil service average of 61%); values (the focus being on support, openness, professionalism, collaboration and expertise); and diversity and inclusion (women now comprise more than 45% of senior management and more than 10% of senior leaders identify as being from ethnically diverse backgrounds).

## Conclusion

As I leave the CEO role, my overarching conclusions are firstly that the utility of UKGI is to focus on outcomes and getting things done. Secondly, that you cannot teach agility or the ability to be resilient in a crisis. However, by embedding best practice and transparency, you can prepare a team to meet the challenges that a crisis might bring. Thirdly, you cannot overinvest in people, or in building an organisational culture that emphasises collaboration and honesty combined with expertise and professionalism. You have to do this to align the motivations of a diverse group of investment bankers and public servants and then get them to build together powerful partnerships with government departments.

You need to do all this continuously to reinforce the benefits that a focus on culture can bring. Those three ingredients are a recipe for delivering tangible value for government departments and ultimately the taxpayer.

**Charles Donald is the former CEO of UK Government Investments which he joined in 2018 after a career in investment banking.**

# What AMR teaches us about policy innovation

Professor Dame Sally Davies calls for new thinking to mobilise governments, health systems and communities

In 2024, an off-Broadway Scottish musical called *The Mould That Changed The World* (now renamed *Lifeline*) was performed on the floor of the United Nations, telling the story of Alexander Fleming, the discovery of penicillin and the consequences of antimicrobial resistance (AMR). This was no ordinary drama put on for the entertainment of the representatives of the UN's 193 states, but a highly unusual and unconventional piece of global health diplomacy.

As such, it conveyed a message that diplomatic texts and scientific papers struggle to communicate: AMR is not only a scientific challenge, it is one that affects and demands the attention of the whole of society. It requires governments to break out of traditional policy silos and cycles and to mobilise wider coalitions in the cause of preserving one of medicine's greatest achievements for future generations.

As a doctor, former Chief Medical Officer (CMO) for England and UK Government Envoy, AMR has shaped much of my professional life over the past 15 years. It has also shaped my understanding of what effective policy looks like when confronting so-called 'wicked' problems, complex long-term, cross-border and socio-technical challenges like AMR that defy traditional solutions.

## Why AMR is not just a health issue

Drug-resistant infections – or 'superbugs' – represent one of the most pressing global health crises of our time. Modern medicine, after all, from routine surgery and caesarean sections to cancer chemotherapy, transplants and neonatal care, depends on effective antimicrobials – as does our entire food chain.

AMR already causes more than 1.1 million deaths globally each year and contributes to nearly five million others. Across Europe, it is estimated to cause 100 deaths every day. Sadly, one of those deaths two years ago was my own goddaughter. As resistance rises, the most vulnerable populations – the very young, the elderly and those with chronic conditions – face increasing risk.

The financial burden is severe – and growing. AMR leads to longer hospital stays and poorer outcomes, placing pressure on already stretched health systems.

But the consequences of the waning effectiveness of antibiotics and other anti-infectives go much further, rippling across food systems, denting economic productivity and even threatening national security. The Centre for Global Development (CGD) estimates that, if not mitigated, it could cost the global economy

trillions in annual healthcare costs and economic losses.<sup>5</sup> It is because of these systemic impacts that, as CMO, I argued for AMR to be reflected in the UK's National Risk Register.

Yet AMR rarely generates the urgency of other acute crises. Its impacts are cumulative, long-term and dispersed across sectors. Responsibility for dealing with it spans human and animal health, agriculture, trade, finance and the environment, and cuts across public and private actors. Its reach exposes the limits of traditional policy cycles, institutional and societal incentives and political timeframes.

For governments, AMR therefore provides a test case for innovative policy and regulatory approaches, the use of evidence and expertise, the advantages of working across silos and the benefits of mobilising broad coalitions of actors. The threat it poses challenges us to be more open, more collaborative and more willing to experiment to find policy solutions.

### Evidence is necessary but not sufficient

Over the past decade, improved surveillance, economic modelling and scientific analysis have helped AMR onto national and international agendas. The 2016 Review on Antimicrobial Resistance chaired by Jim O'Neill (known as the O'Neill Review) was instrumental in reframing AMR as a threat to global economic prosperity and development.

UK investment through the Fleming Fund, meanwhile, has strengthened laboratory and surveillance capability across human and animal health and the environment in up to 25 low- and middle-income countries.

Looking ahead, a key outcome of the 2024 UN High-Level Meeting on AMR was the agreement to establish an Independent Panel for Evidence for Action. If designed well, such a panel could play a role similar to the Intergovernmental Panel on Climate Change – strengthening the link between science and policy and supporting countries to act.

However, my experience at the intersection of clinical practice, government and public policy suggests that data alone does not deliver sustainable change. Evidence does not automatically translate into political momentum, different types of behaviour or delivery at scale.

What we need is a clearer pathway from evidence to action, including financing for national action plans (NAPs), particularly in high-burden, low-resource settings; the sustaining of surveillance systems we have built; better links between data and

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<sup>5</sup> Center for Global Development, '[Forecasting the Fallout from AMR: Economic Impacts of Antimicrobial Resistance in Humans](#)', 2024.

policy; improved access to antimicrobials and diagnostics; and the rebuilding of fragile innovation systems.

AMR cannot be tackled in isolation. It intersects with climate change, pandemic prevention and preparedness, global conflicts and the achievement of the Sustainable Development Goals. Our policy responses must reflect this interconnectedness and involve the whole of society to mitigate the spread of resistance through responsible prescribing, farming, manufacturing and investment.

### Innovation beyond technology

When we talk about innovation, we often refer to novel drugs or diagnostic approaches. These are essential – especially as resistance rises and the antimicrobial pipeline remains fragile – but without parallel innovation in policy, regulation and public engagement, scientific and technological advances will not translate into new antimicrobials for the patients who need them.

As things stand, the antibiotic pipeline remains worryingly thin, with too few candidates in development and even fewer targeting the most critical bacterial threats. Investment in novel antimicrobials is widely seen as commercially unattractive, driven by high R&D costs and low expected returns – especially where stewardship measures rightly limit use to preserve effectiveness. Private capital has largely moved away from the sector.

The UK's NHS antimicrobial products subscription model is an example of a policy innovation designed to address this market failure. Co-developed by the National Institute for Health and Care Excellence and NHS England, the NHS 'Netflix' subscription model delinks revenue from sales, instead paying participating companies a fixed annual fee based on the value of an antimicrobial to the NHS. This 'pull' incentive improves revenue predictability and reduces commercial risk, while rewarding innovation and supporting availability and responsible stewardship. After a successful pilot in 2019, the full-scale model was launched in the UK in 2024.

The UK was at the forefront of this approach and has shaped international discussions in the G7 and the EU. Raising awareness among investors and pharmaceutical companies about the urgency and portfolio-wide impact of AMR is equally important. We need to become better at communicating the systematic and long-term risk AMR poses to societal and economic resilience.

### Embracing AI sensibly and proactively

Emerging technologies, including artificial intelligence, offer crucial capabilities to strengthen AMR surveillance, accelerate R&D, optimise chemistry, mitigate toxicity, reduce costs and support clinical decision making.

These benefits are not limited to high-income countries. Through my work with the Trinity Challenge, I have seen how innovators in high-burden countries are already using big data and AI to support clinical decision-making and to provide farmers with veterinary support even in remote areas, to counter the threat of substandard and falsified drugs and to support early warning and outbreak response. For example, AMRSense provides a One Health, AI-enabled ecosystem that links data capture, analysis and community engagement, bringing high-quality AMR surveillance and stewardship into communities where data and awareness gaps remain acute.

AI is not a silver bullet, but it is a powerful opportunity to use resources beyond drug discovery – whether in early warning systems, outbreak detection, community engagement or operational decision making.

The policy challenge is not whether to use AI, but to create the conditions for it to be used responsibly, with demonstrable benefit to all communities. Governments need to establish clear but proportionate guardrails. As a doctor, I know there is no such thing as 100% certainty or zero risk. We must not allow the perfect to become the enemy of the good.

### Ways of working across government

As our understanding of AMR deepens – and as we learn from other long-term challenges such as climate change – we must continue to broaden our coalitions. The UK has led the way in engaging the private sector, including investors, in recognising AMR as a systemic risk across portfolios.

The UK has also pioneered new forms of public engagement, including transferring Lifeline, the Edinburgh Fringe and off-Broadway production originally performed on the floor of the United Nations, to the Southwark Playhouse in London for a six-week run. The Lifeline volunteer chorus brings together healthcare workers, scientists and others on the frontline of AMR, performing alongside professional actors, in a production that is not only raising awareness but, crucially, is [inspiring performers and audience to act](#).

Let's hope this can be a model for many more creative and unconventional approaches to helping solve complex long-term risks. For a challenge like AMR, there really is no such thing as too much creativity. We need to bring in the widest possible mix of people, skills and ideas if we are going to keep making progress.

As public finances tighten and development budgets come under pressure, the UK's influence will rely less on how much we spend and more on how we use what we have. That means making the most of our science, our regulatory expertise, our diplomacy and our ability to convene others. Partnership matters more than ever.

AMR, meanwhile, has a lot in common with other long-term, cross-border challenges such as climate change, pandemics and biosecurity. None of these can be solved by a single department, country or discipline. All require governments to work across silos, over long timeframes and to accept a degree of uncertainty.

## Let's face the music

Policy innovation such as the NHS subscription model discussed earlier addresses a failure of our markets; creative productions like Lifeline address a different failure – the failure to make long-term risks salient to governments and relatable to the communities they affect.

When people understand a problem, they are more likely to care. When they care, they are more likely to act. Whole of society challenges require whole of society approaches. That means being willing to work with unconventional partners, to be bold, to experiment and to create spaces for action at all levels, be they local or international.

As we approach the centenary of Fleming's discovery of penicillin in 2028, the question is not only how we preserve one of medicine's greatest achievements, but whether government can adapt its systems to rise to the challenge of wicked problems like AMR. Bold and creative trailblazers have shown me that this is possible, but only if we are prepared to innovate – not just in what we do, but in how we work, who we work with and how we enable action across society.

### Editor's note: AMR and AI

Artificial intelligence could be key to combating AMR, according to Professor Ara Darzi, Executive Chair of the Fleming Initiative.

"Artificial intelligence gives us, for the first time, the capacity to see patterns we could not see, to connect systems we could not connect and to act faster than we have ever acted before," he explained recently in a speech in Lyon. Generative AI enables us to create "entirely new classes of antimicrobials" which do not exist in nature.

The Fleming Initiative, based at Imperial College, London, seeks to integrate basic science, computational biology, clinical trials, health economics and global policy work. It is, says Darzi, now using AI-enabled technology to "reimagine the entire development pathway".

Early diagnosis and predictions are crucial. The Initiative has shown that AI can "increase diagnostic efficiency by 20% and deliver accuracy above 99%". Furthermore, its teams are now using AI not only to predict the identity of a

pathogen, but also what it will do. Darzi argues that this could allow us to “anticipate [resistant pathogens’] emergence before they spread.”

Working with Google DeepMind, the Initiative has developed a system which can identify a mechanism of antimicrobial resistance within 48 hours – a problem that took human researchers almost a decade to solve.

His message to policymakers is that adaptive regulatory frameworks for AI-enabled innovation are not a future aspiration – they are an “overdue requirement”. Incentive structures that make antibiotic development economically irrational “are not a market failure we should accept,” but a policy choice which can be changed.

International institutions, moreover, must do more than co-ordinate. “Co-ordination without consequence is just calendar management.”

**Dame Sally Davies, former Chief Medical Officer, is the UK Special Envoy on AMR and 40th Master of Trinity College, Cambridge. She acknowledges the contribution to this article of Anna Roessing, private secretary to the UK Special Envoy.**

# Round-Up

A summary of recent news and views you might have missed

## Back to school

After 14 years, the National School of Government is set to relaunch, aiming to train senior civil servants in key skills for the future, such as AI usage and project management. This comes amidst growing fees for external training providers, a lack of centralisation and a desire to 'rewire' the Civil Service.

Previous iterations were the Civil Service College, closed in 1995, and the National School of Government, closed in 2012 as part of spending cuts. Civil Service Learning, an online training platform, was created in its absence, though many calls have been made to reinstate a central physical institution, including by Parliament's Public Administration and Constitutional Affairs Select Committee in 2019.

**Source: UK to create new 'school of government' to train senior civil servants – The Guardian**

## Devolution and affordable housing

The Institute for Government held its fourth DevoLab in February.

Discussion centred on how devolved administrations are increasing the supply of affordable homes within their regions – an issue of particular importance in the West of England, where Bristol is the second most expensive city after London for renting. Having decision-making located in devolved administrations, speakers felt, improves cohesion through being able to link spatial development to transport links and strategic planning. Understanding of local priorities is enhanced and more tailored support provided.

The panel included Stephen Peacock, Chief Executive of the West of England Combined Authority, Andrew McIntosh, Director of Sustainable Growth and Infrastructure at Greater Manchester Combined Authority, and Jackie Rigby, Assistant Director of Place, Partnerships and Capacity at Homes England.

**Source: Devolab #4: How can mayors increase the supply of affordable homes? – Institute for Government**

## The state of the state

Think tank Re:State and Deloitte have published 'The State of the State 2026', a report which combines the views of the general public as well as those working in the public service. It found that the public's top three priorities are the cost of living, the

NHS and immigration – and that there should be cuts to both tax and public spending. The report also identified a drop in satisfaction with public services since 2020, highlighting doubts about both the impact of technology and the opportunity of AI. The authors conclude that the government must now focus on improving the citizen experience and bolster confidence in its ability to drive change.

**Source: The State of the State 2026 – Re:State and Deloitte**

## AI vs A&E

Growing numbers of people are choosing AI chatbots over medical professionals, according to the Tony Blair Institute (TBI). In the face of increasingly scarce NHS appointments and complex systems, many people are divulging their symptoms and test results to large language models (LLMs) such as ChatGPT. In contrast with GPs, these chatbots are available at any time and for as long as they are needed.

The problem, though is that these platforms are building up vast amounts of medical and health data, often more frank, complete and detailed than the information to which the NHS will have access. Not only that, but AI now determines what condition is severe enough to warrant a visit to a GP or even the A&E, completely circumventing the existing triage system of the NHS. There are even suggestions that this ‘platform capture’ could be a way to route people into a private healthcare system, further sidelining the NHS.

So how should the NHS respond? TBI suggests that the NHS could adopt such tools itself, providing real-time information about waiting times, making appointments easier to schedule and meeting citizens’ needs more effectively – and, crucially, much faster. They might also choose to work with LLMs to ensure that NHS guardrails and risk thresholds can be implemented. Perhaps even more ambitiously, the NHS could create its own data infrastructure built from citizens’ health data, using this for research and service improvement.

**Source: Who Controls Access to NHS Care in the Age of Big Tech? – Tony Blair Institute**

## The cost of support payment fraud

Somewhere between \$1 trillion and \$3 trillion of the \$21 trillion spent by governments on support payments for citizens around the world are lost or misspent due to fraud and error, according to the Boston Consulting Group (BCG).

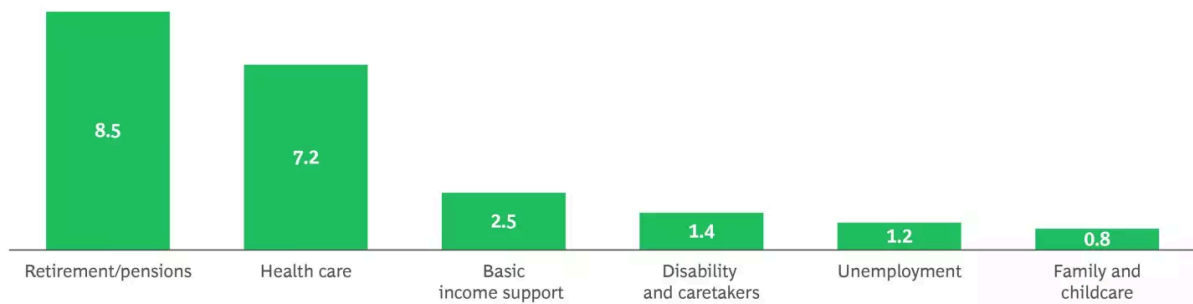
BCG’s analysis shows that the two biggest support categories by far are pensions and health care, with supplemental income support, disability and caretaker assistance, unemployment benefits and family and childcare support also in the top

six. Each of these categories are dogged by different risks, including event-based payment triggers and complex, ongoing eligibility requirements.

BCG argues that technology, often powered by AI, can reduce losses through better upfront system design (preventing fraud and non-compliance rather than clawing money back after the event); through investment in education and behavioural nudges; and through smarter responses to non-compliant payouts.

## Governments Worldwide Spent an Estimated \$21 Trillion on Support Payments Each Year from 2022 Through 2024

Average annual global government payments by value, 2022–2024 (\$trillions)



Sources: International Labor Organization; World Bank; Organization for Economic Cooperation and Development; Office for Budget Responsibility.

Alt text: A bar chart entitled 'Governments Worldwide Spent an Estimated \$21 Trillion on Support Payments Each Year from 2022 Through 2024 – Average annual global government payments by value, 2022–2024 (\$trillions). Retirement/pensions are 8.5, healthcare 7.2, basic income support 2.5, disability and caretakers 1.4, unemployment 1.2 and family and childcare 0.8. Chart via Boston Consulting Group.

**Source: Closing the Trillion-Dollar Gap in Public Payments – Boston Consulting Group**