The Heywood Lecture

Challenges, Choices and Reimagined Big Bets

Designing a Contemporary Practice of Long-Term National Strategy-Making

Lucy Smith

This is an edited transcript of the lecture given by Lucy Smith, Heywood Fellow, on Monday 27 October 2025. A full recording is available on the website. During the lecture there was a short piece of audience participation – this has been edited out of the transcript to allow for a more logical read.

Introduction

Thank you. It is an honour to be giving this lecture at the end of my Heywood Fellowship. I want to thank the Heywood Foundation, the Blavatnik School of Government, Hertford College, the Economic and Social Research Council and the Civil Service for supporting the Fellowship.
With the other three Heywood Fellows, it is wonderful to be building this body of work, focussed on solving the big problems of government policy and practice, in the spirit of Jeremy Heywood in whose name the Fellowship is established.

Thank you very much for coming to this lecture.
I feel that I am standing here in front of a very grand-sounding title but my journey to this topic hasn't been through a series of grand roles. Mainly it's been driven by two things:

Firstly, curiosity about how things work, from how we make laws and spend money in my early jobs at the Department for Education, to how to make Coalition function, how our unwritten constitution works, and then at Defra to this question of how to commit to and deliver really long-term goals.

Secondly, interest in how we make choices. Education policy is a brilliant area to learn about strategic choice-making. It gets you straight to the

profound trade-offs in society. Between generations – do you put your money into early years or skills? And this weighing of outcomes for all versus fairness for individuals and groups – how much should you focus on raising the bar for everyone, versus reducing gaps?

At its irreducible core, the most critical thing government and politics needs to be good at is making choices. How we set ourselves up to do that – the structures, practices, incentives, relationships we create – is critical to the nature of the choices we end up making.

I've talked about this question of long-term strategy-making with many different audiences this year, but this is the first time I've spoken to an audience with such a diverse range of backgrounds, all in the same room. Blavatnik students, civil servants, academics, people watching online from our international visits and from devolved government and local places. We have guests from nearby in Oxford. Perhaps most dauntingly, my parents are here.

One of the challenges for this project has been how to construct a language and a way of talking about long-term strategy that can make sense to people from very different starting points and perspectives. If we're going to have national strategy of any sort, the first building block is for it to make sense to everyone. One of the things we would love to hear from you at the end is:
What made sense?
What rang true to you?
What did you <u>not</u> like?
The Heywood Team are all here and would love it if you approached them at the end with any thoughts about this.

In this lecture, I will talk about the four big things we need to do long-term strategy better in the UK.

Firstly,

We have to have long-term horizons that go beyond electoral cycles.

Secondly,

We have intentionally called this national strategy, not government strategy. That's because working for the long-term requires a new kind of relationship between government and other actors in society.

Thirdly,

We have to make big bets on how to navigate the future. We have to bring in big ideas from across society, contest them, make choices between them, and pivot to them.

And finally,

We must do all of this with a completely new level of openness and transparency.

This is the Playbook that sets out how this should be done. We've written down the whole process stage by stage and now it's in your hands.

I want to acknowledge all those who contributed so generously to this project from the countries we studied and visited, many of whom are watching online. As a UK civil servant, this has been a unique opportunity to study countries outside the UK. We have benefitted hugely from the conversations we had in Spain, Japan, South Korea, the Netherlands and Ireland. I'm going to talk more about what we learned, and I'm going to use these examples to talk about why the four things I've just mentioned are not only vital, but also practically possible.

Before we dive into this question of how we do long-term strategy in the UK and what it means in practice, I think it would be fair to spend a bit of time

exploring the what? What might we be talking about when we talk about long-term strategy?

[*There follows a piece of audience participation, with participants voting yes/no on where they think the UK will be in 2040 on the following questions:*
Will the UK's relationships with the US, Europe and China look broadly the same as now?
Will the United Kingdom – as currently made up of England, Scotland, Wales and Northern Ireland – exist in its current form?
Will the UK be on track for Net Zero?
Will UK citizens be paying a personal financial contribution for their treatment on the NHS?
Will the public broadly trust scientists?
Will AI create more jobs than it replaces?]

Of course we don't know the answer to these questions. As demonstrated by the room, there is significant uncertainty about them. Each could represent a profoundly different future compared to today. As you answered those questions you may have been wrangling with yourself over what you thought would happen – your best prediction – and what you wanted to imagine the future would be like. The primary question for strategy-making isn't about our predictive powers. It is what we want to have agency over.

Why we need national strategy

In the time we've been working on this Fellowship, we have had
a general election and a change of government,
a new US President with a radically different approach to the norms of global trade and security,
ongoing wars in the Middle East and Ukraine,
a series of Budgets and Spending Reviews as the government grapples with economic growth under high and expensive public debt, and

a sharpening of the mood over illegal immigration.
The government has published major strategies: the national security strategy, the NHS 10 year plan and the industrial strategy among them.
I want to acknowledge this, because for those in the audience who work in government and politics, this isn't a context in which a lot of obvious 'stepping back' and redesigning can go on.
We have to respond, and respond quickly.
We have to make good judgements, good decisions in flight
– and we have to arrive at them using the structures, the practices, the relationships, and the behaviours we've learned.

These are things we've learned by solving previous problems, individually and collectively, and they are things we've learned over time from our institutional environment.
It is true of those working within government – civil servants – and those holding elected office, in Parliament or in Ministerial positions.
And it is true of all those other partners in any national effort – devolved and local government, business, public services – all those whose relationships to policy-making have been defined and embedded by these practices over time.

But what if these practices are no longer serving us?
What if they aren't appropriate for the problems of today?
What if short-term horizons mean we're incapable of imagining the futures we need to prepare for?
What if our current attitude to complexity and risk means we're too wedded to the status quo and not considering the big ideas?
What if our habitual ways of doing things mean we're not confronting choices honestly, or allowing ourselves to interrogate whether the really big policy assumptions embedded in our thinking are going to serve us well in the next phase?

What if we're not confident enough to think that if we make a bold pivot, the system will back it up?

Our response to this problem-set has been to redesign how we do long-term, national strategy in the UK. We wanted to think about what new practices we would need to enable us – as a country – to adopt a long-term outlook, diagnose our biggest challenges, set longer-term goals and reimagine our big bets.

From early on in this project we saw that reactions to the idea of designing a way of doing long-term strategy basically fell into three different camps.

Firstly, the supporters.

The people who thought it was great. These people share a diagnosis that our ability to think long-term and make strategy doesn't stand up to the realities of the world now. Many in this camp are already doing work on it themselves. But they are not homogeneous in their views. For example some come from a grand strategy perspective, some from the idea we're in a poly crisis, some from a sense of urgency to tackle intergenerational fairness. These are profoundly different schools of thought.

Secondly, the sceptics.

The people who didn't think this was a good idea. These were the people who thought it was impossible or even undesirable to do long-term strategy. Again they share an overall view, but from a lot of different perspectives. For example because voting in elections should do it for us. Or they think it's only possible in small countries facing existential threat, or great powers with their hands on the levers of history. Because of something unique about the UK, our size, history, open economy, and adversarial politics which means we can't do it.

Thirdly,

There were people who said "it would be great. We need it. But we'll never be able to do it." These people were with us in spirit, but sceptical that we'd ever be able to design it, mobilise behind it and deliver this kind of change. We'll call them the practical sceptics.

This set of views presented a 3-fold provocation for how we were going to need to think in this project:

For the supporters. We needed the language, the concepts, the ideas that can build a coalition of people who come from very different disciplines and perspectives.

We need people who are deeply immersed in geopolitics, defence and military strategy to develop a common way of thinking with those who care about intergenerational fairness, or prevention in public services.

We would need them to agree on a set of actions and methods where nobody's specific mental map or framework for understanding the world would triumph over another's.

For the sceptics. We needed to engage with the very hardest questions and deepest critiques of this sort of approach.

We needed to study countries around the world that are democratic and sufficiently large – but not too large – and to build our evidence base for why others can and are thinking in this way.

We needed to examine our history and whether we could draw on any examples from our own approaches, successes and failures in the past.

And we needed to face into the most difficult questions of design – how do you fit long-term thinking with adversarial, democratic politics? How do you value the renewing mechanisms of democracy, the competition of ideas that it enables, in the way you design strategic practice?

How do we embrace the realities of the way the UK is set up and governed – devolution in Northern Ireland, Scotland and Wales, and the growing

assertiveness of Mayors and places – as a strength that helps us deliver collectively important outcomes.

For the practical sceptics. We basically needed a solution. A comprehensive one, for how we could reintroduce long-term, strategic thinking as a core practice in the UK state machinery. It's the practical sceptics who inspired the product we are launching today – the National Strategy Playbook.

What is the Playbook?

I'm going to give you a quick overview of the Playbook to explain what it is. It is an account, in 6 sections, setting out 25 instructions which, if followed in order, will result in a long-term national strategy for the UK.

Section 1 sets out the new institutions we need to make it work. We posit an interparliamentary committee to engage with and oversee this process, and a new National Office of Foresight and Strategy to run it.

Section 2 of our Playbook is about diagnosis. We posit a 15 year outlook on the key challenges facing the UK, and the development and publication of National Scenarios to foster a public debate about the future.

Section 3 is about the different pathways the UK could choose. At this point in the Playbook we would have debated scenarios for the future and identified the top challenges the UK wants to go after. We posit a modern version of Eisenhower's Project Solarium to bring in big ideas, expose conflicting perspectives, and deliver coherent strategies for the future.

Section 4 posits that because there will be genuine trade-offs between these pathways, these must be exposed to the public and we should have an open conversation about them, before deciding on our national strategy. The national strategy we will have produced at this stage is not a long

document or a 15 year plan, but a short framework – an account of the top challenges facing us, the objectives we want to pursue in respect of them and the 'big bets' and core assumptions we're making about how we'll do it. In very simple terms, we will have agreed the why, the what and the how.

Section 5 is about how we mobilise action. It sets out how long-term national strategy will act as a guiding framework for, and perhaps allow for reform of, other planning cycles, such as the spending review and a new spatial strategy. It also looks at how we can get complex systems to pivot and adapt quickly, including through pioneer projects and adaptive learning techniques like simulations. This section is about how we make these big pivots.

Section 6 involves evaluation and getting ready for a refresh of this process, which we posit should happen about once every 5 years.

Four key reforms

There are many things to debate in this Playbook, and we have debated all of them at length. There are many design choices we've made where we could have chosen differently. But there are four reforms we consider critical. These are the four I mentioned at the beginning, and to recap they are:
Long-term horizons that go beyond electoral cycles
National not government strategy
The ability to make and reimagine big bets, and
Openness and transparency
I'm going to talk about each of these in turn, including what we've learned from other countries about how to design for them.

Horizons that go beyond electoral cycles

Our proposal in the Playbook is that we should adopt a 15 year horizon in the UK. It would involve us producing National Scenarios to enable public debate about the future, and we'd update these broadly every 5 years.

This idea that we need a longer-term horizon is supported among every section of stakeholders we spoke to. The lack of one is a common frustration among officials, who feel that 'the system' pushes short-term announcements over long-term goals. The Liaison Committee in Parliament has spoken of the need to 'break the cycle of siloed, short-term thinking'.

Our study of places around the UK has also provided compelling evidence. I want to acknowledge our fantastic partners in this, PolicyWise and the Future Governance Forum, and all those who contributed to our case studies and analysis.

In Port Talbot, for example, people we interviewed told us that while they were used to government intervening positively during a crisis, there was a complete absence of a proactive conversation about future challenges, and what they might want to do about them. To quote an interviewee:

> "There is an absence of long-term strategy thinking that brings together all actors in a place around a common diagnosis of the challenges, a collective vision for the area's long-term future and the bold decisions required to achieve it."

People at a local level didn't buy that they should be limited by 5 year Westminster terms, because they are subject to multiple electoral cycles – Westminster, devolved and local.

Organisations in every governance layer – whether that's local, devolved or central government – see themselves as constrained from thinking long-term. And, each sees the layer above as a major source of uncertainty and one of the biggest constraints on long-term thinking.

If you're a voluntary organisation delivering on the frontline, you're in the worst possible position. It's not the unpredictability of the challenges getting

in the way of long-term thinking for these organisations, it's the organisation above in the hierarchy.

So, there are a strong and compelling reasons to introduce longer-term horizons at a UK level and in a systematic way – to foster a more stable environment and enable other actors to take a longer-term, more ambitious approach too.

Other countries already have routine practices for taking a longer outlook, in a way that informs actors across their systems.

The first country we studied was Spain, and we were immediately excited to see that a country like ours in size and democratic make-up had actually done a national strategy – something with real scope and ambition.
The España 2050 exercise enabled a long-term outlook, based on two national scenarios. What is striking is Spain's decision to root their long-term outlook in direct comparison with other countries – a very outward-looking approach. It looked at how Spain might change its future pathway from a projected middle to a high performing country in Europe, and led to a public conversation in every region in Spain.

We also studied Singapore, which has a world-renowned approach to strategic foresight and planning. It uses nested time-horizons, recognising the need for different time frames to deal with different issues – it maintains 50 year, 10-15 year and shorter horizons, all interacting with one another.

Singapore also uses scenarios about the future to test assumptions and challenge policy thinking. These are stories and ways of thinking about the world that have lodged in the brains of policy-makers and proved powerful in guiding action. For example one scenario "Hotel Singapore" imagined a prosperous, global city but one in which citizens felt transient and disconnected – more like hotel guests than a society. Officials describe how it

provided a corrective to status quo thinking – "if I carry on with this, will we end up like Hotel Singapore?"

The Netherlands has been producing future scenarios since the 1950s, looking 10-20 years ahead. Scenarios are well understood in the Dutch system as a way of informing debate on long-term policy choices. We were really interested in the 2010 exercise to produce 2040 scenarios because we would be able to see what the impact had been. When we got excited and started googling these, we found a myriad of 2040 strategies across the Dutch system – from banks, to cities, to sectoral strategies, to government departments. It shows how these scenarios have provided an anchor for cities, government, political parties, industries and businesses to plan around. They help frame and inform, and they don't dictate what the future should be like.

We have heard arguments defending short-termism. But they aren't really arguments that you should only look at the things in front of your nose. They come more from the perspective that renewal should come from elections and that long-term strategy is essentially technocratic.

We should be using the strengths of our democracy. A common time horizon would enable public transparency on how democratic actors and government see the future. It would provide an environment in which many other actors beyond government could develop their views of the future horizon and set their own ambition accordingly.

Why 'national' not government strategy

If you read the Playbook after this lecture, you will see there are many things for government to do in it. We haven't shied away from the fact this would need to be convened and led by government, acting for the state as a whole.

But it needs a different mindset. One that is more open and 'national' in approach. We need new ways of thinking about the relationship with politics, with our 'national capacities' and with the public.

A critical question is how to stick to the path over longer time periods. How can we foster the consistent pursuit of these goals in a world of political competition.

Long-term strategy has to make room for changes in political leadership. Longer timespans mean many actors and institutions will find themselves occupying different positions in the system at different points in the life of the strategy. For example opposition MPs who become Ministers and vice versa.

It's probably not realistic to secure public consensus between parties in our political system. Our system relies on space for disagreement and debate. But it is possible to design national strategy-making in a way that builds our capability and likelihood of achieving long-term goals across democratic institutions as well.
Firstly, by fostering a consistent method, you build the capability for the system as a whole to look ahead, cycle after cycle. As part of this, Parliament could play a new role as guardian of the long-term.

And secondly, by sharing diagnosis of challenges and core assumptions. Politicians might not agree on all of these, but a greater involvement would avoid unintended discontinuities between one government and the next. It would allow newly elected governments to get on more quickly with their agendas – they wouldn't need to spend the time getting to grips with a civil service analysis that had been obscure to them in opposition.

That thinking should be opened up to others too. One of the fundamental ideas that we drew from our international learning, from countries like South Korea, Ireland and Japan, is that the most effective strategic action comes

when you can mobilise many of your national actors – your private sector, local government, and civil society – behind a national direction.

In the countries I've mentioned, one of the things that left a real impression on us was the way that the people we spoke to – from all sorts of backgrounds – could speak fluently and consistently about the country's strategic advantages and disadvantages, its strengths and weaknesses, the problems they needed to solve and the means by which the country might be successful in the future. They didn't just talk about this in government policy language, but could talk about how their country worked. The structure of the private sector, for example – the balance of start-ups, scale-ups and national champions in the business sector. Or the matching of human capital to future needs in the economy.

We were inspired by this to develop a framework for how a country works. In it, we've defined 5 "national capacities" – people, means, resources, capital and institutions. The idea is to understand the country not through policy domains or government levers, but in the actual components that add together to mean we can do things and achieve things. This is a piece of work we hope to evolve to make it of direct use to policy-makers in thinking beyond specific domains.

In South Korea in particular, this fluency I spoke about didn't appear to us to be about active consensus. People pointed to a lot of vigorous debate and disagreement. But somehow this shared understanding of how the country is going to be successful allows very different types of organisation to row in the same direction. This was described to us in South Korea as a 'Flotilla' – no single person is steering the boats, but somehow they are all going somewhere together.

This idea of a 'Flotilla' provides a model for how the UK could think about the output and impact of a national strategy process. It would mean a strong

understanding between government and other partners in society about diagnosis and direction. We've shown we can do this in times of crisis, for example during the pandemic, and at different points in our history. Now we need to do this more structurally, and around proactive goals.

If we are going to make strategy about the future, the public must be engaged too. And not just on the easy part – on vision and preferences. We need to be braver about surfacing the hard trade-offs and the choices involved.

We actually have a fantastic capability in the UK to understand public opinion and lived experience. For example through polling companies, from organisations expert in citizen engagement, and from our regular surveys, censuses and longitudinal studies. These should be seen as a vital strategic capability.

But we haven't updated our view of the public's role in setting policy direction for decades. Our approach to consultation would be recognisable to officials from the 1970s. Put out a big document, ask for views. And yet the public – the locus of their discussions, how they consume news, where and to whom they offer opinions, the many groups who don't really appear in mainstream debate including, to a large degree, young people – has changed radically.

There is a range of different techniques we could employ for a national conversation – deliberative methods to rank options, more representative approaches like citizens panels, or methods – like the Delphi technique – for a more polarised public to look at trade-offs and iterate their way to a consensus.

The advent of tech-supported platforms and models to do this with greater reach and without huge expense has been trialled in many countries, with

some well-known examples, like Taiwan's experience of digital democracy. Lots of cities around the world are also innovating in how they involve their citizens in choices about the future. We ought to be learning from this at a national level and developing our tools and techniques for citizen engagement as a new state capability.

Big bets and proper choices.

A core concern we've had is how we could reimagine our 'big bets' as a country. How do we make sufficiently bold choices about the future?

Other countries do this better. For example Japan's big intervention on semi conductors, or its approach to Green Transformation, demonstrate a greater comfort in making big choices and a greater confidence in mobilising all sorts of different actors – from regional government to the private sector – to secure their success.

In the UK there's a sense that we have too much strategy. Some people spoke to us of a 'blizzard' of government strategies, with many actions and commitments, but which confuse overall strategic intent. How could we cut through and align on a few big, coherent approaches?

Set up in 1953, President Eisenhower's 'Project Solarium' was a uniquely explicit attempt to force hard choices and coherent options. His team identified three competing approaches to the Cold War.
One was to forgo direct confrontation with the Soviet Union
One was to push back militarily and raise the imminent threat of nuclear war
One was to draw a line in the sand around defined spheres of influence.

He tasked groups to develop each into a compelling plan. The work culminated in a presidentially-chaired debate in the White House and a major strategic pivot.

We have been particularly interested in the Solarium exercise because of what it was able to do.

It opened up the space for bigger thinking about ideas and approaches. Eisenhower desperately wanted a broader range of options, not just the ones being presented to him.

It forced the conflict between different perspectives into the open. In Eisenhower's case, people from diplomatic, military and economic domains were disagreeing in separate briefings, but not confronting these disagreements and what they really meant about the real choices on offer.

Different pathways were worked up with real commitment. Because they were working in teams, the taskforces worked hard to make the best case for their option, considering benefits and risks and providing comprehensive strategies to make their approach successful.

It went deep. The three task forces were commissioned to produce detailed plans. They got down to maps and resources and understood choices and trade-offs in fine detail.

Our political leaders today express a similar frustration to Eisenhower. That the status quo isn't good enough, but that alternative pathways aren't clear. We think the Solarium model provides a solution. It isn't easy to do. It requires confidence, resources and commitment. It doesn't take away the need for politicians to make difficult choices, but it enables them to do this with a real sense of what the alternatives are.

Eisenhower's Solarium was a secretive exercise that took place mainly in the national security community. We think there are benefits in employing this method openly and across domains – social and economic as well as foreign

policy and national security. Our 'contemporary project solarium' involves options and pathways developed in the open with a wider set of partners. It has the potential to open up our thinking, expose genuine choices, and build a far broader coalition that is ready to deliver.

Open and Transparent

Long-term strategy-making should be open and transparent. There is a point in publishing the method, so that everybody is able to see how they would engage in the national debate. At each stage in the Playbook, there is a published output, so that many partners and the public can follow the development of national strategy and have a chance to influence it.

What I've described over the course of this lecture isn't the task of a few people in a stuffy room.

It's a practice. It's a practice we have to get good at, using certain tools and approaches, and building common frameworks among many participants. We need somewhere to build our capacity for this practice, to build the relationships and common language, and to train people in the tools and mindsets that can bear the weight of the challenges ahead.

At the moment, politicians, civil servants, business leaders, local government and public service leaders train and learn in largely different spaces. We need to train in a more open and collective way, and make our deep assumptions and differences more transparent to each other.

To build capacity for the long term, it is vital that an organisation like a National School of Government should have the mandate to convene across sector, to create spaces for joint problem-solving, oriented to our biggest challenges. It should also be tasked to reimagine how we make our system learn quickly, through simulations and exercises, and through rapid reviews

when something goes wrong. It's only by increasing this capability to learn quickly that we will have the confidence to pivot when underlying realities change.

Conclusion

This Fellowship started from the position that we are going to have to think very differently about the next twenty years compared to the last.

That the set of challenges we face – global volatility, climate change, demographics, high public debt, a straining social contract, and a deep societal fear that the next generation won't do as well as the last – are inextricably connected.

That we are held back by short-termism and a somewhat ingrained assumption that change is best managed as part of a crisis.

That some of the underlying bets that have conditioned government for 20-30 years are outdated and have to be replaced.

That we have intractable problems we've somehow accepted as too difficult to solve.

What we need now is big thinking, imagination, and a way of engaging the public – across generations, across the economy and society, across geographies – on some of the major phenomena that are going to revolutionise our world.

This is not just our diagnosis. It has been drawn from the people we've spoken to over the course of this project, from politics, government, local government, civil society and the private sector. And there is evidence

across the world, from countries like us and unlike us, that we can radically improve our capability to respond.

We have spent this year redesigning how we do long-term, national strategy in the UK. We have written the Playbook. It is now over to you to decide – what sort of future do you want?

ENDS