



TRANSITIONS: LESSONS LEARNED

*Reflections on the 2010 UK General Election
– and looking ahead to 2015*

Peter Riddell and Catherine Haddon

INSTITUTE
FOR
GOVERNMENT

Contents

Executive Summary	6
1. Introduction	12
2. Political Party Preparation	17
3. Civil Service Preparation	23
4. Meeting in the middle: the pre-election contacts	31
5. Five Days in May	36
6. First few weeks and months	43
7. Conclusions and lessons	53
8. Recommendations	61
Bibliography	69
Appendix: 2009 Recommendations	70

Preface

When we were preparing and writing our report 'Transitions – preparing for changes of government' we were struck by the absence of analyses of what had happened at previous transfers of power – in 1970, 1974, 1979 and 1997. Some valuable official records were available in the National Archives, but there was no evidence of any systematic attempt in Whitehall to learn the lessons of these handovers for future use. Civil servants and ministers were too caught up in the hectic pace of events of the early days, weeks and months of a new administration to spare time for reflection. There were only a limited number of academic articles on this issue.

Moreover, after producing the original report in November 2009, we attended nearly two dozen meetings with Whitehall departments and agencies over the 2009-10 late autumn and winter. These were at various levels, from departmental boards to mass gatherings of over 200 civil servants. We also briefed the main political parties and broadcasters. At each event we asked who had been directly involved in the handover in 1997. A few hands went up, in general no more than a quarter of those present. When we asked about 1979, there were usually only one or two hands.

One former senior civil servant reported that at a Top 200 meeting (of senior officials) in autumn 2009, Sir Gus O'Donnell, the Cabinet Secretary, asked the question; 'How many of you were here in 1997?' Half the hands went up. 'In 1979?' Under a quarter. 'In 1974?' Four hands went up. So, he noted, less than a quarter of civil servants had experience of two transitions. None of this is surprising given the long intervals between changes of power over the past three decades, first 18 years, and then 13 years. Sir Gus had himself joined the Civil Service in the summer of 1979, and had therefore only experienced one change of party in power. In the Treasury, with a relatively high annual staff turnover of 20 per cent and a median age of just over 30, the issue of cumulative memory is even more apparent. Only 2.5 per cent of Treasury staff had joined before 1979, yet even those who were there before 1997 still only constituted 15 per cent.¹

Similar trends are also apparent among politicians. When parties go into Opposition, particularly for more than one term, there is always a change of generations. Not one member of the Blair Cabinet in 1997 had served in a Cabinet, though a handful had been junior ministers. The Cameron Cabinet in 2010 was slightly more experienced, but only three Conservatives – and, of course, no Liberal Democrats – had served in the outgoing John Major Cabinet 13 years before.

Our invitation to so many meetings in Whitehall reflected both this lack of direct experience of past transitions and the absence of detailed papers on previous handovers. There was an eagerness to find out what happened in the past, and to discuss the implications for the possible handover in 2010 (though we always warned to expect the unexpected, a mantra for ourselves as much as anyone else). Our report, and the subsequent roadshow of meetings, helped to fill this gap in the collective/institutional memory of Whitehall. We were also determined to prevent this problem occurring again, and were encouraged in this desire to conduct a lessons learnt exercise by support from the top of Whitehall and from senior ministers. We kept closely involved during the transition and its aftermath. In order to allow time for the new government to settle in, and because of the pressures of the comprehensive spending review, we decided not to begin our interviews until November 2010.

1 Sir Nicholas Macpherson, 'The Treasury and the transition to the new Government', Speech at Nuffield College, Oxford University, 18 June 2011. Accessed on 7 September 2011 http://www.hm-treasury.gov.uk/speech_permsec_180611.htm

We interviewed Conservative and Liberal Democrat ministers and advisers in the Coalition Government, and a variety of senior civil servants who had been involved in the transition, many of whom had helped with the original report. All these interviews were conducted on a non-attributable basis, though we naturally highlight the different political and Civil Service perspectives. We are grateful to all those who spared us their time and were, without exception, very supportive of the project. The only named quotations come from where the minister or civil servant gave evidence to a parliamentary committee or from newspaper or broadcast interviews.

We are grateful for the support of many of the key players in the 2010 transition, particularly in Whitehall, which is the main focus of this report. A number of current and just retired Permanent Secretaries, other senior civil servants and advisers, read this draft and offered some valuable comments.

This report is intended to record what happened during the long run-up to the 2010 election, the unexpected dramas of the Coalition negotiations in 'the five days in May', and the aftermath as the new ministers settled in. We do not go into detail about the political manoeuvrings of the five days which are well covered elsewhere in the books by David Laws and Rob Wilson as well as in numerous articles and television programmes.² We also focus mainly on what happened in Whitehall, rather than Westminster, on the interaction between ministers and civil servants, and less on the implications for the parties, which will be covered in later work on Opposition by the Institute for Government. Much of the initial, and largely successful, effort was to avoid the perceived mistakes of 1997. But new, and unexpected, issues arose. We conclude with a list of thoughts for the future and some recommendations for those who have to tackle the problems of transition whenever these arise. Merely because of the experience of May 2010, the creation of the Coalition, and the passage of the Fixed-Term Parliaments Act, the preparations for transition will be very different in future. We argue that politicians and the Civil Service need to start thinking now about these differences.

The following chapters are inevitably only a provisional assessment. Because of the relative smoothness of the handover and the creation of the Coalition, there is a danger of complacency, of assuming nothing went wrong. In some respects, the parties and the Civil Service were lucky that potential problems, particularly during the five days of negotiations, were avoided. Now, roughly 18 months on from the election, however, difficulties are more apparent which raise questions about the preparations. We have undoubtedly missed developments (please tell us), and, like everyone else, our judgements will no doubt have been over-influenced by what happened in May 2010.

Peter Riddell and Catherine Haddon, October 2011.

2 David Laws, *22 Days in May: The Birth of the Liberal Democrat-Conservative Coalition* (London, Biteback: 2010); Rob Wilson, *5 Days to Power: The Journey to Coalition Britain* (London, Biteback: 2010)

Executive Summary

Introduction

A smooth transfer of power is only a necessary, not a sufficient, condition for a successful transition. The wider transition covers a much longer period. The main test is **how quickly and effectively** a new government can get going and implement its policies.

No transition is precisely like the previous and, whilst difficult, **preparing for the unexpected**, both in contingencies and psychologically, proved to be particularly important in 2010.

Political Party Preparation

The Conservatives' approach to preparing for government was based around an Implementation Unit that was thinking about the **how of translating policies into practice**. But the emphasis was largely on the benefits that would come from planning, thinking things through, rather than the plans themselves. The Business Plans were initially developed for Michael Gove's Academies and 'free' schools policy and quickly evolved into a tool for all shadows. Only late on was it decided to take the Implementation team, and with them the Business Plans, into government. The Conservatives did a lot of work, notably in association with the Institute for Government, to prepare largely inexperienced spokesmen for being in government. However, **the need to win the election, and not to be seen to take victory for granted, was a greater priority** for the leadership and many of the shadow cabinet.

The Liberal Democrats were even more concerned about how any preparatory work would be seen. They **had limited resources, which had to be allocated to campaigning**. Liberal Democrat leaders did discuss their policy priorities. But there was still insufficient rigour and policy commitments remained, such as the tuition fees pledge, which were unsustainable in government. The Liberal Democrats **thought through their negotiation positions in greater depth than the other main parties**. However, the fear was that preparations for office by Shadow spokesmen would be seen as presumptuous if they leaked. Whatever happens in 2015, at least that problem will not be repeated.

Civil Service Preparation

There was a **changed scale and approach of Civil Service preparation** than in previous transitions. A significant innovation was in **basing this work in strategy units**. It was important to keep this work separate from the rest of department, and for the Permanent Secretary to oversee it and ensure the incumbent Secretary of State was content. Some ministers were very supportive, others less so.

Several officials acknowledged the difficulty in getting to the bottom of Opposition thinking from public statements, speeches and the like. Access to the structural reform plans proved useful in many cases. **Preparation on the Liberal Democrats, and a potential fourth Labour term, was not a priority**, and not done in depth, but it was not pushed by Labour or Liberal Democrat politicians.

Coordination from the centre, both through the appointment of Alex Allan on behalf of the Cabinet Secretary, and through the Cabinet Office Strategy Unit, was new, but was often about maintaining networks – including Permanent Secretaries, the Top-200 Civil Servants and departmental strategy directors.

Several officials closely involved reported an enormous appetite for thinking about what change might be like, knowledge of what the Opposition views were and what politicians' expectations of the Civil Service might be after an election. **One of the biggest issues was how to prepare for a new culture, ways of working and language.** What seemed like part of the furniture – Capability Reviews and Public Service Agreements for instance – was actually the product of a specific time and administration.

The pre-election contacts

The access talks were closely tied to internal preparatory work because they were **a rare chance to hear directly from opposition politicians.** They were kept separate from a department's day to day work, and from the incumbent Secretary of State. Discussions did not allow advice on policies. The key was establishing a relationship of mutual trust between the Shadow spokesman and the Permanent Secretary. Much depended on **whether shadows knew what to ask, and how open they were with Permanent Secretaries.**

Some shadows and **some departments made great use of these contacts,** including the Treasury. But they were less successful where the Shadow did not become Secretary of State after the election, if the personal dynamics were wrong, or if the discussions did not get to the heart of the main policy issues. The **Liberal Democrats made limited use of the contacts,** depending on the personality of the Shadow. Party leaders were concerned about the impression that would be made on officials, so they coordinated access centrally.

Five Days in May

Some of the most important preparation undertaken turned out to be about the mechanics of the period immediately after the election. An innovation was a 'war game' by civil servants for different hung parliament scenarios. This highlighted a **gap between the perspectives of politicians and civil servants,** and the different way that they think and react.

In the autumn of 2009 and early 2010 it was increasingly recognised that there was a need for better political, media and public understanding of what the existing conventions were in the event of a hung parliament. There were justified concerns about the need to prepare for any financial, constitutional or other upheavals if a period of uncertainty followed an unclear result. This resulted in the production of a draft chapter of a Cabinet Manual, and its discussion before the House of Commons Justice Committee. Whilst the time available for discussion was short, it was **far better than the alternative** of no public document at all.

There were a number of ways in which the pre-agreed procedures were put under pressure. Civil servants were not involved in the negotiations themselves, though they had been prepared and authorised to do so. However, it was still difficult to ensure their role in providing factual information and costings was **non-political and did not cross the boundary into providing policy advice.**

After the government was formed, the **Civil Service role was more important in discussions leading up to the second, and longer, coalition agreement** which provided the framework for Whitehall decision-making.

There were also **pressures for the extension of purdah rules** on what actions the incumbent government could undertake after polling day while the uncertainty continued over the identity of the next government – the ‘caretaker convention’. The opposition parties were kept informed about the EU bailout negotiations, but there could have been serious party divisions if the UK vote had been decisive, and the matter had not been decided by qualified majority voting.

First few weeks and months

The creation of the Coalition meant that many of the previous Conservative Shadow spokesmen did not take up the same post in government. Civil Service preparations had in some cases been based on the policy intentions of a specific Shadow, who was then not appointed. **A number of departments therefore started virtually from scratch** in their relationships with a new Secretary of State. For many of the politicians, the biggest challenge was simply in becoming a minister for the first time.

The machinery of the Coalition worked pretty well, initially largely because of good personal relationships between leading ministers. But there have been problems in view of the **asymmetry in numbers of people, in resources and in experience between the two coalition partners** – not least because Liberal Democrat ministers have had to cover cross-government briefs as well as departmental ones.

One of the biggest challenges at the centre has been how to **enable the Deputy Prime Minister to cover his wide-ranging Whitehall, as well as specifically constitutional, responsibilities**. Some insiders have wondered whether he should have been based in Number 10 rather than the Cabinet Office. A series of changes, since autumn 2010, have increased the resources.

Some civil servants **underestimated changes to the organisation and culture of Whitehall**, particularly the Efficiency and Reform Group under Francis Maude. However, the Conservatives’ plans for the Business Plans, and for the Implementation Unit subsequently changed, the latter reverting to a more traditional Policy Unit.

There has been a **heavy turnover at Permanent Secretary level** since the election, largely because of retirements. There was a deliberate decision to delay departures until after the election to ensure continuity in the transition, but this has meant wholesale change at the top of departments at a time of far-reaching spending cuts and transformation programmes.

Conclusions and lessons

The handover of power **went relatively smoothly, as did the immediate transition**. Lessons had been learnt from previous experience of a change of government after a long period of one party being in office. The Civil Service, particularly the Cabinet Office, both anticipated a hung parliament and adjusted quickly to the unexpected creation of the Coalition Government.

There is **no room for complacency**. Much could easily have gone wrong if the election result had been slightly different and the parties had been more intransigent during the negotiations. The Queen was kept above the parties’ manoeuvring and out of controversy, but there could

have been a real danger of the Civil Service's neutrality being compromised if the talks had lasted longer and been harder to resolve.

Over the longer transition, lasting into 2011, **there have been greater problems of adjusting to a new government.** The policy reversals, rows over some early decisions and hastily drafted legislation, have all raised questions about the nature of the pre-election preparations of both the Conservatives and the Liberal Democrats in differing ways.

An **enormous gap remains between Opposition and Government**, in priorities, in resources and awareness of the challenges of office. (This will be the subject of a separate Institute for Government study.)

The Coalition has achieved a lot and there are many positive lessons about how the right sort of preparation, both by Opposition parties and the Civil Service, pays off. **The harder issue is how much good preparation can achieve; changes of government are bound to be bumpy.**

Recommendations

Third Party preparation

- All involved are now likely to take the prospect of third, and other party, involvement more seriously.

Consistency and guidance

- There is a need for more explicit, and co-ordinated, guidance across Whitehall about how to prepare.
- If a Shadow does not end up taking up a post, the parties need to ensure that policy views are shared across the team.

Pre-election contacts

- Fixed term parliaments mean that the start date should be 12 months prior to the election.
- Parties should understand the importance of setting out their legislative priorities to the Civil Service.

Expert policy advice

- Political parties need to understand that rapid progress on large numbers of new bills, and a large number of new announcements, at the same time can produce poor policy which later has to be revised.
- Whitehall and the parties should consider whether the current advice to the Opposition from former civil servants and outside consultants needs to be supplemented by the possible secondment of officials to ensure fewer difficulties later over implementation.

Cabinet Manual

- The manual is right to state that a potential Prime Minister who can command confidence in the Commons should be able to be appointed even if there is uncertainty about the exact form any government might take.
- The incumbent Prime Minister retains right to resign when they feel there is clarity about who the Queen should appoint.

Commanding Confidence

- To provide clarity on who can command confidence in the Commons, it could be worth instituting an Inauguration vote (as is done in Scotland) or await formal public statements by the political parties of whom they would support (as is done in New Zealand).

Cabinet Secretary role

- The Cabinet Secretary should facilitate any post-election negotiations but should not participate in them. The Scottish model of seconding civil servants to advise participants in negotiations will probably not work at Westminster.
- Parties involved in negotiations should be able to consult the Civil Service on costings of pledges and policies but this should not stray into policy advice.

A measured transition

- Incoming Prime Ministers should take time over appointments and any organisational changes. They should also allow time for adequate consultation on, and drafting of, legislation.

Continuity in personnel

- All of the above underlines the importance of making the best use of experience and preparation where possible. Continuity of personnel, both between Shadow spokesman and minister, and for senior Civil Service positions, has clear advantages in most cases.

2015 - Future patterns

Even with the formation of this coalition, many in the political and media worlds still think, or, in some cases, hope, that coalition government is an exception. Coalitions are not regarded as the norm in the UK, as they are in many other European democracies. However, despite the redrawing of parliamentary boundaries to produce constituencies of roughly equal size, the distribution of electoral support means that hung parliaments are more likely than in the past. This will affect behaviour in the run-up to the 2015 general election.

It would be wrong to assume that the Coalition partners will want to break-up the Coalition before the election, rather than go down to the wire. No party will want to get the blame for pulling the Coalition down.

The pre-election period

The main challenge will be that the parties fighting the election separately will continue to govern together. Tensions are likely to result from the development of separate policy platforms, as well from the greater intensity of the party battle ahead of the election. Relationships between ministers of different parties may become strained and there may be a danger of ministers going rogue.

Above all, it is a matter of expectations. This means preparation about what might be expected, and thinking through contingencies and potential areas of friction.

- Politicians will be concentrating more on campaigning; this may lead to strains on rules and conventions of office – though collective responsibility remains in force.
- It will be important to ensure clarity on the rules, the separation of political and government business, and use of the Civil Service machine. It will be necessary to re-visit advice to civil servants and guidance for politicians about directions to civil servants, and political activity.

Civil Service preparation

All parties, whether in the Coalition government or on the Opposition benches, should be treated in a comparable way, particularly in the handling of pre-election contacts with Permanent Secretaries.

Permanent Secretaries could allocate separate individuals or small groups to cover each of the Parties. This could increase trust. But on the other hand, if one single team covers all potential outcomes, it should be in an even-handed way.

Consequently, the Civil Service needs to plan for a more formal process of preparation – perhaps through greater guidance and central coordination. However, it is still necessary to retain the past virtues of flexibility and ensure that preparation is not excessive, overly mandated or inappropriate to the needs of an individual department.

- In any coalition negotiations, great care needs to be taken over the way in which official advice and factual information are given to politicians in the run-up to an election. The Scottish model, in which civil servants may provide information to one part of the Coalition, without necessarily making it known to other ministers, is not easily transferable to Westminster.
- Any changes in advice and procedures should be made public – following the precedent set by the Cabinet Manual in 2010. In New Zealand, advice to Civil Servants and any updates that would affect the Cabinet Manual (agreed by Cabinet) are published on its website.

1 Introduction

Change of any kind, particularly of a wholly unexpected kind, challenges the ingrained assumptions of both politicians and civil servants. In the run-up to the 2010 general election both were determined to avoid the mistakes they believed had been made in the 1997 transition. It was the same in 1997, when both the Opposition and Whitehall wanted to avoid the errors believed to have been made in 1979. Like generals, their prime aim was to avoid losing the last war. For those who had been through previous transitions, there were clear lessons from each; in the words of one Permanent Secretary, 'in 1979 it was policy they got wrong; in 1997, it was people'. The current Treasury Permanent Secretary, Sir Nicholas Macpherson, who was Principal Private Secretary to the Chancellor in 1997, recalled that this was particularly acute around the role that special advisers would play.³ In 2009-10, there was more consideration of personalities and how misunderstandings and tensions could be avoided. In the event, these were largely avoided and what proved most unsettling was the creation of the Coalition and the overriding need to tackle the Budget deficit, together with the related sweeping proposals to change the Civil Service and public services.

A crucial factor, both in 2010 and in 1997, was the long period since the previous change of government. Collective memories among both politicians and civil servants are surprisingly short. It is not just the lack of direct experience of previous transitions. In much of the thinking around transitions there is a natural tendency to react to previous events, or at least the folk memories or urban myths, which grew up around what happened in the past. On the Civil Service side, there was a desire to avoid the friction which developed in the Treasury between Gordon Brown and his team, and Terry (now Lord) Burns, which led to the latter's departure as Permanent Secretary within a year of the election. Similarly – reflecting a lack of appreciation in 1997 about 'how styles of working which operate successfully in opposition are likely to persist in Government'⁴ – there was a desire at the centre to achieve a better understanding of the personal relationships around David Cameron and his team, to see how any Conservative administration would operate from the centre, and which personalities mattered. This reflected the perceived failure in 1997 to anticipate, or even fully comprehend, the impact of the very different Blair/Brown style of government, and the ultimately destructive divisions between them.

Another important lesson from the past was over the patchiness of transition preparations, both within departments and by Opposition spokesmen. In 1997 some departments did extensive preparatory work, whereas others did not. Opposition Shadows also varied in their degree of interest in talking to permanent secretaries. There was a widespread view among permanent secretaries in 2009-10 that the Department of Education and Employment probably went 'too far' in the enthusiasm of its preparations ahead of the 1997 election, though it never crossed the line of offering policy advice. Yet there is the paradox here that Education and Employment was acknowledged to have been better prepared than most other departments, such as Health, for the arrival of the Blair Government and to have been quick off the mark in implementing its proposals on numeracy, literacy and school standards.

There was particular sensitivity on the media/communications side after the widespread cases of conflict in 1997 between incoming Labour ministers and inherited directors of communication. The subsequent wholesale departures of many of them – either voluntarily or forced – left scars and unhappy memories which communications directors in 2009-10 were determined to avoid. There was a sense of sticking together – if they are to be shot, they will

3 Macpherson, 'The Treasury and the transition'.

4 Ibid.

all be shot together. They could make this less likely by forming a common front.

The main conclusion drawn by the Civil Service was that officials needed to be more sensitive to what became known as culture – that is differences of style, ways of thinking, even language, between Labour and a possible Conservative Government. A lesson that Sir Nicholas Macpherson took from 1997 and 2010 was that, ‘the trick for the Civil Service is not to take too much for granted, to show emotional intelligence, to be flexible and above all to listen not just to explicit instructions, but to implicit signals.’¹⁵ At our meetings around Whitehall, we were struck by the number of questions along the lines of: how do they think; what will they be like; how much do we have to change what we say? Civil servants were apprehensive that incoming Conservative ministers might regard them as tainted by long association with New Labour, as some shadow spokesmen did indeed suspect.

One example of all this was a lexicon we developed for a possible transition after consultation with members of the Conservative Shadow Cabinet and advisers. It was intended to stimulate, provoke and entertain, though provided quite a lot of indicators to what a change might mean.

Out	In
Delivery/roll-out	Implementation
Investment	Spending
Demand side	Supply side
Top-down	Bottom-up
Target	Payment-by-results
Regional	Local
State	Society
Strategy	Business Plan
Evidence based	Principles based
Partnership agreements	Post-bureaucratic state
Stakeholder	Social responsibility
Active centre	Departments

On the political side, Mr Cameron and his close advisers, notably Oliver Letwin, believed that both the Thatcher Government in 1979 and the Blair administration in 1997 had not been bold enough in their first terms. A strongly held Conservative view in opposition, as discussed in our first report, was that the Thatcher Government had been slow to announce and introduce measures to bring public spending under control, and had not tackled public service reform until its second term, and, in some cases, third term. That underrates the far-reaching tax measures in the first Howe Budget in June 1979 and what appeared at the time as big cuts in public spending plans – though these proved to be insufficient and had quickly to be supplemented by further spending cutbacks. Nonetheless, Baroness Thatcher did adopt a

step-by-step tactical approach, taking on one lot of opponents at a time, generally defeating them, and then moving on to a new challenge. The Blair Government was initially cautious on public service reform, partly because it took several years for Mr Blair and his advisers to decide on a new approach. And with a largely benign economic background, the first Blair term was dominated by constitutional reform legislation, including devolution, and the introduction of measures such as the minimum wage.

What matters, however, is the perception which the Cameron team had of what happened after earlier changes of government. Their conclusion was that a new government should start off boldly across the board in order to achieve momentum. This was partly to ensure that what were bound to be highly unpopular deficit reduction measures were announced and implemented early so that the unfavourable political effects might have disappeared by the time of the following election. On reform, the Cameron team believed that resistance to change could best be overcome in the early days of an administration, rather than later, nearer the following election, when more cautious voices might prevail. This placed a premium both on the Conservatives' own preparations and that of the Civil Service in being ready to act swiftly on them.

The Conservatives also deliberately sought to differentiate themselves from the Blair/Brown style in 10 Downing Street. Mr Cameron pledged himself both to restoring a more collective style of decision making at the centre and 'cutting the cost of politics' by, for instance, reducing the number of special advisers. This turned out to be a double-edged pledge after the creation of the Coalition as the need to ensure that the views of both parties were heard required more rather than fewer special advisers.

These perceptions of the past defined much of the pre-election thinking both in Conservative circles and at the top of Whitehall. The Liberal Democrats barely figured. Sir Gus O'Donnell, the Cabinet Secretary, did meet Nick Clegg, some of his shadow spokesmen met permanent secretaries, and a Liberal Democrat adviser close to Clegg attended one of the regular meetings of strategy directors in the Cabinet Office. But it was patchy and neither side appeared seriously to believe that the party would be involved in government. This asymmetry between Conservative and Liberal Democrat preparations, and the Civil Service's varying degree of involvement with the two parties, had a big impact on the development of the Coalition. It meant that the Liberal Democrats were playing catch up for several months afterwards. All involved – the Liberal Democrats, the Civil Service and other political parties – are likely to take the prospect of being in power much more seriously in future, and prepare accordingly.

The reaction to what happened in the previous transition illustrates the problem of defining success when examining changes of government. In our original report we noted that:

The present system of preparing for changes of government provides for smooth handovers, but uneven, and often flawed, transitions. The formal transfer of power works well.⁶

The Civil Service is good at handling the formal constitutional changes of office, and, as we discuss later, dealt well with the 'five days in May' and the formation of the Coalition. That

6 Peter Riddell and Catherine Haddon, *Transitions: preparing for changes of government* (London, Institute for Government: 2009), p.64

primarily reflected the determination of the main political leaders to resolve as quickly as possible the situation created by the failure of any party to gain an overall majority, especially against the background of economic uncertainty. There is a danger of taking such trouble free and uncontentious handovers for granted. In many respects, we were lucky in 2010. A lot could easily have gone wrong. Small differences in the balance of MPs or in the attitudes of the party leaders could have resulted in much more protracted negotiations which would have tested the patience of the financial markets and the media, let alone the politicians. The Civil Service trod a thin line between providing factual information and policy advice during the negotiations. The risks can be seen in other countries where the record has not always been so straightforward, or relatively brief.

However, a smooth transfer of power is only a necessary, not a sufficient, condition for a successful transition. There is critical distinction between the handover, the constitutional transfer of power, and the wider transition. The latter covers a much longer period than the usual handover on the day after the general election, or even than the 'five days in May'. It can start up to a year or more before the campaigning, continuing well into the first few months, or year, of a new administration when it sees whether its preparations have produced successful policies. As we argued previously, 'for those most closely involved at the heart of government, and for new governments entering office, the main test is effectiveness: how quickly a new government is able to get to grips with office and implement its plans. Good preparation can ensure a new minister and a department work more closely and harmoniously together than they might otherwise do, and develop a better relationship sooner'.⁷ This is not about speed alone, but effectiveness. Hence, the test of a successful transition comes months, or even years, after an election.

Our earlier report – which was written in the early stage of the preparations – made a number of suggestions for how the process could be improved. These are set out in Appendix A. In summary, they are:

2009 Transitions Recommendations

- Opposition Leaders need to pay more attention to what they would do in government, not just in policy but also in ensuring continuity with the same people occupying shadow and ministerial posts. Opposition politicians, including special advisers, need to be given more training and preparation for office.
- The present guidelines on contacts between Opposition parties and the Civil Service – the access talks – need to be updated to reflect greater clarity on timing and content of the process. The Cabinet Office should take a more active role in co-ordinating preparatory work and contacts. Small units should be set up within departments to seek clarification about Opposition plans.
- Groups of permanent secretaries and shadow spokesmen should discuss issues cutting across departments.
- The formal handover of power should be phased over several days, to allow time to recover from the exhaustion of the campaign.
- The Queen’s Speech should be delayed from the recent usual date of a fortnight after an election to three or four weeks after polling day to allow time for new ministers to get to grips with their departments and to agree a legislative programme.
- Incoming prime ministers should be wary of machinery of government changes since creating and reshaping departments is inevitably disruptive, expensive and often counter-productive.

Many of these recommendations were followed in practice, though not quite in the form we, or anyone else, envisaged. The preparations, both by the Conservative Opposition and within Whitehall, were more extensive than in the past. But, in the event, developments from polling day onwards were dominated by the formation and continuing demands of the Coalition. At the end of a suggested template for a successful transition, we noted that the Civil Service needs ‘to prepare for all contingencies, including the possibility of an election result of no overall control. This may mean preparation for the possibility of an extended transition or the possibility of a different style of government, whether a coalition or minority administration’.⁸ The Civil Service did increasingly consider the possibility of a hung parliament, but, like most other players including politicians and commentators, did not really work out the implications of a coalition until after polling day.

This report looks back on the experience of 2009-10 to recall, while memories are still reasonably fresh, the preparations by both the Civil Service and by the political parties; the contacts between the two of them; how Whitehall handled the ‘five days in May’; and the longer transition in the weeks and months afterwards. Then we look back on how the transition has worked out subsequently; discuss the lessons that have been, and should be, learnt; and finally look forward to the very different challenges at the next election in a new age of coalition government and fixed term parliaments.

2 Political Party Preparation

The main Opposition party's central focus is, or should be, getting back into office – from challenging and holding the incumbent government to account to more active preparations for office. Every successful Opposition Leader measures his or her success by how much their party is becoming – and, crucially, seen to be becoming – an alternative party for government. Therefore, in theory at least, the Conservatives had effectively been preparing for this for the previous 13 years since they were last in Government, and the Liberal Democrats for 70 years. In practice the Conservatives did not emerge as a serious alternative government until after their third defeat in 2005, while the Liberal Democrats only partially, and patchily, adjusted to the prospect of being a potential government. Our focus in this chapter is on their preparations for handling the challenges of office, and not on the rethinking of specific policies, nor of the campaigning up to, and including, the general election itself. These are fully covered in various other studies.⁹ What we are interested in is how the parties prepared for translating their policies into action and how they thought about the skills and knowledge required for being in government.

2.1 The Conservatives

The Conservatives' preparations for government began in earnest in the autumn of 2007 when it became clear there was not going to be an early general election. Francis Maude was asked by David Cameron to take responsibility for implementation. (This was parallel to the policy review overseen by Oliver Letwin.) The underlying thinking was that there needed to be some form of 'due diligence'; similar to what would be done in business after a takeover. Even setting this up was not easy.

Initially, much of the work fell to Nick Boles, the founder of Policy Exchange, a close ally of David Cameron, and, from October 2007, Conservative candidate for one of its safe seats. In early December 2007, the party started to go to the leading management consultancies and look for potential secondees and, in some cases, more unofficial help. During the course of 2008 they ended up with around six people in the team.

A priority was getting shadow ministers to go through the process of thinking about the how of translating policies into practice. For much of the period, the team thought the process of making plans would help them prepare collectively and mentally if and when they found themselves in office. Their mantra was 'planning, not plans, is everything'. That was partly because they expected the reality would be very different from what they expected in opposition. They were aware of the difficulties of developing policies in detail without the full resources of the Civil Service. Maude said that, even if they could not know what it would look like when the lights were turned on, they could at least try and locate the light switch.

The team considered the work done by Sir Adam Ridley before the 1979 election (discussed in our previous report). Ridley talked with them about the briefing plans he had produced for each department. These plans were very detailed, notably on cuts to spending plans, and were not as focused on implementation. The Cameron era team felt, by contrast, that their focus was more on systems change, and internal issues within departments and Whitehall – hence the title 'Structural Reform Plans'.

In fact, the Structural Reform, now Business Plans became one the main features of this work, and the one those involved now feel was most useful. Initially these were implementation

9 Tim Bale, *The Conservative Party from Thatcher to Cameron* (Updated and Revised Paperback) (Cambridge, Polity Press: 2011); Peter Snowdon, *Back from the Brink: The Inside Story of the Tory Resurrection* (London, Harper Press: 4 Mar 2010); Philip Cowley and Denis Kavanagh, *The British General Election of 2010* (London, Palgrave Macmillan: 2010)

plans for specific policies, not for the department as a whole. A member of the Implementation team would work with the respective shadow spokesman, advisers and the Conservative Research Department. The results were presented to the policy board, chaired by Cameron.

Over time, these plans took on a uniform style and approach. The first one was Michael Gove's education plan. In this case, there was a concern that the creation of Academy schools, one of the flagship policies, would only get the necessary momentum if there was a clear-cut timetable for its implementation. In particular, Gove wanted the legislation passed quickly so that schools could open in September 2010 after an assumed May 2010 election. That involved close co-ordination with the managers of the parliamentary programme, Sir George Young, the Shadow Leader of the Commons from September 2009, and Patrick McLoughlin, the Chief Whip, about how to handle the bill. For the Ministry of Justice, the big issue up to January 2009 had been the prison reform policies developed by Nick Herbert. These were about how to turn policy to achievement. One of the most developed around late 2008/ early 2009 was the DECC brief on the 'Green Deal' developed by Greg Clark and the Implementation team.

A big issue in this process – and one that demonstrated how specific policies became closely identified with particular politicians – was the reshuffle of the shadow team in January 2009. Chris Grayling had largely developed the early Work and Pension plans, but he was then moved to shadow the Home Office (though he returned to the Work and Pensions brief as a Minister of State after the election). Theresa May became the Shadow Work and Pensions Secretary. However, not least because of continuity issues, quite a bit of the work fell to Chloe Smith, the Implementation Unit's representative, and by-election victor in July 2009. Nick Herbert was passionate about prison reform, but he was also moved. Dominic Grieve inherited it, but had different priorities, including the commitment to a British Bill of Rights, legal aid, and the courts service. These changes would not only have an impact on the direction of Conservative policies, but they would also demonstrate the value both of greater continuity, and of developing these early briefs in a more coordinated way.

In the middle of 2009 both Maude and Steve Hilton, as Cameron's personal adviser on strategy, separately and from different angles came to the conclusion that there needed to be a more of a department wide approach – including inherited policies, as well as new ones. Gove had mainly concentrated on his plans for schools reform, but he would also need to decide what to do with the inherited 'Early Years' and 'Every Child Matters' programmes developed by Ed Balls. This shift was important and proved very useful. It helped to make policy development slightly more collective, and less dependent on the views of the individual shadows. This was important when shadow spokesmen were moved around. The discontinuities proved to be a major issue, and irritant, when some shadows did not end up taking up the ministerial post. Nonetheless, there was still a strong link between an individual shadow and his or her policy plans for the department.

The policy briefs developed by spokesmen were to be the party's collective strategy for action, and would be measured against the Business Plans. So important parts of how the Conservatives intended to govern were in place from mid-2009. The end product was not just the Structural Reform / Business Plans. The process meant that the shadows also had

an overview of the department they hoped to inherit: numbers of staff, spending and other factual information. For the shadows, who were largely pre-occupied with the day-to-day politics, it was gold. In turn, the plans operated as an incentive to more work with the Implementation team. Kris Murrin, who had been hired on the advice of Hilton (she was also a part-time Senior Fellow of the Institute for Government) could then add information about the personalities, culture and other qualitative features of the department. The test would be how these stood up to the realities of governing.

The Implementation team was not only involved in developing these plans, but also in getting spokesmen individually and collectively better prepared for government. Before 1997, Labour had attempted, with mixed success, to prepare spokesmen via meetings with former civil servants, former ministers and others. More than a decade later, the Conservatives intended to improve on Labour's experience and do more. In the end, the results were mixed, stronger at the top than among lower level spokesmen. And virtually nothing was done with special advisers, both for fear of leaks and because the leadership was unsure which advisers it wanted to take into Whitehall and in what roles. The absence of such preparations contributed to problems after the election, as some special advisers in departments did not appreciate the limits on their roles.

The Institute for Government was involved, as part of its remit to work with all parties to improve government and in parallel to the research the authors were undertaking on how preparation for potential transitions has occurred in the past and around the world. It held breakfast meetings similar in aim, though much more extensive in scale, to some of the efforts in 1997. A session with Michael Heseltine was probably the most popular, alongside another with three former Cabinet Secretaries. The Implementation Unit knew that these had to be box office, since people would not come if they were not interesting. However, these briefing sessions with the Institute were seen as only the first base of the programme; they were also a foundation for more development work, under Murrin's lead.

The team had thought it might be a good idea to do some kind of performance assessment for the shadows and their teams. This would give Cameron the information needed to build a good Shadow team (and think about good ministerial teams and individuals within). It also tied in with emerging work at the Institute on development and appraisal of ministers, but this did not go far. Cameron had his own distinctive approach to assessing people. He saw the downside of doing formal assessments with friends, colleagues and rivals. He recognised that it would be difficult to persuade politicians that the benefit of performance assessments would outweigh the potential for discord and aggravation. Some shadows were willing, but others would have been less happy, and the results might have leaked out in a damaging way.

There was a lively debate about how far shadows should retain the same posts in government – as recommended in our previous report and strongly favoured by the senior Civil Service. shadow spokesmen could become familiar with the portfolios, get to know the key players and become alert to areas of potential difficulty. On the other hand, some spokesmen argued that different qualities were required in opposition than in government; and that the effective attack-dog might not be the right person to take the same post in office.

Cameron, however, began using the phrase 'measuring the curtainitis' to describe his reluctance to being seen to be prejudging the election (a phrase we also used in our last report). Like other Opposition Leaders, Cameron avoided anything that could be seen to be taking the result for granted. Consequently, even when meetings were held to discuss the shape of No. 10 and centre of government, the Conservative leader wouldn't engage. In that, at least, he was very similar to Blair before 1997. This was particularly important when it came to the work of the Implementation team, who saw their work as novel for an opposition. But, crucially, many senior Conservatives who were understandably focused on campaigning to win the next election did not regard this activity as a priority since it was about after, rather than before, polling day. Osborne would start meetings by asking 'what have you done today to win the election'. Some also were critical of what they saw as a diversion of resources.

For most of the time, it was not anticipated that the Implementation Unit would be taken into government. This only changed fairly late on, shortly before the campaign started. This was because the senior civil servants whom the Conservatives had been meeting in the pre-election contacts (discussed below), realised that this team could be crucial to bridging the gap between incoming ministers and the Civil Service, and to ensure that their plans were followed through. In this, the use of the Implementation Unit broke new ground. In other countries, where the handover process between the election and taking office is longer, such teams are commonly used, notably in the US.

In the end, the efforts to prepare shadow spokesmen for government fell short of earlier hopes. The impact, and the lessons for future transitions, will be discussed later. For the Implementation Unit, the consistency, breadth and prioritisation produced by the Business Plans proved to be the most useful output. It was valuable to have thought through the how of policies, getting it through the Whitehall machine. On this, the Conservatives had done vastly more than their predecessors, and certainly more than the Liberal Democrat Party.

Yet there are questions about whether the Conservatives, or any other Opposition party, can necessarily get the right type of up-to-date insights. For all their claims about the extent of their preparations, Opposition parties just do not have the internal capacity to do proper policy making. This made the Conservatives reliant, perhaps over-reliant, on advice from what one insider described as 'quasi-civil servants' from the big management consultancies and from retired Permanent Secretaries. This is clearly helpful to those who have never held office before – particularly about the 'nuts and bolts' about how government works. The doubt is more about whether any Opposition party can brief itself sufficiently on its reform plans before taking office. The involvement of consultants and former officials is no substitute for better and deeper contacts with the current Civil Service leadership. The problem is not just that some of the ideas of the 'old and the bold' may be out-of-date – with a tendency to refer to a golden age that never was – but that as a result of their preparations incoming Conservative ministers and advisers were over-confident in pushing for changes without consulting sufficiently about the practical consequences when they arrived in office.

2.2 The Liberal Democrats

The position of the Liberal Democrats was, of course, very different from the Conservatives before the election. This affected the motivation, manner and the amount of preparation work they did. There were three forms of preparation: first, on detailed policies and the

manifesto; second, for potential negotiations in a hung parliament; and, third, for being in government, as a minister. However, the Liberal Democrats had very limited resources, much less than the Conservatives. At the time, and in retrospect, the first two needed to have the highest priority. However, being a minister and learning how government works have proved a major learning curve.

Policy preparations were more geared towards the possibility of being in government than ever before. The team around Nick Clegg made an effort to be realistic, notably in the early 2010 discussions by his negotiating team on what the party should do in the event of a hung parliament. Much of this was about negotiating tactics, but, as David Laws makes clear in his '22 Days in May', there was also a focus on the party's four key policy objectives: fair taxes, political reform, the pupil premium in schools and the green economy.¹⁰ However, not all members of the party shared these priorities, and there were several potentially troublesome loose ends, despite a more rigorous costing of policies. It was before the election, and not just in hindsight, that some senior Liberal Democrats regretted that their higher education policy had not been modified, and the pledge against raising tuition fees had not been dropped. The party's policy committee insisted on sticking with existing policies in some areas. The failure to think about the implications of pre-election policy commitments for any later negotiations and involvement in government will likely not be repeated given their post-election experience.

As with the Conservatives, the Liberal Democrats also had the problem of a lack of continuity when there were changes of Shadow, or where the Shadow did not end up covering that policy area in government. One lesson is whether they needed a handover and sharing of learning and experience between those who had shadowed the post in opposition and those who actually took over a ministerial post. If fully worked out it would have meant that someone, such as a junior minister, could just take off the shelf something the party had worked on. The problem was partly mitigated in practice because some of the party's Cabinet ministers, such as Vince Cable (business), Chris Huhne (climate change) and David Laws (public spending) had shadowed the posts in the past, though not immediately before the election.

There was also more work to be done on some areas of policy than on others. The negotiating team wondered what departments the party might get if it joined a coalition. In retrospect, even more important was to develop policies for departments where they would not have ministers in a coalition. But despite the preparations on negotiating tactics, this was all in the unknown category.

Policy preparations appear to have been patchy partly because some spokesmen, including future ministers, did not take seriously the possibility of a hung parliament, and future participation in government. There was a wide range of views in the party. Some saw the need for major, in-depth policy development, as reflected in some of the policy reviews in the preceding years. Others argued that the party did not need any policies, as they would not end up in power.

The second and probably most crucial preparation was, as noted earlier, over the possibility of coalition negotiations. There were great efforts to keep this work quiet, which were largely

successful, despite the great media interest in whether the party had done such work. As David Laws discusses in his book, this involved only a very small group at the top of the party. They had plans for negotiations with both the Conservatives and Labour.

In this, they drew particularly on the experience of Jim Wallace (Lord Wallace of Tankerness) in Scotland in the 1999 and 2003 coalition negotiations. (Laws had also done a presentation for the Liberal Democrat History Group about his experience from the 1999 negotiations in Scotland, when he was working as Paddy Ashdown's representative.) The big lesson was the need to know exactly what the party's priorities were. These preparations began at the end of 2009 but some participants thought they should have started even earlier. With hindsight, earlier and longer thinking about the course of negotiations might have enabled the party to avoid some of the later pitfalls, such as the NUS pledge on tuition fees.

The difficulty of keeping such work quiet partly explains why there was reluctance to start it earlier. There had been some discussion in late 2007, and early 2008, about the potential for scenario-planning, using Vince Cable's experience as former chief economist at Shell in 'white boarding', and thinking things through. However, an unwanted news story about preparations meant that work was delayed until the end of 2009. This reflected caution in not being seen as overly presumptuous. However, this was a one-off problem and obviously not likely to be repeated before future elections.

The Liberal Democrats did little on the third aspect of preparing shadow spokesmen to be ministers. Apart from Jim Wallace as Deputy First Minister in Scotland from 1999 until 2005, and Tom (Lord) McNally, leader of the Liberal Democrats in the Lords, as Jim Callaghan's political secretary in the late 1970s, there was no one with any experience of central or even devolved government, as opposed to local authorities or EU institutions. So there was an understandable lack of self-confidence, and sensitivity about being seen to prepare for becoming ministers if that was revealed in the media. The party never fully took up the offer made by the Institute for Government for similar preparatory sessions to those held with Conservative spokesmen. But a lack of resources and time meant that it was not feasible for the senior spokesmen to be sent away on training or development work. Preparing to be ministers was just not a priority.

Both Opposition parties found this area difficult, but the Liberal Democrats barely addressed it. Any new job involves a fairly steep learning curve. And it is naturally difficult to prepare in abstract for such a job. In the event, some Liberal Democrats found it surprising when they became ministers in May 2010 that they didn't feel any less experienced than Conservatives. Moreover, given the novelty of the Coalition, there was a sense of shared experience and enthusiasm – as well as the post-election exhaustion – with which they all started.

Although the Liberal Democrats did little preparation for being in government, they did do far more to get ready for coalition negotiations. Their focus was more on how to get power than how to use it. Most important in terms of the volume of work was considering the possibility of a hung parliament. However, in this, as with many things, the creation of the Coalition has undoubtedly changed for good the way in which they approach preparation for government. The next election, and subsequent ones, will present different circumstances. But the Liberal Democrats will be better prepared.

3 Civil Service Preparation

A key test for a successful transition is how far the Civil Service is prepared for a change of ministers and of policies. This cannot be done either just after polling day or even in the four to five weeks of an election campaign. But there are differing views on when preparations should begin, and how wide, and deep, they should be. There are also always tensions between continuing to serve the government of the day and preparing for the possibility of change. Our earlier report discussed how the process has developed over the past four decades.

The position in 2009-10 was different again. This was partly because of the lessons learnt from the 1997 exercise, and a desire not to repeat the perceived mistakes then. Two further factors appeared, though. First, the sharp deterioration of the public finances in 2008-10 made it clear that deficit reduction would have to be a priority for whichever party formed the next government. There was a determination not to be caught out, as happened in 1979, by the timing, scale or scope of possible spending cuts. Second, during 2010 the polls increasingly suggested that there might not be a clear-cut outcome.

Consequently, there were significant changes in Civil Service preparations in 2009-10. There was more co-ordination from the centre, and more planning of what change might mean in most departments. Yet, there were still big variations between departments. These reflected different views among Permanent Secretaries about the sort of preparation they felt should be done. In other, more limited cases, it was down to the sensitivity of the incumbent Secretary of State about preparations for a change being done behind his or her back. In general, these variations did not stop work or contacts with the main Opposition parties. But they did affect the range and depth of preparations. There were also different views about whether there should be standardised preparation across the board, and what sort of coordination there should be to ensure consistency of approach. One of the biggest challenges, though, and one that proved to be important, was in preparing psychologically for a new culture, new ways of working and new language of government.

3.1 Preparation in departments

Thinking about how to prepare for a change of government began at the start of 2009 when the Prime Minister authorised the opening contacts between the Opposition parties and Permanent Secretaries, after being nudged to do so by Sir Gus O'Donnell. There was a brief burst of activity, then a pause until the access talks and preparations within departments developed momentum in the autumn and winter of 2009, before occupying much of the time of senior officials during the campaign period itself. These few weeks are obviously insufficient to gather information and think through implications for potential policy. Many of those we interviewed felt that thinking and preparations, albeit involving only a few individuals, should start at least six months before the election. But doing this, while continuing to serve incumbent ministers, was a tricky balance. As such, initial progress was cautious and small-scale.

One of the more significant innovations was basing this work within departmental Strategy Units. This was a logical move. These units, which did not exist in 1997, provided a natural home for the type of preparatory thinking required, while keeping the work safely insulated from the rest of the department – and not detrimentally affecting relations with current ministers. For the same reason, most Permanent Secretaries kept a close eye on the work,

ensuring it was kept well resourced. The existence of such self-contained units, still reporting directly to Permanent Secretaries, also ensured some of the day-to-day load was taken off their shoulders.

Permanent Secretaries faced a delicate balancing act with incumbent Secretaries of State. Some Labour ministers – notably Lords Mandelson and Adonis, and the highly experienced Jack Straw and Alistair Darling – are mentioned for being supportive and understanding about the work, both the preparations and the contacts with Shadow spokesmen. In another instance the Secretary of State merely remarked coolly, 'I suppose you have to do it'. In all cases, to spare embarrassment, Permanent Secretaries told their current Secretaries of State that such meetings were taking place, though kept secret from them the content of the discussions and the department's internal work. Having ministers who, though kept shielded from its details, encouraged such work and appreciated its necessity, helped the process enormously. Sensitivities were most acute in departments where a new government could mean a big change of policies and where spending plans might have to be cut substantially.

The basic preparatory work was similar to before 1997. However, there was a change in the scale of work and in its organisation. A number of Permanent Secretaries emphasised the importance of ensuring transition teams consisted of high quality people. In the Ministry of Justice, pre-election preparations were linked with work that had already been going on in its own, longer term, change programme, Transforming Justice. This transformation programme and the impact a transition would have on it, made this not only beneficial, but necessary, while enriching the internal debate within the department.

The Treasury's 'Project Jersey' involved a small team kept relatively clear of the rest of the department. The officials were encouraged to think through what the transition meant. They brought in outside perspectives, including Sir Steve Robson who had experienced both the 1979 and 1997 Treasury transitions, and felt that 'the Treasury was not sufficiently prepared for either transition – but for different reasons'.¹¹ However, rather than just a literature review and meetings with Opposition Shadows, the Treasury used its management board for a challenge exercise, taking advantage of the different experience and perspective of their non-executive directors. It began a six month programme of 'strategic policy stocktakes' that aimed to enable 'the senior leadership of the department to invest time as a group challenging the status quo and developing a clear Treasury view independent of political orthodoxy'.¹² It saw this preparation as being politically neutral, but necessary to setting out what a new government would have to tackle, and when.

3.2 Preparing briefs on Opposition policy

One of the most difficult problems for the Civil Service, as in previous transitions, has been getting hold of detailed and accurate information about the intentions and thinking of the Opposition parties. This goes to the heart of what it is that the Civil Service is trying to do. In opposition, parties only have a limited ability and resources to develop their policies in detail, and there is little time to think in the early days and weeks of a new administration. Preparation by the Civil Service can only help mitigate this, given the unusually immediate handover in the UK system. But if officials have the time, and opportunity, to examine before an election how opposition policy commitments could be turned into law and implemented, they can make a big difference to the life of a new administration. The key, however, is finding out what Opposition parties want to do.

11 Macpherson, 'The Treasury and the transition'.

12 Ibid.

Several officials acknowledged that they found it really difficult to get to the bottom of opposition thinking. Initially, this started with a literature search. But, then, civil servants started to attend meetings of think tanks, seminars and other events. This was partly to hear about evolving policies, as well as to meet shadow ministers and, more often, their advisers. It offered the opportunity of getting behind the public policy statements, but also involved the danger for the politically uninitiated and naive of exaggerating the significance of vocal, but in reality marginal, think tanks. More significant, as we discuss later, was the ability to penetrate behind the public statements through the direct contacts with shadow spokesmen and their advisers.

At a much later stage, in some cases just before or during the campaign, Conservative spokesmen handed over drafts of the structural reform plans to Permanent Secretaries or members of Strategy Units. These covered the outlines of policy priorities, and timetable for implementation. But in some cases this omitted crucial details necessary to work up a detailed policy. For instance, the Business Department (BIS) had been told about the Conservatives' intention to get rid of Regional Development Agencies. But officials needed more information about successor arrangements that were not easy to obtain, either because they were still so sensitive or because they had not been fully developed. One senior participant argued that the Civil Service was quite slow to catch on to the importance attached by the Conservatives to what became the Business Plans – but then 'it became a source of machismo for Permanent Secretaries along the lines of "I've been shown my department's Business Plan, have you?"'

The end product for much of this work was briefs for incoming ministers, as the Civil Service have been producing at election time for decades. The quality, size and effort gone into these briefs have varied over the years, largely depending on the likelihood of a change of government at the coming election. The briefs have to be something that ministers would want, and have time, to read. Some departments produced briefs with several tiers, with a high level overview, but also the ability to drill down into greater depth if the reader wanted. These lower tiers contain the deeper policy-specific information, often provided by policy teams. Consequently, much of the briefing pack could be neutral, able to be used whoever won the election.

Many of those interviewed said an immediate benefit, whatever the result, was that the process allowed them to think afresh about issues; a kind of strategic assessment. In some cases this meant rethinking judgements they had come to take for granted. It also created a foundation they would come to rely on when the election created greater uncertainty, and a bit of quick re-thinking was needed.

3.3 Preparing the department

The preparatory work had two aspects, not just understanding the likely policy implications for a transition, but also reaching out to the department. Given the length of time since the previous transition and the limited institutional memory, it was about exposing civil servants to different thinking and challenging them to think about how the culture could change. Even asking basic questions in the seminars about how many people had been in the Civil Service in 1997 or in 1979 – and in senior positions – reinforced just how few had experienced more than one change of government, while a significant number had not seen even one. This

encouraged the sharing of experiences, not just from past transitions in Whitehall, but also from Edinburgh and Cardiff. However, throughout the preparations, the polls suggested any winner would not enjoy anything like the landslide Commons majority of 1997. So even senior figures would face a very different transition from any they had previously experienced.

The Treasury made use of the experience of outsiders who had not only seen previous transitions, but had also handled big spending cuts exercises. Former Cabinet Secretary Lord Butler of Brockwell, who had seen both several times, and Sir Nick Monck, former Treasury official and Permanent Secretary at Employment, were brought in to talk to the department. Other departments also relied on senior staff and external guests (including the two authors) to provide different perspectives. These presentations included everything from formal sessions with departmental boards, through Senior Civil Service grades, to groups of 200-300. There was an enormous appetite from departments to learn, given the lack of experience of past transitions and the lack of knowledge or certainty about what change might involve. The Department of Health even prepared a film on how to handle a transition. This interest was not just, or even primarily, in the hard stuff of potential policy briefings for a new government, but the softer issues of what change might be like, what to bear in mind, and what politicians' expectations of the role of the Civil Service might be after an election.

Inward preparation also involved thinking about the staff and structures that would greet new ministers, notably the crucial role which ministers' Private Offices could have on the success of the transition. Officials recognised from often bitter experience that what can annoy ministers the most in their early days are often apparently minor things. As part of their contact meetings, some departments went into some detail with shadow spokesmen about their likes and dislikes. That was insofar as the latter had any firm views, which many did not since they had never been ministers. Some Permanent Secretaries decided to change the Secretary of State's private secretaries, in one case designing a largely new Private Office. This was planned around the potential new minister, including introducing the new Principal Private Secretary in advance, thereby trying to build up the relationship. Of course, in the end, having a different Secretary of State appointed highlighted the potential pitfalls of over-precise preparation.

Some senior officials believed these aspects should have been addressed from the centre, rather than left up to each department. The level of preparation of these aspects varied between departments. But something might have been gained from a more uniform approach given the lack of understanding of what was involved. There were cases of some assuming a change of party would be like a reshuffle. There are similarities in terms of adjusting to the different working style of a new minister. But the change following a transition is on a wholly different scale.

3.4 Contingencies – a fourth Labour term and the Liberal Democrats

Most transition teams covered all three main parties, including Labour, but the effort and depth of work thinking about a fourth Labour term was not great. In some departments, the Permanent Secretary met with his Secretary of State about potential Labour fourth term policies, often just before the election was called. But it was all rather perfunctory. It was not just a case of Civil Service presumption; many acknowledge that Labour ministers, when asked, did not really have much to say apart from a continuation of current policies.

More important was the degree to which departments took seriously the preparation for the Liberal Democrats. Every briefing paper allowed for the possibility of a hung parliament. However, the thinking on what Liberal Democrat policies might be, they acknowledge, was largely rudimentary. When attention was given to the Liberal Democrats, it was, at least up until the first televised leaders' debate, still only considered a 'just in case' activity. The patchiness of the contacts also reflected a lack of interest and commitment by the Liberal Democrats themselves.

3.5 Preparation from the centre

There were greater efforts than in previous elections to coordinate some of the preparatory work from the centre of Whitehall. This was not without precedent; in the late 1960s and early 1970s the Civil Service Department had undertaken such work.¹³ However, the manner and focus of such work was different in 2009-10. Alex Allan, also Chairman of the Joint Intelligence Committee, was appointed in the late summer of 2009 to co-ordinate this work on behalf of the Cabinet Secretary. This reflected his experience as Principal Private Secretary in 10 Downing Street handling the 1997 transition. Allan also chaired a meeting of strategy directors in the Cabinet Office – initially every fortnight on a Friday then weekly in spring 2010 as the election approached. As part of his co-ordinating role, Allan also had bilateral meetings with Permanent Secretaries, in most cases at least twice, to discuss their contacts and what issues had emerged. He summarised these for Sir Gus O'Donnell who drew on them for his own bilateral discussions. The main Cabinet Office secretariat devoted increasing resources to preparations as the election approached.

The Strategy Unit in the Cabinet Office also began its own programme of work in November-December 2009. As well as thinking about Whitehall preparation in general, the Unit formed the hub for a network of departmental Strategy Directors, and therefore for many of those who had been charged with transition preparations. This did not reflect a desire for a centrally mandated process, or even for strong co-ordination. It was more about comparing notes and making sure the Strategy Directors were not missing things. Participants talk about a high degree of openness about sharing experiences, and therefore being able to look at issues in a corporate way in the round. There had been no equivalent in 1997 or before, so it was a clear gain. The Allan group had external and internal speakers, but it was in general largely informal. It also naturally provided the centre with an overview of how various departments were doing in their preparations.

In parallel, Permanent Secretaries also compared notes during their regular Wednesday morning meetings. Their discussion in this period had focused on getting through the election and reducing the deficit. Discussions ranged more widely than that, covering issues over contacts with the Opposition more generally. In all, the Permanent Secretaries held four meetings about the transition from late 2009 until the election. A further important, though more occasional, network was the Top 200 of senior civil servants which heard presentations and held discussions on handling transitions; and held one specific session on the issue in January 2010. This was particularly useful in reaching out within departments. These groups drew on the experience of the Scottish and Welsh Civil Services in handling the outcomes of the three elections held up to this point – in 1999, 2003 and 2007. All of this – the existence of the central Strategy Unit, departmental strategy directors, the Top 200 and devolution – was, of course, new since 1997.

In addition to any co-ordination, the Strategy Unit was also undertaking its own work. One outcome was the development of a checklist for departments to consider:

- Policy: Thinking about specifics of departmental policy briefs, but also the overall strategic intent of any new government.
- Process: Partly this was thinking about Day One, including the role of the Private Office, but it also recognised the greater complexities since previous transitions – including departmental websites and embedded information such as statements of departmental/ministerial values that were often highly visible around their buildings.
- People: The cultural shift – including thinking about the way in which the Civil Service now worked and how far it had absorbed the governing values of Labour, through such measures as Public Service Agreements, as a framework for working.

This analysis was presented to the Top 200 civil servants at their away day in January 2010. Like departments, representatives from the centre attended other events held off site, including seminars held by think tanks and academics (including the Institute), intended to offer a range of thinking from various sides of the political spectrum. However, there was still a gap. In retrospect, some wonder whether they ended up sometimes engaging with the wrong people and were not exposed to the real thinkers of the parties. Some individuals who proved to be particularly influential in government largely 'came out of the shadows' as far as the Civil Service were concerned.

Despite the big advances on previous practice, there are still questions about how far the Cabinet Office should, or could, have intervened where a department seemed to be lagging. Permanent Secretaries did report back to the centre when meetings occurred and about the content of the discussions. As noted above, Alex Allan and Sir Gus had a clear view of the extent of what was being discussed, and of any potential conflicts on policy. When there was little or no contact, as between Greg Clark and Moira Wallace at Energy and Climate Change, this was mentioned in the meetings held with David Cameron and his team. But the Civil Service saw it as essentially a matter for the opposition parties to initiate and follow up with individual departments and Permanent Secretaries. The Conservative leader would ask Sir Gus at their meetings 'how's it going?' But there was no central plan on either side for contacts between the Civil Service and Opposition spokesmen.

Much was dependent on maintaining the trust of the current administration. Each department had varied experiences with their Secretary of State. That was another reason why departments retained considerable autonomy.

3.6 Practical issues and planning for Day One

There was also substantial emphasis on ensuring that practical issues of a possible change of government were thought through and properly planned. This involved the nitty-gritty stuff of how to change websites, security, and photos of the old team and so forth, overnight after polling day. Plans were laid to remove any messages and signs from the buildings themselves that could be seen as party political. A few departments competed to hire the small number of abseilers capable of removing the banners and the like that decorated the central atriums of many government buildings.

Much of this work was party neutral; ensuring the capability to undertake these changes within only a few hours of the election (another consequence of the unusual UK tradition of changes of government the day after polling). It also highlights the shift in government communications, and the development of the Internet, since 1997. No previous transition has had to consider how government websites should be modified for the arrival of a new government. During the campaign the National Archives archived the websites of the entire government. The options for a change of administration were either a new, fairly basic website that would then be rebuilt (as occurred with the Number 10 website) or attaching a pop-up warning to the old version, while the new one was developed (the option chosen when the Department of Children, Schools and Families changed to the Department for Education). This was one of the few areas that were centrally controlled; all websites had a sign off process.

The difficulty was recognising what was neutral, factual information and what was imbued with the political perspective of the previous government. For websites, it was necessary to retain factual information for the public, but not anything with a minister's face on it, White Papers, and some of the slogans on sites. That reflected the difficulty the Civil Service had in recognising those things that, after thirteen years, had been come to be viewed as normal, apolitical processes in government, but were infused with the thinking of the incumbent government – and, in particular, could be seen as such.

3.7 Preparation for the psychological transition

The Civil Service had thought deeply about how different the culture, language and outlook of any new government would be. The process of doing this was quite an eye-opener for a number of civil servants who had never experienced a different government. A classic example was Capability Reviews and Public Service Agreements, which had come to seem a normal way of working for many civil servants. From the other side, new governments frequently have a tendency to want to throw out policies and mechanisms associated with an old government.

A great deal more effort went into helping departments to prepare for the culture shock. It was a question of how to reach further down through the department, and beyond, to the wider Civil Service and to some of the Arm's Length Bodies for whom this was equally relevant. In the end, the psychological transition would prove to be much greater than many had expected.

Some senior officials wondered whether there had been a fundamental shift in the nature of the Civil Service since 1997. The increased emphasis by Sir Gus O'Donnell on 'passion' highlighted this. The Civil Service had come to attract people, and encourage them, with increased enthusiasm for specific roles and policy areas. Civil servants, who had spent years basing their work on a particular approach, and their thinking on certain types of evidence, might now have to reverse their positions. This mental transition is one aspect of a permanent Civil Service adjusting to the government of the day. However, the difficulty was in foreseeing the extent of this cultural change. It was about getting people to understand that just because they had always done it one way did not mean it would be the way the new government wanted it done. What seemed part of the furniture was actually the furniture of a specific administration. The Conservatives identified a New Labour ideology, rather than a departmental culture, which was technocratic, centrist, with a statist approach to command and control government. Therefore, what was simply considered good practice could now be

called into question, and some of these changes have taken many months to trickle down through, and beyond, departments. This would prove a particular challenge around the ideas of decentralisation and the Big Society, and about managing commissioning. Perhaps the lessons here are specific to this shift. These changes took, and are taking, the longest to ripple through to various parts of the Civil Service. In this way, the process of transition is still going on.

3.8 Evaluating success

The trickiest question is how to judge the success of these various approaches. Much depended on the views of the incumbent Secretary of State, the lead that the Permanent Secretary chose to adopt, the approach of the individuals charged with transition work, and the culture of the department. There was also no centrally-led framework for preparation, though much more was done to ensure views and experiences were shared.

It is hard to assess how well a department copes, and the impact overall on staff, especially when there are sharp cuts in numbers of civil servants. Staff surveys give only a brief glimpse. Much depends on subjective factors about how well a new government feels the transition has gone, which then affects the view they have of the Civil Service.

There was a variable performance between departments ahead of the election. Some which were at the time considered to be struggling are the same ones that have had the biggest post-election problems. Some of the factors that determine how well a department prepared in the first place can also be reflected in how well it coped after the election. However, many developments were not foreseeable. Whether more needs to be done, either in formally evaluating such programmes, or in using them to produce good practice guides, is considered in our conclusion.

4 Pre-election contacts

The traditional immediate handover of power in the UK once the result is known places a much greater weight on pre-election preparations than in other countries. Even in May 2010, when it took five days for a new government to emerge, the transfer was instant on the Tuesday evening. By contrast, in most other western democracies there is an interim period of a few days, or even longer, even when the result is clear. This allows time for the incoming administration to prepare new ministers and for civil servants to examine new policies. But in the UK much of this preparation is done before the election. As well as making the work done separately by both political parties and the Civil Service very important, this also underlines the importance of pre-election contacts between opposition parties and the Civil Service. In 2009-2010, such pre-election contacts, the genesis of which we discussed in our previous report, were again a major part of transition preparations.

Permission was given by Gordon Brown for these contacts to start in January 2009. This followed the protocol developed by John Major and then Tony Blair that allows contacts to start roughly a year and a half before the end of a five year parliament (in order to ensure that there is time for at least a few months of meetings even if an election is called after four years). For the Civil Service the access talks were closely tied in to internal preparatory work by providing a rare opportunity to hear directly from the parties whose policies they were trying to analyse ahead of the election, and to consider what they might have to do.

These talks are inherently sensitive. They need to be kept separate from the department's day-to-day work, and incumbent ministers are neither present nor are informed of what is said. The Cabinet Secretary, Sir Gus O'Donnell, has overall responsibility for co-ordinating the process and met Cameron and Nick Clegg. Sir Gus, along with Jeremy Heywood, Permanent Secretary at 10 Downing Street, subsequently had a series of meetings, not only with Cameron, but, also, separately with Ed Llewellyn, Cameron's chief of staff, and with Oliver Letwin, in charge of policy preparation, and Francis Maude, responsible for implementation. There were also front bench discussions with Sue Gray, responsible for ethics and propriety – covering, for instance, how many, and which, advisers would be brought into government.

The main links are between Shadow spokesmen and departmental Permanent Secretaries. The formal rules have developed over the years and have always been published whenever contacts are authorised before elections. The guidance that applied before the 2010 election has, most recently, been set out in the Cabinet Manual, prepared by the Cabinet Office under the lead of Sir Gus. According to the Manual, these discussions,

are designed to allow the Opposition's shadow ministers to ask questions about departmental organisation and to inform civil servants of any organisational changes likely to take place in the event of a change of government. Senior civil servants may ask questions about the implications of opposition parties' policy statements, although they would not normally comment on or give advice about policies.¹⁴

Sir Gus O'Donnell repeatedly said that the Civil Service was in 'listening mode'. Many former Permanent Secretaries quoted in our earlier report saw virtues in the ambiguities of this approach. However, this also creates potential risks for civil servants of becoming too close to

Opposition politicians. Therefore, the two key guidelines were that, first, civil servants should be careful not to get into policy advice; and, second, that they should avoid any tension with incumbent Secretaries of State.

The process forms part of the often re-visited debate about whether Opposition parties should have access to official, factual advice on a regular basis, or, as some have argued, other Civil Service support such as a Department for the Opposition.¹⁵ This is an obviously delicate area since any support by the Civil Service to Opposition parties over the development of policies would inevitably become a matter of partisan controversy in the months before an election, threatening relations with current ministers. But it is naturally desirable to avoid policies developed in opposition that prove to be unrealistic, unworkable in practice, and more expensive than intended. Consequently, apart from the direct machinery of government implications of policies, senior officials have usually found a way of alerting Opposition spokesmen to the flaws and costs of policies that are likely to affect implementation. For at least one Permanent Secretary, the opening line of his talks with his Conservative shadow was along the lines of 'these are the kinds of things it would be useful to know and you might like to think about'. Some of the contacts did bump up against the propriety guidelines of keeping to machinery of government issues, or being in 'listening mode'.

These contacts were one of few opportunities for personal conversations between Shadow spokesmen and Permanent Secretaries. Such is the length of time of parties in office and the turnover of politicians during periods of opposition that few senior Tories and Permanent Secretaries knew each other. Interesting exceptions were Sir Gus and Heywood, who had known David Cameron from his days as a junior special adviser in the Treasury in the early 1990s. The Permanent Secretary is crucial to building trust between the new ministers and the department. That was vividly and brutally shown in the breakdown of relations between Gordon Brown and his ministers and Sir Terence (now Lord) Burns in the 1997-98 period. That was taken very much to heart by the 2009-10 generation of Permanent Secretaries. Several were thinking about how to let this relationship evolve. A number we interviewed saw it as a gradual process, initially getting to know the Shadow personally, occasionally over a meal, then broadening out into more substantive issues. A further complication was the likelihood that some of the Shadows they were dealing with might not end up in the department. This possibility arose well before the Coalition negotiations. There were signals during the campaign that Chris Grayling would probably not become Home Secretary. Equally sensitive, was maintaining the confidence of incumbent ministers, most of whom, of course, had a shrewd idea of what was happening. There were big variations in the attitudes of ministers, between the supportive, the reluctant and the suspicious and hostile.

The way in which the contacts were approached varied by department, and according to the interest of the Shadow. The Permanent Secretary would retain overall responsibility, and be the main link for such contacts, while ensuring that Director-Generals and members of the transition team were in attendance, especially when the Opposition team included junior shadow spokesmen and special advisers. In one case it culminated in a House of Commons meeting with the Opposition frontbench team for a full briefing. This included covering the finances of the department, which was obviously very relevant ahead of the wide-ranging spending review after the election.

15 Riddell and Haddon, *Transitions*, pp.24-5

In practice, these talks did not always prove as productive or as easy as some hoped in advance. In retrospect, starting contacts in January 2009 felt too early for many on both sides. There was a sudden flurry of contacts when they were first authorised, but they then fell away during the late spring and summer of 2009 before reviving again in the autumn. Eighteen months proved, for many, to be too long to sustain momentum. As we discuss later, the enactment of the Fixed Term Parliament legislation should both remove uncertainty about election timing and allow a shorter, firm period of say, 12 months, for pre-election contacts and preparation.

In line with the formal aims of these contacts, possible changes in the organisation of departments were discussed. In general, the Conservatives, notably Francis Maude, were sceptical of the value of big changes to the machinery of government in view of the costs and upheaval involved, much to the relief of senior civil servants. The latter argued that an incoming government should take a look at how Whitehall was working before taking a decision later on about whether it wanted to shift ministerial boundaries. However, there was speculation up to polling day about whether BIS would retain the higher education portfolio which it taken over in June 2009, after a separate existence of just 23 months. Michael Gove had been lobbying for a re-creation of the pre-2007 Education Department including both schools and higher education. In opposition, Kenneth Clarke and David Willetts were both in the Shadow Cabinet and operated in tandem in shadowing the two main parts of BIS. Simon Fraser, the BIS Permanent Secretary, raised the issue with Clarke and Willetts in their talks. Maude had told Clarke not to spend the first year wasting his efforts on such changes. But because of the differences of interest between Clarke (business) and Willetts (universities and higher education), and continued rumours, Fraser wrote a paper making the case for the department to be kept intact which was passed to George Osborne, who would have a crucial say as prospective Chancellor. This use of the backchannels paralleled the note that Sir Michael (now Lord) Bichard wrote to Blunkett in 1998 about not splitting the, then, Education and Employment Department. There was also talk of partially reversing the 2007 split of the Home Office when prisons and probation went to what became the Justice Department. While Maude and the senior Civil Service were agreed, David Cameron left the question open through the election campaign. It was a close run thing, and was finally resolved, against immediate change, though there were further complications resulting from the formation of the Coalition. While, in the end, there were few substantial changes in ministerial boundaries, the Conservatives did consider big changes in the organisation of 10 Downing Street and in the way Whitehall was run. The replacement of targets by Business Plans produced considerable and, in many ways, unexpected problems after the election.

Some shadows had distinctive personal ideas about what they wanted to do when in government which went beyond the party's public statements. There is, however, a danger that departments over-compensate when they get such a steer, and they colour their work to these private views of the shadow. So, paradoxically, open and candid access talks can send a department off in the wrong direction if the views are not more widely shared on the Opposition side, particularly if the Shadow Secretary of State does not end up in that department. In the case of one department, which got a clear signal late in the day that the Shadow was unlikely to be appointed, there was a chance to adjust for the latter's personal views – which were not shared by the person who did take over in May 2010. For those

departments that used the access talks to gain insights into the likely working style and views of a shadow that did not end up in that post, there was an understandable sense of frustration. Indeed, in other cases, in retrospect, there is some question about whether such meetings actually helped the department to understand how the Secretary of State would operate in practice.

However, despite these caveats, the Civil Service regarded these talks as useful and helped departments to adjust their thinking to a new administration. As the election approached, civil servants wanted to be in on the access talks; to be one of those in the room. Some of those interviewed talked about how important it was to ensure that no such meetings took place without the knowledge and attendance of members of the transition team. In retrospect, the Civil Service had doubts about much these meetings achieved, partly because the Opposition spokesmen were wary of the Civil Service and the talks were not as open as they could have been about Conservative thinking.

The Conservatives, in general, placed less importance on the talks. Much obviously depended on the relationships developed and the amount of trust gained. For them, because of the necessary limits to what the civil servants could discuss, the talks were often seen as less informative. A few Permanent Secretaries may have bent the rules, but only to a limited extent. There were variations in what various Shadows wanted. In a few cases talks never really got going. However, in many cases, the contacts did lead to fruitful relationships and proved useful for the Opposition parties. For some, they were most useful in providing insights into what it was like on the inside. A few ministers later admitted that such contacts helped to correct pre-conceptions of what the Civil Service was like. Mirroring what Labour spokesmen said ahead of the 1997 election, a number of Conservatives wondered whether departments had been contaminated by long association with New Labour. So meeting the Permanent Secretary could be reassuring. However, a few Conservative Shadows, especially those who had been ministers previously, regarded the Civil Service as too inward looking. They put much greater value on their meetings with outside organisations, notably the Arm's Length Bodies in their areas.

Contacts with such Arm's Length Bodies constantly posed problems. In theory, meetings with a Shadow spokesman required the approval of the Permanent Secretary, which in certain cases was refused. But some of these bodies, especially those with independent minded chairs who were public figures in their own right, operated independently of their sponsoring departments, in effect lobbying Opposition parties. The activities of Arm's Length Bodies at party conferences brought complaints and tight restrictions were introduced for autumn 2009. But for Shadows, contacts with such bodies were often more informative than those with officials in Whitehall since Arm's Length Bodies were often more directly involved in implementation of policies on the ground. The most extreme example was Sir Mervyn King, the Governor of the Bank of England, who had regularly meetings with George Osborne, the Shadow Chancellor, and whose public comments were seen by some at the top of the Treasury as being too publicly sympathetic with the thrust of Conservative policy. Sir Mervyn's interpretation of the Bank of England's operational independence was seen as going rather further than what Gordon Brown had in mind in 1997 when he made the Bank responsible for setting interest rates.

In the Treasury, the contacts were a very important part of how the new ministers were able to hit the ground running. There were six meetings between the Permanent Secretary and Shadow Chancellor in total.¹⁶ At first, in early 2009, meetings were every couple of months, and were at quite a high level, trying to build up trust with George Osborne and his team. Osborne, and, in time, other members of the shadow Treasury team, and special advisers (such as Matthew Hancock, before he became a Conservative candidate, and then Rupert Harrison) outlined their policy agendas. Then, the discussions got into more detail on policy priorities such as setting up the Office for Budget Responsibility, early decisions on in-year cuts in 2010-11, tax credits, the reorganisation of financial regulation, and the broad approach for an early Budget.

During the campaign itself, Osborne's senior advisers had several meetings covering the details of the first few days – when they would arrive, the number of special advisers, but also more on the in-year cuts. The Treasury was, at first, doubtful about achieving in-year cuts on the proposed timetable, suggesting across-the-board reductions instead. There was a lot of discussion about this, in the Treasury and elsewhere, and, in the end, proposals for specific cuts were produced when the new ministers arrived. On the Treasury side, Sir Nicholas Macpherson, the Permanent Secretary, included the key officials who would be responsible for implementing these changes. This enabled the Treasury to be well prepared for the arrival of the Osborne team, and, crucially, helped to establish good working relationships from the start.

In other departments, the pre-election contacts were not so crucial. Intriguingly, this included some shadows who had held the portfolio for many years. They felt they already knew 'the lie of the land', and had developed relationships beyond the department.

For the Liberal Democrats, the limited nature of the contacts says a lot about the overall character of the party's pre-election preparations. In previous elections, few opportunities for these access talks were taken up. In 2009-10, many more departments had at least one or perhaps two meetings with leading Liberal Democrat shadows such as Vince Cable and Chris Huhne, but in many cases these were fairly broad brush and did not get into much detail. They were far less numerous than those with the Conservatives. There was still a sense in most cases of going through the motions with smaller parties. In retrospect, neither the Liberal Democrats nor the Civil Service had given much, if any, thought to the implications of the party's participation in a coalition government.

In part, the Liberal Democrats saw the meetings as mattering in terms of the impression they made on officials about the party's seriousness. The Party leadership coordinated access centrally, to make sure people were up to scratch – implicitly reflecting a concern that some were not. Some people were able to go and see officials sooner than others. In large part, the contacts were viewed as being quite useful in terms of policy feedback, in getting a sense of what was realistic or deliverable, and what needed more work. However, only a minority of Liberal Democrats went on to serve in the department that they had shadowed before the election, although three of their Cabinet ministers did return to areas they had shadowed earlier in the 2005-10 Parliament.

4.1 Cross-cutting and Co-ordination

In our original report, we argued that that the talks should not just solely be at the departmental level but should also embrace cross-cutting issues with several shadows and permanent secretaries meeting each other together. As it turned out, few were arranged, partly because of the problems of getting so many busy politicians and senior officials in the same place at the same time. The main exception was a discussion on health visitors. There were some informal cross-Whitehall meetings, getting together to compare notes. But not on the scale that some had hoped. This reflected a general lack of interest on the Government side, as well as in the Opposition, about joining up issues that crossed departmental boundaries.

One suggestion was whether the contacts required more formal coordination from the Leader of the Opposition's office, or even whether the discussion of major policies with machinery of government implications could better be achieved by different means: for instance, whether a uniform view should be set out by the Opposition to Permanent Secretaries, rather than just separately via individual Opposition spokesmen. We make recommendations on these broader questions of co-ordination later in the report.

5 Five days in May

The Civil Service and the political parties undertook varying amounts of contingency planning for the general election and its aftermath. This chapter discusses both what happened and, first, the preparations, notably the publication of a draft chapter of the proposed Cabinet Manual on the formation of governments. Most of the main actors had thought more than before previous elections about the possibility of a hung parliament. But, in the long run-up to the general election, this was still an option to be considered, rather than an increasing probability that would have to be addressed. This changed with the first televised leaders' debate, after which the poll ratings of the Liberal Democrats soared. (As noted earlier, this chapter concentrates on the handover and the conventions, including the role of the Civil Service, rather than on the political positions and manoeuvrings of the parties, and the election campaign itself, which are already the subject of numerous books.)

Departments had not written-off the possibility of the re-election of a Labour government. In the weeks before the campaign started, as a hung parliament looked more likely, Permanent Secretaries did consult their current Secretaries of State about their plans. But as this still felt like a continuation of the existing regime, few had more than gone through the motions of any formal preparation.

More significant in the end was the more limited preparation for Liberal Democrat participation in government. As discussed, there had been some, generally patchy, contacts between party spokesmen and departments, but neither side would pretend this was serious or sustained. Similarly, there had been limited analysis either of Liberal Democrat policies, or of what the creation of a coalition might mean for the organisation of a new administration. Up until about the first televised leaders' debate in mid-April, many departments had been working on the assumption that the most likely result would be a small overall majority for the Conservatives, or a Conservative minority government. Even on polling day itself, the latter was seen as the most likely outcome of a hung parliament. This was the prevailing view among most politicians and in the media. The result was a relative ignorance about Liberal Democrat thinking and plans. There was a lot more catching up to be done here, when the Coalition Government was eventually formed.

Lessons were learnt from the previous hung parliament in February 1974. The memorandum by Robert (now Lord) Armstrong, then Principal Private Secretary to the PM, which provided a blow by blow account of the post-election manoeuvres then, did the rounds of Whitehall ahead of the election. For most senior civil servants, as well as politicians, the Armstrong memorandum was new, providing fresh insights. This underlined the lack of institutional memory. Most preparatory work for the possibility of a hung parliament was done in the centre rather than in departments.

5.1 Planning for a hung parliament

The Cabinet Office's priority in much of its preparation was in ensuring continuity of government, and keeping the Queen out of any post-election political manoeuvring. In the end, thinking through the mechanics of the post-result period – relations with Buckingham Palace, media communications and, above all, the reaction from financial markets – proved very important. Such contingency planning was crucial and had to consider options more complicated and potentially harder to resolve than eventually occurred in May 2010.

An innovation this time was a 'war game' involving scenarios of a hung parliament, with top officials playing senior politicians. This exercise ended up being extremely useful and a powerful lesson in focussing the mind of the key players on potential problems. Two sessions were held in early 2010, attended by Sir Gus O'Donnell, the Cabinet Secretary; Sir Christopher Geidt, the Queen's private secretary; and Jeremy Heywood, the Permanent Secretary at 10 Downing Street. Alex Allan, with his detailed experience from 1997, acted as master of ceremonies. In advance, some officials were sceptical, on the view that the Civil Service already knew the rules. However, what only became apparent when the scenarios were played out was the gap between Civil Service and political perspectives, as the reality came face to face with the conventions. In particular, as Sir Gus said in the BBC2 documentary 'Five Days that Changed Britain', in July 2010:

There was one infamous Scenario 4 which was just like the result that we actually got. The good news about it is that we therefore role-played it, and the bad news is that we didn't actually succeed in coming to a good conclusion.

One experienced participant concluded that the exercises were 'useful for testing the rules, but difficult to see how they play out in practice'. Another observed that none of the civil servants acted as boldly as Cameron did on the Friday in making his offer to the Liberal Democrats. The civil servants playing the politicians found it difficult to see beyond the manifestoes to how politicians would use the flexibility of the system. Those involved found a difference between what was seen as logical and what was emotional – or, to put it another way, between the way that politicians and civil servants think and react. This was also a reminder of the difficulty in planning contingencies; plans were one thing, the reality would be very different.

The war gaming highlighted the pressures likely to be faced by the Cabinet Secretary. He might alternatively be accused either of propping up a tired administration or of trying to help the creation of a new government. The message was that politicians needed room and time to act, but there were limits on what the Civil Service could do within their essential loyalty to work for existing ministers.

All this demonstrated the need for clarity about the constitutional conventions covering the immediate aftermath of an election that resulted in no clear overall winner. The Cabinet Office was not alone in recognising this need. In thinking about the lessons from the February 1974 result and comparable experience abroad, the Institute for Government and the Constitution Unit at University College London had both come to the conclusion that the informal, largely unwritten constitutional interpretations that had typified past elections were unsustainable. This view was partly based on what political parties and the public should, and needed to, know about the process. But there was also a very real possibility of a constitutional crisis if no such clarity existed because the conventions had only been discussed and interpreted behind closed doors.

In 1974, such conventions were examined by digging out the files from previous elections, and by involving constitutional experts behind closed doors. Issues such as the position of an incumbent Prime Minister, the fact that ministers remain in office until a new government is

formed, and, crucially, how current constitutional understandings permit the identification of the most likely party or parties to be able to form a stable government, all had the potential to become political hot potatoes in the confusion and clamour of a hung parliament. Conventions did exist in the files of former administrations and in the actions of previous Prime Ministers, and many were set out in the official documents in the Cabinet Secretary's Precedent Book as well as in academic commentaries. The key was to set out the broad and agreed conventions. The guiding principle for both politicians and civil servants was the importance of ensuring the continuation of government and that the Sovereign should not be dragged into partisan manoeuvrings. These issues motivated the Justice Committee of the House of Commons to open an inquiry into the constitutional conventions of hung parliament.

But who should articulate and explain these conventions once the process had already begun? A difficulty would arise if the conventions were only set out after an election had produced a hung parliament, with the risk that anyone setting or clarifying them then could immediately be drawn into political controversy. For this reason, both the Institute for Government and the Constitution Unit argued that it would be better to have at least the basics of such conventions set out in advance of the campaign itself. Both had pointed to the value of the Cabinet Manual in New Zealand when there was uncertainty about the election outcome. However, it was not clear whether it would be possible to produce similar guidance in the short time before the election was due. There were obvious dangers for both Buckingham Palace and the Cabinet Office in appearing publicly to discuss the possibility of a hung parliament ahead of an election in which both main parties were only talking about outright victory. The aim was solely to produce clarity and to reduce market and media uncertainty.

The idea of producing a Cabinet Manual had started independently of these concerns and was largely stimulated by a session which the Cabinet Secretary had with his opposite numbers from Australia, Canada and New Zealand on their annual get-together. Gordon Brown then authorised Sir Gus to prepare a Cabinet Manual. The idea of publishing the draft chapter on government formation earlier and on its own came later.¹⁷ The draft went both to the House of Commons Justice Committee and to a number of constitutional experts for consultation. By making this draft available to the Justice Committee, and therefore public, the process also allowed all involved – politicians, the media and the public – to consider these issues in advance and to react to them, as well as ensuring greater clarification of the main conventions. The Justice Committee welcomed 'the evidence of a significant thought and effort being put into preparations for the full range of parliamentary election outcomes by the Government, and by the Cabinet Secretary in particular'.¹⁸ The report urged more clarity on the advice to civil servants in the event of an interim period of uncertainty after polling day, but before a new government could be formed. Sir Gus said the principles already applying to the Civil Service between the announcement of an election and polling day would be extended to cover such a period of uncertainty, and that safeguards should be put in place in case of any breach, including the use of ministerial directions which would immediately be made public. (The *purdah* rules provide for normal and essential business to be carried on, but for the deferral of non-urgent decisions which a successor government might want to change, including the award of contracts and public appointments.)

17 Cabinet Office, *Chapter 6: Elections and Government formation* (DRAFT). Accessed on 1 September <http://webarchive.nationalarchives.gov.uk/+/http://www.cabinetoffice.gov.uk/media/343763/election-rules-chapter6-draft.pdf>

18 House of Commons Justice Committee, Fifth Report of session 2009-10, *Constitutional Processes following a general election*, House of Commons paper 396 (London, TSO: 2010)

Because of the political sensitivities, particularly in 10 Downing Street, and the short time, it was not possible to publish a revised draft and response to the Justice Committee's report before the campaign started at the beginning of April. The guidance was still only in draft, and the consultation was obviously truncated, but considering the time available, and the agreement at the time on the main points, this was far better than the alternative of no public document at all.

5.2 The election campaign and the result

The course of the election campaign changed the balance of preparations. When the Liberal Democrats' ratings soared and Cleggmania took hold after the first televised debate, civil servants began to think more about the possibility of a hung parliament and stepped up their work on Liberal Democrat policies and people. Since there had been few contacts with the party before the election this work was inevitably tentative and patchy, and based on published statements and the party's manifesto. The Civil Service did not have the range of insights from pre-election contacts that had underpinned work on the Conservative policies. Throughout Whitehall there was a search for anyone with Liberal Democrat contacts. While more attention was paid to the increasing possibility of a hung parliament, the common assumption up to polling day itself at the most senior level in Whitehall was still that a minority Conservative administration was the most likely outcome, with informal backing from either the Liberal Democrats or the Democratic Unionists.

The exit poll at 10pm on Thursday 6 May indicated that the Conservatives, while making very large gains, were likely to fall short of an overall majority. The projection that the Liberal Democrats were likely to lose, rather than gain, seats was initially disbelieved, but the poll was remarkably accurate. By the morning, it was clear that that Labour and the Liberal Democrats together would not have sufficient MPs for an overall majority and would depend on the support of the smaller parties. However, the Conservatives and Liberal Democrats together would have a very comfortable working majority. That set the stage for the 'big, open and comprehensive offer' which David Cameron made in the early afternoon of the Friday.

5.3 The negotiations

The Civil Service faced two problems that Friday: first, how to position themselves now that there was a hung parliament; and, second, how and whether to adapt their policy briefings. We discuss the second point later in the chapter. But the first question turned out to solve itself in a straightforward way, as the parties took the lead themselves.

Gordon Brown had already authorised support from Cabinet Office personnel to assist the conduct of negotiations over the formation of a government. This covered talks not only between the existing governing party and opposition parties but also between opposition parties which might be partners in government. This was based on the experience in Scotland, particularly after the 2007 election, when officials were seconded to the parties who might play a part in any government to assist in the negotiations, and to report back to Sir Jon Elvidge, the Permanent Secretary, who coordinated the process.

The involvement of the Civil Service could have required a separation between the Cabinet Secretary as facilitator of any negotiations and the incumbent Prime Minister who was also

leader of one of the parties in the talks. There was discussion of contingency plans about whether the Cabinet Office's press office, which is separate from the Prime Minister's, should be prepared to issue statements on matters which the political parties could not say themselves. That might have happened if the talks were breaking down, and it was necessary to explain how government would carry on. In the event, this was unnecessary and the parties took the lead.

There had been some contact between the Civil Service and the parties' press offices in anticipation of any post-negotiating period. There were also questions about how the different actors would handle communications over urgent policy issues: for instance, a major financial market reaction. In the event, Alistair Darling was involved in urgent discussions in Brussels over the weekend after the election about the EU bailout. He informed his then shadows, George Osborne and Vince Cable, about what was happening, but did not seek their approval. Speaking to Darling as he travelled by Eurostar, Osborne said there could be only one Chancellor at a time, and he was still Chancellor. However, Osborne's advice was that since 'we were in a period of election purdah', with uncertainty about a new government, he cautioned Darling against committing the UK to 'proposals that have a lasting effect on the UK's public finances.'¹⁹ Darling did, however, vote for the support package. But this was under Qualified Majority Voting and the plan would have been approved anyway without UK support. There might have been problems if unanimity had been required and Darling's vote had allowed the scheme to go ahead. Fortunately, perhaps, this did not arise and there were no subsequent difficulties. The Treasury handled the media aspects in the usual way without any problems.

The Civil Service involvement in the negotiations was much less than offered. Officials had no role in the Labour/Liberal Democrat meetings, which were held in Portcullis House on the parliamentary estate. The Conservative/Liberal Democrat talks were held behind the recently repainted doors of 70 Whitehall but, after an initial greeting from Sir Gus, both parties decided they did not want civil servants to be present in the discussions, which turned out to be an entirely political affair. The officials earmarked to work with particular parties in the negotiations were not needed in this role – though Chris Wormald (nominated to liaise with the Liberal Democrats) and Edward Troup (with the Conservatives) were both involved in answering questions on details of policies as the initial coalition agreement was drawn up. Civil servants were asked to provide factual briefings about the cost of policies such as the pupil premium and raising the starting threshold for income tax. Sir Gus O'Donnell; Sir Nicholas Macpherson, the Treasury Permanent Secretary; and Sir Mervyn King, the Bank of England Governor favoured a strong agreement to carry through inevitably difficult deficit reduction measures. But subsequent discussion of this issues has ignored the fact that the politicians did not need to be told so, in view of the television pictures throughout the campaign of riots in Greece and the mounting sovereign debt crisis. This highlighted the difficult balancing act that the Civil Service had to play in all this: between factual advice and that which might be seen as implying a preference for one course of action over another. The danger was that the Civil Service itself would become the heart of the controversy, endangering its impartiality.

The degree of Civil Service involvement and advice changed after the government was formed and more detailed work began on a second, and more detailed, coalition agreement, which

19 Written Political and Constitutional Reform Committee, *Lessons from the process of government formation after the 2010 general election - additional written evidence*, Written Evidence submitted by Rt Hon George Osborne MP, the Chancellor of the Exchequer, (Political and Constitutional Reform Committee, 28 January 2011)
Accessed on 31 October 2011 <http://www.publications.parliament.uk/pa/cm201011/cmselect/cmpolcon/528/528vw10.htm>

was published on 20 May, just over a week after the formation of the Government. Civil servants were closely involved in preparing this document, notably in costing the pledges in the light of the overriding commitment to reduce the deficit. The distinction between the two documents – the first of just seven pages and the second of 35 pages – is insufficiently appreciated. The first was produced by the politicians and their advisers; the second by new ministers and civil servants. The first was endorsed by a Liberal Democrat special conference on May 16, four days before the second and much more detailed statement of policy for the Coalition was produced. Consequently, many of the most important, and controversial, coalition policies which appeared only in the second document were never endorsed outside government itself. The classic example is NHS reform. In the 11 May statement, there is a brief reference to agreement that funding for the NHS should increase in real terms in each year of the Parliament, but nothing is said about reform. In the 20 May document, there are three pages on the NHS with reform plans spelt out at length and in detail. Difficulties occurred when one or two commitments appeared which had not featured in either of the two coalition partners' manifestoes.

Only about 30 civil servants in 10 Downing Street and the Cabinet Office were directly involved in the transition at the centre. The unfolding of the talks as a politician-driven exercise with little direct Civil Service involvement could be seen as justifying a light touch approach to preparation with the emphasis on flexibility in execution. The careful project managed preparation and testing of various scenarios proved to be of limited help in view of the unexpected appearance of a coalition as the favoured option of the politicians. But thinking out alternative options – even if unsatisfactorily resolved in the pre-election gaming – did ensure that senior officials were able to respond rapidly to the demands of a coalition. They quickly produced plans for integrating the work of the two parties via a new framework of Cabinet committees.

5.4 The View from Departments

The wider Civil Service faced difficulties in knowing what was going on, and also about what they should do, or not do. Departments had been all geared up to hit the ground running in the usual, instant changeover manner on the Friday after polling. But then there was a pause. Despite all the plans for 'Day One', it felt like a false start. Others have described it as a 'phoney war' period. During the interregnum some ministers came back to their departments even though in many cases they had already cleared their desks before the campaign started. It was all rather unreal. However, no problems appeared as ministers, and their advisers, also spent their time observing and showed no desire or inclination to take fresh decisions. There was no need to invoke the new safeguards on 'caretaker convention' – covering the period after polling day and the formation of new government – which Sir Gus had set out in his evidence in February to the Justice Committee.

With only a small number of civil servants at the centre involved in the negotiations; the vast majority in Whitehall had nothing to do. Everyone, including Permanent Secretaries who did not know who they might be welcoming into their departments, or when, were watching the television trying to work out what was going on. The feeling from many in departments that they would have liked to have known what was going on could be partly explained by the fact that they are so used normally to being on the inside. And also that, like the world beyond, they wanted to find out the gossip. In fact, it is difficult to know how much more they could

have been told. Even those civil servants at the centre were kept at arm's length. Both the Liberal Democrats and Conservatives played this whole period with their cards close to their chest. They had wanted the visibility of being seen at 70 Whitehall – having their tanks on Gordon's lawn – but there was not a lot of negotiating or brinkmanship being played through the media, until the final decisive day. This surprised some people.

There were, however, some issues about how communication was handled. Inside departments, despite the work that went into improving the understanding of how the process and conventions of a hung parliament worked, there were still a number of civil servants who were not aware that incumbent ministers remained in office in this time. A few departments had internal catch-up sessions reviewing the situation on the Monday. On the Monday afternoon and evening, there was a brief flurry of further uncertainty when Labour temporarily moved back into the picture as a possible government participant. But, more generally, and despite the continuing possibility of a minority government, a coalition increasingly came to be seen as the most likely outcome, in which case, the prevailing concern in departments was whether they had done enough.

In some departments civil servants were working furiously to rethink briefing papers. This was a bit of a cut and paste patch up job. (Revealingly, the political parties, and particularly the Conservatives and the Liberal Democrats, had done most preparations on each others' manifestoes, and the greatest expert on Liberal Democrat policies was seen as Oliver Letwin.) Other departments were slightly more relaxed. They had done much of the groundwork for the preparation, and given the less comprehensive information available on Liberal Democrat policies, there was not much more they could do. Some officials believe there was a danger of being over-prepared. Thus, in the absence of knowing for sure which party(ies) would form the next government, what was needed was some flexibility, and the ability to adapt. What was most important was the amount of prior thinking that had gone into this process. The various versions of this work provided building blocks for a more reactive approach when the transition did finally occur.

Sir Nicholas Macpherson joked in his retrospective lecture that;

Whatever pretensions the Treasury had to a Rolls Royce transition were rather undermined by the result of the election. It turned out that we did not have a pre-prepared plan for a Conservative-Liberal Democrat coalition. We had made the judgement that it was best to understand the programmes of each of the main parties, rather than to think through the combinations and permutations which would ultimately be determined by the will of the electorate, the vagaries of the electoral system and the negotiations of their democratically elected representatives.²⁰

It was also a time at which many were wondering whether they would be the department that would have a Liberal Democrat or Conservative Secretary of State. All this contributed to a curious feeling of hiatus as well as unease, a desire to get started but an uncertainty about when, and with whom. This would continue when the transition did eventually come, and the Coalition became a reality, but questions still remained as to what it would look like.

When Cameron was eventually appointed Prime Minister, in the final rush of that Tuesday evening, the Civil Service machine was eager to get started, and put transition plans into action. This was not straightforward. While the Cabinet was announced in full on Wednesday 12 May, the list of Ministers of State and Under-Secretaries only emerged over the following week, and the final two appointments, to the Ministry of Defence, did not come up until 26 May. This was partly, though not exclusively, because of the creation of the Coalition and the need both to agree an allocation of posts between the two parties and then for David Cameron to consult Nick Clegg over the identities of the particular Liberal Democrats to be appointed. There were positive advantages in such a gradual process as, often in the past, the appointment of junior ministers has been hurried and mistakes have been made. There is no evidence that the operations of government suffered from the delay.

As in the media, as the days passed, there was a feeling in Whitehall that some routine business could not be delayed. And the process as a whole seemed to be taking longer than some people thought it should, or, rather, than they were familiar with from the past (though compared to other countries it was remarkably swift). This meant that, when Cameron did finally enter No. 10, there was tension between wanting to get on with the business of government and the political side – how publicly to present all this, and how to manage the pace. The Civil Service was seen as ready to envelop the new Prime Minister in the machine.

Despite the amount of preparation, the election result, and the speed and outcome of the negotiations could not have been anticipated. The rapidity and clearcut conclusion of the negotiations were a surprise. Other countries, with longer experience of the formation of coalition, wondered how the UK had managed it. The Civil Service, like virtually everyone else, still found it difficult to make the mental leap of absorbing the lessons from Scotland in 2007 to 'expect the unexpected' – even though the Top 200 had been explicitly told to do so. Now, however the 2010 Government was entering entirely new territory.

6 First few weeks and months

The drama of the five days had increased the sense of excitement and anticipation when David Cameron was finally appointed Prime Minister on the Tuesday evening and appeared in the Downing Street Rose Garden with Nick Clegg, the Deputy Prime Minister, on the following afternoon. The names of the Cabinet became known that evening with the first Liberal, now Liberal Democrat, ministers, since the wartime coalition in 1945. At last, 'Day One' plans could finally be put into action. Civil servants were ready to go with their policy briefings, hurriedly updated to take account of the Coalition. Officials had done the nuts and bolts side of ensuring the nameplates were changed, the old pictures gone and the security guards ready to know whom to expect. There were inevitable minor slips, such as not letting Vince Cable know he had a car waiting for him when he came out of 10 Downing Street.

Some departments got an earlier start than others. The appointment of the Chancellor of the Exchequer and Chief Secretary to the Treasury came well before other ministers, so they were swiftly able to get on with the transition. For a number of other departments, however, the uncertainty continued. This was not simply a case of whether they would get the Shadow they had been meeting with for the previous months. With a coalition formed, this process also meant questions about whether it would be a Conservative or Liberal Democrat Secretary of State, and then also what mix of ministers within the department, and whether there would be any machinery of government changes. There were plenty of surprises, and several departments gained a Secretary of State who had not shadowed the post, and in some cases had no prior experience of the portfolio at all. This made even more important the handling of the transition, and particularly the rewritten initial briefings.

Cameron stuck to his pre-election intention not to introduce major machinery of government changes, unlike many of his predecessors – notably Heath, Wilson, Blair and Brown. He followed the overwhelming weight of advice from, internally, Francis Maude; from the top of the Civil Service; and from outside bodies including the Institute for Government.²¹ This was both on cost grounds and to avoid distracting upheavals when the priority was to introduce measures to cut the size of government. Moreover, the creation of the Coalition, requiring a careful balancing of ministerial posts between the two parties, was a disincentive to shifting around departmental barriers.

In the end, there were three relatively minor changes in the map of Whitehall introduced during the summer of 2010: first, the Office of Government Commerce was moved, after a short argument, from the Treasury to the Cabinet Office; second, Clegg's responsibilities for political and constitutional reform involved moving those officials to the Cabinet Office from the Ministry of Justice; and, third, the Government Equalities Office came, as before, under the senior woman in the Cabinet, in this case Theresa May. So ministerial responsibility shifted from the Cabinet Office to the Home Office. The creation of the Efficiency and Reform Group within the Cabinet Office would become the focus for several far-reaching organisational changes in Whitehall. Meanwhile, as we discuss later, the restructuring of Number 10 and the creation of a Deputy Prime Minister's office would have the biggest immediate implications.

6.1 Discontinuity of shadows

Not all Shadows take up the same post in government, only just over three-fifths did in 1979 and 1997, even when there was a single party government. We discussed the problems of discontinuity in our previous report. In May 2010, this situation was exacerbated because of

21 Patrick Dunleavy and Anne White, *Making and Breaking Whitehall Departments* (London: Institute for Government/ London School of Economics, May 2010) Accessed on 1 September 2011 <http://www.instituteforgovernment.org.uk/publications/10/making-and-breaking-whitehall-departments>

the creation of the Coalition. Five Liberal Democrats had to be found Cabinet posts. So just ten of the Conservative members of the Cabinet held the same posts they had shadowed, with six in different positions. However, four additional senior ministers who attended Cabinet were holding the same posts. Discontinuity is not just a problem for ministers. There are often complaints that senior civil servants are moved around too often; and, as discussed later in this chapter, there was a record turnover of Permanent Secretaries in the second half of 2010.

A difficulty of pre-election contacts is about what do you do when you have built up a relationship through contacts and the Shadow does not take up the post. As one interviewee pointed out, you have got to plan on the basis that the person you are talking to is going to be Secretary of State. However, the shifts around seemed to take some departments, and individuals within, by surprise. The appointments of Theresa May to the Home Office, Vince Cable to Business, Kenneth Clarke to Justice and, even more, Iain Duncan Smith to Work and Pensions, would each have a distinctive personal particular influence on how the department adjusted.

As noted earlier, there had been some signs in the run up to the election that one or two Shadows might not take up the post, notably Chris Grayling at the Home Office and Dominic Grieve at Justice. This had produced speculation about potential Secretaries of State, and some efforts by civil servants to find out about the likely views and working behaviour of potential candidates. This included talking to current or former civil servants who knew some of the possible candidates, and even scouring the news and the Internet to try to establish whether they had expressed views on certain areas. While the negotiations were going on, and as the process of appointments began, this largely speculative activity intensified. There was even some discreet lobbying by Permanent Secretaries via 10 Downing Street.

In a small number of departments it felt like ten months of preparation were wasted. Some of the shadows had distinctive personal views, and represented different wings of their parties from their successors as ministers. But where such policies were closely dependent on a particular individual, it now seemed unlikely that these would come to anything. This meant they had to re-think their lessons from access meetings with a different Secretary of State. This was not all downside; in some departments where pre-election contacts had not gone well, the change represented a welcome chance to make a fresh start. Moreover, some departments felt fortunate that the incoming minister was flexible and secure enough to cope with the inevitable mishaps of the early days. Most importantly, a number of departments started with a relatively blank slate for much of their policy agendas.

Many departments had put a huge effort into policy briefings. As in previous elections, the role and value of these were mixed. In many departments, where the incoming ministerial team were well acquainted with the portfolio, the Civil Service briefs did not hold great interest. Opposition preparation, through the structural reform plans and, then, the Coalition agreement, superseded the Civil Service briefing papers. This was a reminder of the pre-election difficulty that the Civil Service had in getting under the skin of Opposition thinking. This does not mean that the work done by the Civil Service was wasted, not least because the process of developing briefs forced departments to refine their thinking after so many years of being used to ministers from one party. This preliminary work was a very important first stage in the psychological shift.

However, where the Secretary of State had little or no prior experience of the portfolio, and was effectively starting from scratch, the briefing plans were much more useful, as a good summary of the department's capabilities and major issues. Where new Secretaries of State were swiftly developing their own policy views, these simple, factual briefs became essential for developing this thinking.

Much depended on whether the pre-election Shadow talked to the eventual Secretary of State. This was very patchy, partly because of personality clashes, with Shadows who had been squeezed out of a Cabinet level job disinclined to help their successors. But a few did on their own initiative, and in other cases they were encouraged to do so by the department, which was better briefed on Opposition thinking than the incoming Secretary of State. There was considerable awkwardness among Ministers of State who had been in the Shadow Cabinet and who had expected to be in the Cabinet. Theresa Villiers was demoted from being Shadow Transport Secretary to a Minister of State in the same department. Moreover, the creation of the Coalition meant that a number of key ministers, such as Oliver Letwin, Francis Maude and Sir George Young, merely attended its weekly meetings, though not as full members, despite being far more influential than many who were.

Theresa May had one of the most difficult tasks as Home Secretary since she had not been involved with the department at any stage of her career, nor had she received any of the normal security briefings which a Shadow would have had. But she was expected to be up to the mark from day one on urgent counter-terrorist and policing issues, as indeed she quickly became. On longer-term policy, she had primarily to draw on the Conservative manifesto, and then the compromises in the Coalition Agreement, rather than on the informal, and private, policy preferences of Chris Grayling, the Shadow Home Secretary, which had been relayed to the Home Office in pre-election meetings.

The differences in experience affected the incoming ministerial team as a whole. Some junior ministers and new advisers were overwhelmed and underprepared. Again departmental briefing could help them catch up. In other cases, a Secretary of State with no experience of the portfolio was appointed alongside middle ranking and junior ministers who had been meeting officials in the department and had firm ideas. Some middle ranking ministers were understandably keen to get on with their plans, but the Secretary of State did not want to be rushed. Much depended on how well the ministers worked together.

6.2 Becoming a minister

For many, the biggest challenge was simply becoming a minister. Some Conservatives did have prior ministerial experience – three (William Hague, Kenneth Clarke and Sir George Young) at Cabinet level and others (such as Liam Fox, Andrew Mitchell and Francis Maude) further down the ministerial ladder. However, as after previous handovers, there was a big learning curve for most of those who had not been a minister before. Many Conservatives had attended at least some informal sessions about what being a minister involved, including tips from former ministers and – and most seem to have dipped into Gerald Kaufman's classic but 30 year old *How to be a Minister?*

The Liberal Democrats had not done any such work in a coordinated way and, as noted earlier, only two of their ministers, both in the Lords, had any experience at all of government – Jim

Wallace and Tom McNally – but some others, such as Andrew Stunnell, had extensive local government experience. For many of the party's MPs, becoming a minister was quite a shock as they realised how little they knew about how Whitehall worked. But like all new ministers, they had to fall back on their innate political skills developed as MPs.

A big challenge for departments has been ensuring that complicated ministerial and special adviser relationships work smoothly when two parties are involved. Not only do the Conservatives have their own networks, but so did the Liberal Democrats – between, say, Vince Cable and Ed Davey in Business and David Laws and then Danny Alexander in the Treasury. Laws was respected both by Conservative ministers and by officials as a highly effective Chief Secretary in his two and a half weeks, partly because he proved to be tough on spending. But, in all departments, many of the special advisers in both parties were very inexperienced, not only in their departmental areas but also politically. The absence of pre-election preparations or any more than perfunctory induction after the election meant that many advisers were unsure of their proper roles, in some cases leading to conflicts with civil servants over appropriate behaviour in, for example, briefing the press. This was frustrating for departments who wanted better functioning special advisers as a link with ministers' thinking and with the Coalition parties in the Commons.

Permanent secretaries also had to manage their departments through these periods of change, not least because so few had prior experience of transitions. Some had daily briefings with their entire staff or with senior grades for the first two to three weeks after the election. In other cases, the senior team met soon after the election to consider how to get messages out. But this was not a consistent approach. The feeling of change only slowly rippled outwards and downwards. Private Offices were closely involved, but most other civil servants would only watch and wait. Some of those interviewed described how some of their colleagues seemed to treat it as just a reshuffle and not a transition.

6.3 Developing the machinery of the Coalition

Unexpectedly, in the eyes of some civil servants, the creation of the Coalition may have made it easier since they were not just adjusting to a change of party, but both parties were also adjusting to each other. There was also a sense of novelty and excitement, creating a shared enthusiasm for the Coalition and the desire to make it work. Much was achieved via good relationships and ad hoc approaches. However, the speed with which the Coalition was put together meant that some issues would have to be re-addressed later on.

The organisation of the Coalition had been considered by both the Civil Service and the political parties, but unevenly and generally, and only at a late date. The Conservatives did not think through the implications of the Coalition enough. But they felt they did not need to. The Cabinet Office had done a bit of thinking on these issues beforehand, though the proposed Cabinet committee structure only emerged during the negotiating period. Reflecting their experience in Scotland and Wales, the Liberal Democrats had done quite a bit of preparation on the practicalities of how the Coalition would work, as seen in the first coalition agreement. Jim Wallace emphasised that when times were good at the beginning you would not feel the need for the machinery, but it was important to have worked out the mechanisms for when things were hard.

Other departments were surprised by the ease of transition to coalition. Work on drawing up the fuller *The Coalition: Our Programme for Government*, and then early policy and spending decisions, helped to bond the team together. As mentioned above, the second policy document was, if anything, more important than the first one, certainly for the Civil Service, despite the ambiguities of its political status.

There had been little guidance from the centre, and party leaderships, about how to deal with coalition mechanics inside departments. Before the election, many departments had drawn up a list of how work should be distributed, based on the likely number of ministers. However this was on the assumption of a single party forming the government. The arrival of the Coalition in some cases involved reorganisations with all the policy areas handled by a Liberal Democrat minister put under a single Civil Service director. Some departments treated their Liberal Democrat minister as effectively the number two, irrespective of seniority. Conservative Secretaries of State varied in the extent to which they involved their Liberal Democrat ministers, depending in part on how the former viewed the Coalition. However, Liberal Democrat junior ministers need to receive all key papers and to be kept in the loop, even in areas outside their portfolios.

The creation of the Coalition also challenged traditional methods of thinking. Many in the Civil Service had been used to focusing on the wishes of the Secretary of State as the apex of the department. Civil servants now had to take account of two parties. In some cases this could be about tactics, to ensure Liberal Democrat support for a policy, but the enthusiasm from ministers in both parties to make the Coalition work was a surprise to some in the Civil Service. Much depended on the personal chemistry. Good relationships could bridge apparent ideological divisions, as in the case of Iain Duncan Smith and Steve Webb at Work and Pensions. One Minister of State, who had expected to be in the Cabinet, nearly quit twice – even his photo was taken down.

A more serious danger was where the Liberal Democrat minister was only one of five or six and held a junior and isolated portfolio, unconnected with the rest of the department. The classic example was Lynne Featherstone whose Equalities brief had, as noted above, moved around depending on the post occupied by the senior female Cabinet minister. But the Government Equalities Office had little connection with the main Home Office work of police, immigration and counter-terrorism, and involving Lynne Featherstone in this work proved a challenge to politicians and civil servants alike. This made it even harder to ensure that tricky policy issues were put through the Coalition prism – so that the views of both parties were considered. As so many Home Office issues highlighted the fault lines in the Coalition, this meant that Nick Clegg himself has often had to be closely involved, both personally and in his role as chair of the Home Affairs Committee of the Cabinet. He also had a longstanding personal interest from his days shadowing the department.

Some departments have recognised the wider coalition responsibilities of Liberal Democrats by strengthening the private offices of some of the party's junior ministers. This has turned out to be a step by step process, though it cannot obviously address underlying tensions over policy. So, in some cases, Clegg has had to intervene in policy discussions before they reach the level of Cabinet Committee discussion – further increasing the burden of work on his office.

As discussed in the Institute for Government's report of September 2009 *United We Stand*, there was been a mismatch of resources, as well as experience and knowledge of government.²² The 5:1 ratio of Conservatives to Liberal Democrats puts a great deal of pressure on the latter's ministers, and their advisers. Not only do Liberal Democrats need to cover their own policy briefs, but they also often have to play a role as their party's overall representative on all aspects of their department's work. Yet this is precisely the area where resources are lacking. They have the staff to cope with their own portfolios but not to comment on other areas. This problem is exacerbated when a Liberal Democrat Secretary of State is covering issues outside the departmental brief as a member of a Cabinet Committee. This leads to incidents where the department has sent papers back, having determined it is an issue on which they have no view, only for the Secretary of State to have retrieve it and have it dealt with by his special adviser.

An unexpected problem was the overload on Liberal Democrat ministers, and not just Clegg. This was not helped by the decision to stick to the Conservative pre-election pledge to reduce the number of special advisers. Our interviewees were virtually unanimous in regarding this pledge as misguided in the context of the Coalition. Conservative ministers were as robust as Liberal Democrats in criticising the policy of limiting Cabinet ministers to two special advisers and permitting other ministers who attend Cabinet to one, but not allowing any other ministers to have a special adviser. This means that in those departments with only junior Liberal Democrat ministers, or even more in the five departments where the party has no ministers, they have no special advisers. But the evidence from Scotland and Wales is that building political networks is even more necessary in coalitions than in single party governments and this requires more special advisers to take the burden off ministers. In the absence of more special advisers, the Liberal Democrats have had to find other ways of fulfilling these tasks. They now have additional research advisers in the Whips Office. But as party appointments they do not formally have access to internal Whitehall material. The party is bending the rules. Some junior ministers have been using researchers to fulfil this role – which has to be paid for by an already financially stretched party. This dual party and departmental role might require support similar to that of EU Commissioners with their Cabinet, who have both a routine portfolio and across-executive role. This might be a good model in a coalition when a minister is covering not only a departmental brief, but also doubling up on portfolios in which there is no Liberal Democrat representative.

6.4 How the centre operates

Some civil servants feel that they underestimated the way in which the architecture of Whitehall would change, especially at the centre. In their preparation they had emphasised culture, and personalities. In the event, the change in the way the centre operates, and by extension the government as a whole, has been most important. Some of this is about the replacement of New Labour approaches, the loss of Public Service Agreements and the abandonment of many targets. But Cameron and ministers at the centre such as Oliver Letwin and Francis Maude have also created a different style of premiership that has challenged the Civil Service just as the Blair/Brown dual leadership did from 1997 onwards.

The Government established a Coalition Committee to anticipate and resolve problems, but, in the first 15 months after the election, it had only met twice. In practice, much has been sorted out at departmental level, bilaterally, or through Cabinet committees themselves.

22 Akash Paun, *United We Stand: Coalition Government in the UK* (London, Institute for Government: 2010), Accessed on 16 June 2011 http://www.instituteforgovernment.org.uk/pdfs/United_we_stand_coalition_government_UK.pdf

The most important dispute mechanism, as with many coalitions in other countries, has been discussions between the two party leaders. This has been reinforced by the 'quad', also involving George Osborne and Danny Alexander, while Oliver Letwin and Alexander also work together on coalition issues. In most cases, personal relationships between ministers of the two parties – who barely knew each other before the election – had been very good. Previous unfamiliarity led to mutual respect. However, relationships became more strained after the acrimonious AV referendum campaign in spring 2011.

Many civil servants point out that the Coalition has meant that government is conducted in a more formal manner. This was an intention of the Conservatives anyway, via their Business Plans, a different management style and a self-conscious desire to move away from some of the practices of the Blair/Brown years. The Cabinet Committee process under David Cameron has also become even more important for the Coalition, as the National Security Council, usually meeting after the weekly meeting of the Cabinet, and the Home Affairs Committee, under Nick Clegg, are widely seen as both active and effective. The Civil Service instinctively welcomes this more deliberative process.

One of the biggest changes has been the creation of the Efficiency and Reform Group (ERG) to drive forward cost cutting and reorganisation in Whitehall. The Conservatives' plan for this, developed by Francis Maude and Philip Hammond, was conveyed to the Civil Service through the pre-election contacts. However, the formation of the Coalition meant that Maude was not going to be a full Cabinet Minister, though he attended the weekly meetings. During the pre-election preparations, there was lengthy discussion about how the ERG would work. Maude saw it as needing to be able to cut across departments. It was a question of his authority vis-a-vis ministers and Permanent Secretaries. Maude's response to being told that he would not be in the Cabinet was 'fine, as long as I have the authority to do the plan as before'. This gave him the authority of the Prime Minister. As part of the Coalition arrangements, Philip Hammond, the co-author of the plan, had gone to Transport, and the Chief Secretaryship became a Liberal Democrat post, occupied first by David Laws and then by Danny Alexander. But this made no difference in practice as Laws and Alexander fully supported Maude's approach to holding down administrative costs on head count, government advertising, procurement and IT.

Another big change, embodied in the Structural Reform/Business Plans, was central monitoring via an Implementation Unit. Kris Murrin, who, as noted above, had advised the Conservatives in opposition, was brought in not as a special adviser but as a Civil Servant, after Jeremy Heywood and Sue Gray acknowledged her contribution was not political. This was not agreed until after the election though Murrin had been involved in pre-election contacts with the Cabinet Office. Initially, there was uncertainty about how her role would work out, but this was primarily because it was unclear how the centre would monitor performance. This became clearer as the early Structural Reform Plans developed from the summer to the autumn of 2010 into the Business Plans which were publicly updated monthly to show how far departments were measuring up to various milestones for implementation. Her small team was essentially non-partisan, including a couple of people brought in from outside. In 2011, the Implementation Unit was a core part of the expansion of Downing Street capability into what amounted to the re-creation of a Policy Unit. In retrospect, some of the changes in 2011 to strengthen the 10 Downing Street operation represented a rowing back

from the initial approach. This raises questions about whether the Conservatives necessarily did the right kind of preparation before the election, therefore not fully understanding how 10 Downing Street could, and should, work.

6.5 Adjusting to the Deputy Prime Minister

The other big challenge in the centre was the creation of a Deputy Prime Minister with multiple political and executive responsibilities. This was in contrast to the largely titular roles of previous Deputy Prime Ministers in single party governments. Clegg, however, was both leader of a coalition party with a formal joint role in overseeing government decisions and responsible for an ambitious political and constitutional reform programme. His primary role was demanding enough in ensuring that the Liberal Democrat voice was heard on all key issues, and, moreover, that potentially awkward questions were not ignored. The Liberal Democrats turned to Lord Wallace for advice. The decision to base Clegg in the Cabinet Office, and not to have a separate department, was founded on the belief that his priority should be providing oversight of policy across government. However, in practice, the amount of work that has fallen to him, and his office, has presented a continuing challenge.

Senior civil servants were initially reluctant to create an alternative power base which might be seen as a rival to the Prime Minister and 10 Downing Street. Cameron's advisers believed that one of their best early decisions was to have two senior policy and communications advisers from Clegg's staff working alongside their Conservative counterparts in Number 10. This helped prevent a split between Prime Minister and Deputy Prime Minister. Some insiders felt that this process should have been taken further, with Clegg himself being based in 10 Downing Street with an office next to Cameron's. Even being five minutes away in the Cabinet Office meant that there was a sense of separation, even if not conflict. Both politicians and civil servants were playing catch up as they adapted to an unfamiliar situation in which Liberal Democrats were operating in a wholly unfamiliar area. So gradual adjustments were made with an increase in the seniority of the top civil servant in Clegg's office and more staff provided. That still left the dilemma of Clegg's position – as both the Leader of a distinctive party within the Coalition and as Deputy to the Prime Minister. But that reflected the broader ambiguities of adapting the conventions and working practices of single party government to the existence of a coalition.

One interviewee estimated that a quarter of Clegg's time has been as a de facto minister at the Home Office for the reasons discussed earlier this chapter. Both the Prime Minister and the Home Secretary – and the Liberal Democrat junior at the Home Office – get policy support, whereas, originally, Clegg got little additional help on many departmental questions. This put him at a disadvantage when needing a different perspective. At the same time, Clegg has carried the Liberal Democrat banner, and had to manage his fellow Liberal Democrat ministers and at times fractious backbenchers. His role is pivotal to the Coalition, yet he has been under-resourced. The Civil Service had initially been much more focused on the Prime Minister than what to do with the Deputy Prime Minister. Despite initial reluctance to build up the Deputy Prime Minister's office as a potential rival to Number 10, the case for expanding back-up for Clegg was accepted and staffing was increased in stages from late autumn 2010 onwards.

6.6 Parliamentary Aspects

This is not the place for a detailed discussion of the politics of the Coalition at Westminster. However, a good deal of thought had been devoted by parliamentary officials to improving on the induction procedures for what was expected to be a very large number of new MPs. The Commons Modernisation Committee had already recommended delaying the meeting of the new Parliament (mainly to elect/re-elect the Speaker and swear in MPs) by a week to 12 days after polling day, with the Queen's Speech a week later than before. The change in the timetable not only allowed the Commons to handle the 36 per cent of MPs who were new, slightly fewer than in 1997, but it also gave more time for the new ministers to get to grips with their new portfolios. There was a double advantage here since the new Prime Minister and administration were not formed until five days later than usual. If the old timetable had been used, the Commons would have assembled at the same time as David Cameron was becoming Prime Minister. Instead, the Coalition had slightly more time to plan its legislative timetable and its proposals for the Queen's Speech.

The expanded induction of MPs also worked well, apart from a hostile reaction by both new and old members to the new expenses regime being introduced by IPSA (the Independent Parliamentary Standards Authority). However, by the end of May there was induction or training fatigue and attendances at events organised by the House authorities and outside bodies dropped off.

The creation of the Coalition did lead to some changes in practices in Parliament. The Leader of the Liberal Democrats lost his slot at Prime Minister's questions since he was now sitting alongside the Prime Minister. This has a bigger effect on Liberal Democrat backbench MPs, now being counted along with their new honourable friends, the Conservatives, on the government side. The Speaker developed a new practice of calling leading Liberal Democrat backbenchers after the Labour spokesman both in ministerial statements and in debates.

The existence of the Coalition also created problems of party management for both the Conservatives and Liberal Democrats as their own backbenchers, and even more their activists in the country, felt that party leaders had given too much away to the other side. This proved to be a continuing, and worsening, problem, which surfaced whenever a particularly controversial issue came to a vote: in particular over raising the maximum tuition fee. This was contrary to the Liberal Democrat manifesto and provoked a big revolt by the party's backbenchers in November 2010. It further illustrated the novel political, and parliamentary, problems posed by the creation of the Coalition.

There have also been serious problems of party management in the House of Lords. The combination of Conservative and Liberal Democrat peers can, on paper, outvote Labour – contrary to the post-1999 assumption that no single party would have a majority of peers. In practice, it has not been as straightforward, because of variable turnout, the possibility of rebellions and the existence of a large group of crossbench peers. But the latter do not vote consistently together, or in large numbers. Only on exceptional issues – mainly bills with constitutional implications, such as the Public Bodies, European Union and Fixed-term Parliaments measures – has the Government been in danger of defeat.

6.7 Continuity of Permanent Secretaries

A final feature of the transition was the number of changes at Permanent Secretary level in the second half of 2010. Overall, nine of the 16 permanent heads of the main departments changed in this period – after excluding the territorial departments and various agencies headed by Permanent Secretary level officials. Four of these changes were caused by retirements, and the rest arose from consequent shifts around departments and the creation of the new post of National Security Adviser. Consequently, the Civil Service heads of several departments central to the transition and the transformation of Whitehall changed at crucial times after the election. Some Permanent Secretaries either left or arrived just when far-reaching spending and transformation programmes were about to be implemented.

The probability of a big turnover at the top was not a surprise given the ages of some of the senior permanent secretaries. Sir Gus O'Donnell, as Head of the Home Civil Service, always recognised that the biggest problems were likely to be at the start of a new administration. But if changes were to be made before an election, they would have to have been in the autumn of 2009. This would have limited adjustment later on. Moreover, there were sensitivities about the possible attitudes of a new administration. New ministers would have said 'you've stitched us up with new people'. Holding up retirements until after the election was line with the general policy of postponing decisions on major public appointments.

It might have been easier a year to 18 months before – and some senior civil servants believe an opportunity for proper succession planning was missed in 2008 when some Permanent Secretaries approaching the age of 60 could have been persuaded to retire early with pension rights protected. Their successors could have been in place and on top of their departments well before the transition.

However, there was a strong contrary view. One factor weighing in Sir Gus's mind was the desirability of having experienced officials around in the top jobs in the early difficult months of a transition, where they could also oversee the hard decisions of the spending review in the summer and early autumn. There were also memories of the post-1997 period and the poor relations between incoming Labour ministers and some Permanent Secretaries. Despite the professionalism of the Civil Service, sometimes some of the biggest things to go wrong around a transition are personal. There has to be a degree of realism about personalities; you have to be able to address problem if a situation arises where a minister just can't work with X.

The role of Secretaries of State in picking Permanent Secretaries is strictly limited in order to preserve the latter's independence and political neutrality – now underpinned by statute. Ministers are consulted about the criteria to be used in the selection process, but their subsequent role is restricted. One of the ironies of the post-election choices is that insiders benefited. David Cameron and Francis Maude were keen on fresh blood – ideally from the business world. But, when the new Secretaries of State were consulted, they invariably wanted someone experienced who already knew the Whitehall system and was ready to take over at once. The new ministers realised how dependent they would be on a good Permanent Secretary to take forward their spending and reorganisation plans. At any rate, recruiting outsiders had anyway been made more difficult by limits on salary levels.

6.8 The end of the transition

There is no fixed date for the end of the transition. It varies between departments and particular ministers and civil servants. We have concentrated on the lessons which were apparent in early 2011, though taking into account a number of later developments. Governments are not static and much has changed during 2011 in terms of organisation and policy, with a number of reversals of initial plans, with no doubt more to come. The questions about lessons learnt are twofold: first, what could, and should, have been thought about in advance; and, second, what of the 2010 experience should those involved learn from and pass on to their successors.

Some of the lessons relating directly to the transition – on ministerial appointments, the staffing of the Deputy Prime Minister's office and the early organisation of the centre – may now seem to be passé, to be replaced by more immediate concerns. But it is precisely because these issues are related to the transition, and not just the 2010 one, that there are lessons about how far you can prepare politicians, advisers and civil servants for such a change and how re-structuring of organisation, that they are worth revisiting. And there are other lessons about the broader psychological and cultural transition from one long serving party in power to its successor.

Whenever, and in whatever circumstances, the next transition occurs, a large number of the players – politicians, advisers and senior civil servants – will be different. Ed Miliband has just appointed his first (non-elected) Shadow Cabinet without most of the senior figures from the Blair/Brown era. And the turnover of Permanent Secretaries means a further loss of expertise. In the next chapter, we draw out the lessons from the 2010 transition, as compared to our original report, and, then in the final chapter, we look ahead to what are certain to be very different circumstances in 2015.

7 Conclusions

Defining a successful transition is not quite as elusive as Chou en Lai's verdict on the impact of the French Revolution – 'it is too early to tell'. There are short and long term aspects. In the short-term, the handover can be viewed as a success. It was right to set out the constitutional conventions before the election. The system coped with only the second general election since 1929 not to produce a clearcut winner. The politicians resolved the situation within five days and the first coalition for 65 years was created. New arrangements were quickly devised to manage coalition relations, which have worked pretty well despite many arguments and divisions. A detailed coalition agreement was produced by new ministers and civil servants within eight days of the formation of the new Government.

However, there are dangers of complacency and smugness. A lot could easily have gone wrong during the handover: if the main parties had been closer in numbers of MPs, if the negotiations had been protracted and even more contested; if the financial markets had panicked; if there had been a terrorist attack. There is also a tendency to take a rose-tinted view of what happened. The Cabinet Secretary and the key civil servants involved were treading a fine line. The Civil Service offered factual advice. But there is a danger of the parties being seen to be playing advice off each other and using it as a negotiating tool. The Civil Service was not in the negotiating room in May 2010 but its advice was. The distinction between factual advice and advice on what you should do can easily be blurred: for instance, in providing analysis of the feasibility of 'in-year' spending cuts (that is in the 2010-11 financial year), the advice would be seen to have played one way – particularly with the Governor of the Bank of England was seen as operating outside the Whitehall rules. The freshness and excitement of a new government can also make people forget or cover up problems in departments where relationships did not go well – such as the Treasury in 1997, or the Department for Education in 2010.

The longer-term assessment is even more tentative, both in procedural and policy terms. Some of the Conservative' pre-election thinking – on the organisation of the centre, especially 10 Downing Street, has not worked out as originally intended. The Conservatives exaggerated their degree of understanding and this may have led to excessive confidence. It took time to deal with the results and some necessary adjustments to original plans on organisation and initiatives such as Business Plans, which have replaced targets. For all the hype, pre-election work on the implementation of policies was neither as well thought-out nor as complete as claimed. As we discuss below, this may also have reflected a lack of expertise within Opposition parties. That has raised questions about whether the preparations were of the right type and involved the right people, and hence whether the contacts with the Civil Service were deep and broad enough. The Civil Service and new ministers did not have enough time to iron out these difficulties after the election, before they became public. Ministers now want to involve a much wider range of people and groups in providing policy advice than in the past. This opening-up is desirable, but there are risks that outsiders do not know enough about the practical and legal aspects of implementing policies. The challenge is how to balance this outsider injection of ideas with the Civil Service's necessary role in carrying forward ministers' plans.

The creation of the Coalition created fresh problems. For instance, the pledge to reduce the number of special advisers was ill-suited to the need to ensure that both coalition partners have a voice across Whitehall. This produced frustration among both Liberal Democrat and Conservative ministers. There was also a failure by the Civil Service to think more about

the implications for the centre of government. The links at the top – the quad involving David Cameron, Nick Clegg, George Osborne and Danny Alexander – have worked well with each other, but co-ordination in departments has been patchier, partly depending on the personalities. However, as noted earlier, Whitehall got support for the Deputy Prime Minister wrong in the first few weeks and months. In part, this was because Cameron came in wanting to scale down the Number 10/Cabinet Office operation – an organisational choice which has had a wider impact on the success of the transition and the style of governing.

The execution of some policies has run into trouble – for instance, over the school building programme, the control of forests, the abolition of the Audit Commission and other Arm's Length Bodies. The NHS reform legislation has faced strong criticism, leading to a 'pause' for reconsideration, and substantial amendments. The combination of a trebling of the upper limit for tuition fees and cuts in funding led to charges that policy had been sufficiently thought out.

It is hard to define how much these problems reflect defective structures in Whitehall, as opposed to flawed political decisions. The Whitehall machine adjusted quickly to the existence of the Coalition, but not always to the ambition of many, mainly Conservative, ministers to advance rapidly on all fronts. In the early months of all new governments. The Civil Service can have a tendency to be too eager to please new ministers, especially after a change of party in office. It is difficult to say no, or suggest less haste, when you are trying to demonstrate a department's competency and responsiveness to new ministers. Officials may therefore be reluctant to raise questions over the feasibility and workability of some of the new government's plans. The determination of new ministers quickly to make an impact with announcements and bills should not be under-estimated. Contrary to the claims of some ministers, and many Tory supporters, the Civil Service may have been insufficiently challenging in the months after May 2010, rather than too obstructive, or suffering from 'inertia'.

This chapter will examine the lessons from the preparations, the negotiations, the handover, and the aftermath. Finally, in the next chapter, we look at the very different challenges ahead of the next general election in view of the existence of the Coalition and the passage of the Fixed-term Parliaments Act, and make several recommendations. The 2010 transition underlines the need for a lessons learned exercise like this report. The next change of power may come sooner than the 13 years between 1997 and 2010, and the 18 years before that. Many of the senior civil servants who were closely involved in May 2010 will not be around next time, with a half of the Permanent Secretaries at the time of the election already either retired or shifted to new posts. And some of the politicians and advisers may not be involved next time. Yet several of the key parts of the transition are only known by them, which is why it has been desirable to record their memories and reflections now.

We are very grateful to many civil servants involved for being willing to share their thinking with us. At the centre, there is pride in what went well, such as the formation of the Coalition, and a desire that the episode will not be forgotten. On the political side, the main focus so far has been on the negotiations, the five days in May, and less on what happened either before or afterwards, which could be equally as important to future transitions.

7.1 Civil Service

The approach to a possible transition was better thought out and coordinated than in the past. The signals sent from the centre on the importance of Permanent Secretary leadership and change management were beneficial. Moreover, the existence of forums such as the Top 200 senior civil servants provided a means of communicating with, and involving, the top cadre which did not exist in 1997. The use of the central Strategy Unit and departmental strategy units clearly assisted the management of a possible change. There was an awareness of the need to be sensitive to stylistic, cultural and even linguistic differences between Labour and the Conservatives, as well as to adjust to differences of policy and personality. One of the problems for Permanent Secretaries was how, and when, to involve the rest of the departments, while not making the incumbent Secretary of State suspicious and hostile. The discussions both among Permanent Secretaries at their Wednesday morning meetings, as at previous elections, and, in particular, of the directors of strategy at regular meetings chaired by Alex Allan of the Cabinet Office, allowed experiences to be shared. This was a step forward.

However, there were still too many variations between departments. The main guidance from the centre remained about the formal rules for permissible conduct by civil servants, and their contacts with Opposition parties, while how departments should prepare was largely left to individual Permanent Secretaries. The ethos remained departmental rather than Whitehall wide. Moreover, as all acknowledge, preparation on cross-cutting issues was inadequate. Some of the demand for the road shows in which the two authors were involved in late 2009 and early 2010 showed a big appetite for shared experience which has not been supplied internally.

The best time to start preparations was probably autumn 2009, about eight months ahead of the election, as part of a phased build up. That, of course, reflects what turned out to be the correct assumption that Brown would delay an election until the last minute, and the calculation could have been upset if, uncharacteristically, he had gambled and gone earlier. There are, however, dangers in being over-prepared, of wasting time trying to work through every permutation, notably in getting ready for particular ministers. A clear lesson from 2010 is do not over-prepare, but be flexible and ready for all kinds of outcome.

7.2 Political Parties

The Conservative Party shifted the emphasis of its preparations from just considering policies to planning for Whitehall transformation, via the creation of the Implementation team and what became the Business Plans. The party was also more systematic in preparing its shadow team, and particularly those who had never been ministers, for what government involved. But this was patchy for junior spokesmen and non-existent for special advisers. Moreover, individual spokesmen developed their own personal approaches which were often not shared with their colleagues.

The understandable concentration on winning the election (George Osborne) and avoiding 'curtainitis' and taking victory for granted (David Cameron) constrained preparations. The problem of whether a successful opposition attack dog would be an effective minister was not really addressed before the election. While the Conservatives prepared more thoroughly than before on policy and implementation, they were less ready, at least until the last moment, for the possibility of a hung parliament and the consequent negotiations.

However, the lesson from the patchy outcome after the election, and some of the later policy reversals, is that preparations should be both deeper and wider, familiarising all levels of a potential governing team with what being in office involves. On the one hand, this involves more than involving 'quasi' civil servants from the big consultancies or retired Permanent Secretaries, valuable though their advice may be, since both groups may be out-of-touch with recent developments within Whitehall. On the other hand, preparations need to be more rigorous at all levels of the shadow team.

The Liberal Democrats did a lot of work both on policy and, in a small group around Nick Clegg, thinking out their negotiating tactics in the event of a hung parliament. But Liberal Democrat leaders did very little to get their party ready for the compromises on policy inherent in any coalition and virtually nothing to prepare their wholly inexperienced shadow team for what ministerial office would involve (partly for fear of being thought presumptuous). The Liberal Democrats are unlikely to repeat that mistake in future if they get the chance to be in coalition negotiations, but they are also likely to be operating in an environment which is more accepting, and less cynical, about their undertaking such preparations. Their experience is a warning to potential coalition participants, as well as to the Civil Service, to consider all possibilities.

Nonetheless, there remains an enormous gap between Opposition and Government. The turnover of personnel when a party goes into opposition, as in 1997 and 2010, means that many of its potential ministers are likely to have no experience of office. They will possess political skills from their time in the Commons but often no familiarity with large organisations like government departments – a problem the Institute for Government highlights in its report on Ministerial Effectiveness.²³ Outside bodies, such as the Institute for Government, can help, as they did with the Conservatives in 2009 and early 2010, by organising meetings between Opposition spokesmen and former ministers and civil servants. But Oppositions need to think both earlier and more systematically about their preparations for being ministers, as well as for changing policy. There are deeper questions about the nature, capacity and process of Opposition policymaking. With the inevitable pressures to campaign all the time and to react to the 24 news cycle, fewer resources are available for policy development within the parties themselves. In the absence proper advice, there are dangers of capture by enthusiasts and special interest groups. Some of these issues are the subject of separate research by the Institute for Government.

7.3 Access talks

After being formally authorised at the start of 2009, meetings between the Civil Service and Opposition parties – mainly the Conservatives – started slowly, but developed momentum from autumn 2009. The 16 month period was generally thought to be too long for all involved and could be curtailed (see later for reflections on implications of fixed term parliaments). Their usefulness depended on relationship and trust, not least between the Permanent Secretary and incumbent Secretary of State. There are also questions about how well Opposition spokesmen prepared for them and attempted to get full value out of them.

The ambiguities of the formal rules did not prevent open discussions about Conservative plans as Permanent Secretaries and transition teams took a broad ranging interpretation of the formal advice to be in listening mode. This assisted mutual understanding, notably about

23 Peter Riddell, Zoe Gruhn and Liz Carolan, *The Challenge of Being a Minister: Defining and Developing Ministerial Effectiveness* (London, Institute for Government: 2011). Accessed on 17 June 2011
<http://www.instituteforgovernment.org.uk/publications/32/the-challenge-of-being-a-minister>

the implementation of policies (what would be involved in introducing changes and possible legislative and administrative timetables). Permanent Secretaries involved a wider, though still small, group of officials than before, at Director-General level and in their transition teams. But it was hard to disseminate discussions and conclusions more widely in departments for fear of leaks and alarming current ministers. Moreover, there were big variations in the application of guidelines to Arm's Length Bodies which are crucial in many areas. Some Opposition spokesmen felt that access talks were more helpful to civil servants than to themselves, and that they had learnt more from earlier discussions with interest groups in their area. As noted above, contacts on cross-cutting issues never developed, partly because of difficulty of getting different Opposition Shadows together.

In retrospect, some civil servants think access talks were misleading pointers since there was a tendency to over-emphasise the personal views of Shadow spokesmen, and therefore a big change in approach was needed when someone else became Secretary of State, who did not share, or even know about, these personal views. As mentioned earlier, such a personality dependent process was in itself revealing about the nature of the Conservative approach to policymaking. There is also a problem for the Civil Service in trying to get into the thinking of the Opposition when relying mainly on published policy statements, and, during the campaign, on the party manifesto, made much harder by the limited personal contacts with the Shadow spokesmen. This again underlines the need for a more coordinated approach both by the Civil Service and by Opposition parties, in which there is a greater emphasis on the collective rather than the individual approach. The really important conversations took place in informal settings rather than in the formal access talks. This comes back to trying to establish a good personal relationship between the Shadow Secretary of State and the Permanent Secretary. Without such trust, the formal meetings will never be so helpful, and cannot make up for the lack of mutual understanding.

Contacts between the Civil Service and the Liberal Democrats were sporadic and generally neither deep nor sustained, reflecting both sides' view of the likelihood of the party being in government. Some of this is inevitable; a natural characteristic of a 'new' government, but it again places a great deal of weight on their separate preparations (discussed above).

7.4 Negotiations

The driving force in the five days between polling day and the formation of a coalition government was the politicians, not the civil servants. What mattered was David Cameron's 'big, generous offer' of talks about a coalition to Nick Clegg on the Friday after polling day, and Gordon Brown's desire to negotiate a deal with the Liberal Democrats. Also important was the much earlier decision to delay the Queen's Speech by a week to nearly three weeks after polling day. This was intended to allow the expected big influx of new MPs longer to settle in, but it had beneficial side effects in allowing time for the formation of the new government.

The Civil Service role was peripheral to the eventual outcome of the negotiations. However, there were potential difficulties, as noted above, in differentiating factual advice from advice on what to do on, say, spending cut options, in view of the need to ensure the appearance of impartiality. The main contribution by Sir Gus O'Donnell was to secure the publication of the chapter on government formation of the draft Cabinet Manual in February 2010. This helped

to clarify the constitutional position for the politicians, the markets and the media ahead of the 'five days' – though the subsequent debate over the full draft of the Cabinet Manual published in December 2010 suggests that some points on the position of the incumbent Prime Minister need further clarification. There was no conspiracy to create a coalition, let alone to involve the Liberal Democrats. This was, incidentally, demonstrated by the failure of the Civil Service to come up with a coalition in their scenario playing/war games exercises. The formation of the Coalition was a result of moves by the politicians, not by the Civil Service.

There has been some discussion beforehand about what could be learned from the Scottish experience. In Edinburgh, officials were seconded to the parties and assisted in the talks. Senior civil servants in London were cautious about following this example too closely for fear of being seen to give policy advice. None of the main parties in May 2010 wanted civil servants to be directly involved, and to be in the room for their meetings. It was probably fortunate for Sir Gus, given the sensitivities and controversies over the formation of the Coalition, that he was not more directly involved. As it was, there was some criticism over his subsequent remarks about the desirability of having a stable government to handle deficit reduction. This was misleadingly seen as favouring a coalition. In reality, no one had any doubts about the nervousness of financial markets in view of the television pictures of riots in Greece. More significant, and helpful, was the Civil Service offer to provide costing of policies. This was to ensure that any policy commitments in the Coalition agreement were affordable. The negotiators sought help from officials on issues such as the pupil premium and raising the starting tax threshold. In retrospect, the balance was about right, but it could have been different, and further thought is needed to avoid potential pitfalls. The Civil Service was, however, closely involved after the Coalition was formed in drafting the longer, and more detailed, coalition agreement, as noted below.

7.5 The Handover

Once David Cameron had emerged as the only leader able to command the support of the Commons, the formal change of government was rapid, at least by the standards of coalition formation in most of Europe. The five days had given both the politicians and the Civil Service time to modify their preparations to the new political circumstances. The Coalition agreement, a statement about how coalition business would be handled, and the new structure of Cabinet committees, were devised and published very quickly. However, there were two significant changes from the past as a result of the creation of the Coalition. First, it took longer, about a week or so, to appoint all junior ministers since the balance of posts between the two parties had to be decided, as well as the allocation of individuals to particular jobs. Second, the preliminary coalition agreement, determined by negotiators from the two parties during the five days, was turned into a much longer, and more detailed, agreement over the following week. Senior civil servants were closely involved at the second stage, notably in ensuring that commitments were fully costed. Promises in the Coalition agreement implied a net increase in the deficit, which had to be taken into account in later deficit reduction plans.

The second, and much more detailed, coalition agreement had a statement at the end saying that the deficit reduction programme had precedence over all other proposals outlined in the previous pages). Sir Gus O'Donnell sent a note around the Civil Service saying the agreement

superseded the individual party manifestoes, and that officials were to treat it as doing so. But problems later arose over the status of items which had been in one of the two parties' manifestoes but had been left out of the Coalition agreement, in part because they had been forgotten. Moreover, as the spending review developed over the summer and autumn of 2010, other, often highly controversial, policies were proposed which had not appeared in the Coalition agreement. This underlines the need for clarity over the status and content of any coalition agreement and the desirability of endorsement by MPs in both parties. There is a trade off here with time. Even though five days was portrayed as a long time to wait for those used to an immediate day one handover, it is much less than in virtually every other country with a coalition government where agreements can take a number of weeks to negotiate.

7.6 Aftermath

The largely unexpected turn of events after polling day paradoxically made the initial adjustment process easier rather than harder. Because everything was so new, there was an eagerness, and goodwill, on all sides to work out new arrangements. Everyone had to get on with handling something completely new. The Civil Service and ministers from both parties involved in the Coalition made the adjustment more easily than many others, including backbench MPs from both parties and the media.

However, it was not straightforward to integrate the totally inexperienced Liberal Democrat team, who were both out-numbered five to one by Conservatives and had hardly prepared for office. Many of the arrangements had to be improvised and changed later, such as beefing up the Deputy Prime Minister's Office, where officials in the centre were initially reluctant to set up what might be seen as an alternative power base to Number 10. Problems remained over support for often junior Liberal Democrat ministers in big departments. This clashed with a Conservative pre-election pledge to reduce the number of special advisers. This limit was later relaxed, in autumn 2011, to permit some additional advisers to the Liberal Democrat ministers. However, many Conservatives were also critical of the cap on the number of special advisers.

The biggest challenges were over the scale of the spending review and the internal agenda for the transformation of government. Most departments had been actively preparing for both. In particular, much work went on in Whitehall during the campaign looking at options for the £6 billion of in-year cuts proposed by the Conservatives. These required more work with departments after the new Treasury team arrived, but David Laws quickly got on top of the matter and announced the details only twelve days after being appointed Chief Secretary. In general, the new ministers were impressed by the level of preparation. This applied especially in departments, like the Treasury, where the Conservatives had a clear agenda, and where officials had already done a lot of work on cuts, and on the creation of the Office for Budget Responsibility. Moreover, some departments, including, for example, Justice, had already been working on a substantial internal re-structuring programme. This put them in a strong position to be ready for the big cuts in administrative costs, introduced as part of the spending review, though the form they took was affected by the appointment of Kenneth Clarke as Secretary of State.

It was far from being all smooth going, however. Even in the early months of the new government, there were several arguments over policy, as well as reversals, as noted at the

start of this chapter. Most of these incidents reflected the enthusiasm of ministers and their determination to make an early mark in the first few months of office. Moreover, the incoming Conservatives deliberately decided to go for a strong and radical first year. This partly reflected their views on the type of reforms needed, and how to achieve them, as well as their desire to avoid what they saw as the supposed 'missed opportunity' of Blair's first term. The Conservatives' desire to change the way that government is run, and the scale of the spending cuts, also created strains as the Civil Service were slow to catch on to the importance which new ministers attached to the Business Plans. There was initially scepticism, and some hostility, among many Permanent Secretaries to the Conservatives' plans for restructuring departmental boards and introducing a new group of non-executive directors, notably from the private sector.

The policy reversals and controversies of 2010-11 were as much a result of political misjudgements as specific Civil Service errors and foot dragging. There were flaws in the Conservatives' implementation plans and in their implicit, as well as explicit, assumptions about the speed of introducing such radical changes. The problems in pursuing a broad front strategy, tackling several tricky policy problems all at once, were under-estimated. Enthusiasm ran ahead of political calculation in some areas. This was particularly apparent in the overloaded parliamentary timetable, even with a two-year first session. Civil servants found it hard to express a cautionary note: to say is it wise to go down this path so quickly? As we noted in our original report, the real danger in the early months of a new government is not that civil servants will be obstructive, but, rather, the reverse – that they will go along with everything proposed for fear of alienating new ministers even when there are doubts about the implementation of new policies.

7.7 Lessons

The lessons of the 2010 transition are mainly positive. The pre-elections preparations were, useful for both politicians and civil servants after polling day. Many of the problems faced in 1979 and 1997 were avoided, but new difficulties were faced as result of the creation of the Coalition and the scale and nature of the spending cuts. The changes to Whitehall turned out to be much greater than anyone, particularly in Whitehall, had anticipated, or feared. Nonetheless, with all the caveats noted in the preceding paragraphs, the Coalition did a lot. In his reflections on the transition, Sir Nicholas Macpherson a list of actions taken in the first six months: the creation of the Office for Budget Responsibility; the initial £6 billion plus cuts package; the announcement of a new supervisory framework for banks; a substantial deficit cutting Budget; and a far reaching spending review. Many of these actions were highly controversial, but as Macpherson has argued

By any standards, this was a demanding agenda which would not have been possible if the Chancellor, Chief Secretary and their political teams had not been very clear about what they wanted to achieve; and if the Treasury had not done a fair amount of preparation.²⁴

It is not possible to make such claims about many other departments where pre-election work was patchier and contacts less productive. The lesson is that the right sort of preparations, both by Opposition parties and the Civil Service, pays off, especially when there are open discussions between the two in the run-up to a general election. However, there are limits to how much even good preparation can achieve; changes of government are bound to be bumpy.

8 Recommendations

The preparations for the next general election will be very different merely because of what happened in May 2010. In that sense, the events we have described in this report will never be repeated in exactly this form. They are a one-off, but with a lasting impact. Moreover, the relative smoothness of the process, at least in retrospect, should not disguise the potential for things to go wrong in future if the circumstances are slightly different. The party leaders and senior civil servants succeeded in keeping the Queen out of controversy during the five days in May. But there was a far greater danger of the Civil Service emerging with its reputation tarnished. That was avoided in 2010, but the risks remain.

Both the political parties and the Civil Service have learned many lessons and will adjust their behaviour accordingly. The two key differences, compared with earlier elections, are the existence of the Conservative-Liberal Democrat Coalition and the passage of the Fixed-term Parliaments Act. It is important to add the caveat that a collapse of the Coalition could always trigger an earlier election despite the provisions of the act. However, we should know the date of the general election beforehand and the participants will have the experience of how a coalition works. These changes will alter both the political and constitutional contexts – as well as the conduct of the election campaign itself. Will there be televised leaders' debates as there were in 2010? That is widely assumed but some senior broadcasting executives are far from sure. How, for instance, do you accommodate two of the three main party leaders being in government into a debate format? Will the leaders become more adversarial, or less? That is just one example of the change in attitudes and expectations produced by the Coalition.

8.1 Third Party Preparation

- **Most obviously, the third party will have to take the prospect of being in government much more seriously.**

This affects what is said and done in Opposition. It is no good just war-gaming negotiating tactics in the event of a hung parliament. You also have to prepare your shadow spokesmen for the possibility of office, as the Conservatives did in 2009-10, while avoiding making pledges you will instantly regret in office – whichever combination of parties might form a coalition. If you preach the virtues of coalition politics, then you need to be prepared for the consequent compromises. A more rigorous internal vetting of potential ministers is also required to make sure they do not have any ethical problems which could cause controversy, such as the allegations which forced David Laws resignation after barely two and a half weeks in office. Leading Liberal Democrats now fully understand these points and will behave differently in future, if they are given the chance.

- **Similarly, the Civil Service needs to take the third, and other, parties more seriously, both in its preparations before an election and in its contacts.**

8.2 Consistency and Guidance

Whitehall preparations for a possible change of government should take forward the progress made in 2010.

- **There should be more explicit guidelines across Whitehall about how to prepare: covering the nature of contacts with parties (both in the Coalition and in opposition), how to address cross-cutting issues (a continuing failure in 2009-10), and treating Arms-Length Bodies in a consistent way.**

A Whitehall wide approach, closely coordinated by Permanent Secretaries and transition teams within departments, should help to ensure consistency of approach – though there are bound to be variations depending on the personalities.

- **The parties should consider how the policy plans of particular spokesmen should be shared within the broader shadow team and passed on if there is a change of shadow spokesman, or the shadow does not end up taking up the post.**

In some cases the Civil Service may have based some of their preparatory work on the personal views of one spokesman. A briefing paper, able to be passed on (the structural reform plans did not entirely fulfil this function) or a handover between the former and new holder of the post (whether shadow or ministerial) would be useful.

8.3 Pre-Election Contacts

Passage of the Fixed-term Parliaments Act will simplify some parts of the process. There will be less need for the current guessing game about how long the parliament is likely to last, and whether there are four or sixteen month preparations.

- **Contacts should start automatically 12 months before the election date. That could be stated in the Cabinet Manual.**

However, it is still possible, as now, that the parliament will be shorter than the maximum and that the provisions in the Act for an earlier dissolution will be activated if the Commons cannot pass a motion endorsing a new government within the necessary timetable. Little can be done about that, but it is less likely than before.

- **The current, more relaxed interpretation of the rules on the access talks to allow discussions about Opposition parties' priorities should be retained. The Civil Service should continue to refrain from providing policy advice, but this should be interpreted more creatively.**
- **The contacts could usefully be extended to permit Opposition parties to put forward plans for their priority bills so that departments, and parliamentary draughtsmen, are ready to move quickly once a new government is formed.**

There are tricky constitutional points here since civil servants can only work for one team of ministers at a time. However, the desire of new ministers to progress rapidly with new announcements and legislation early in the first parliamentary session needs to be recognised. Pre-election consultation and preparation can obviously help, as was seen both at the Home Office and the Education and Employment Department in 1997 and in the rapid formation of the Office for Budget Responsibility and the legislation on Academies in 2010 (where half the bill was drafted by the election).

The Civil Service is, however, worried that having more bills ready early will raise expectations and worsen the problem of over-hasty early initiatives. As the Coalition Government has discovered since May 2010, a desire for rapid progress on large numbers of new bills at the same time can produce many problems, as poorly drafted measures are amended (notably in the Lords) and have to be revised substantially. There is ample evidence in reports (from, amongst others, the Hansard Society) that less haste and more careful drafting and timetabling produce better legislation.

8.4 Expert policy advice

Expert outside bodies can also help in preparing legislation as the Constitution Unit at UCL did on devolution and other constitutional measures before the 1997 election. There are, however, limits to the expertise possessed by Opposition parties on preparing legislation, even with the Conservatives' Implementation Unit ahead of the 2010 election.

- **The main political parties and the Cabinet Office should start considering now whether expert policy advice from the Civil Service should be made available for Opposition parties.**

This is a very delicate area, raising questions about increasing taxpayer support for parties as well as Civil Service impartiality. But there could be clear advantages for Opposition parties in having up-to-date advice on the costing of measures and on preparing legislation. At one end of the spectrum this might amount to a Department of the Opposition and, at the other, the secondment of one or two civil servants to the office of the Leader of the Opposition. The Institute for Government is exploring these and other options in its current work on Opposition parties.

8.5 Cabinet Manual

The way that the May 2010 hung parliament was handled by the politicians reinforces the broad conventions about what should happen in future – underpinning the approach set out in the October 2011 edition of the Cabinet Manual.

- **The Cabinet Manual is right to stress that while most recent evidence suggests that an incumbent Prime Minister should stay in office until it is clear who might command the confidence of the Commons this only refers to the Leader who might do so, and therefore become Prime Minister, and does not refer to the form any alternative government might take.²⁵**

Thus Gordon Brown was quite right to resign when it was clear that he could not command the confidence of the Commons and only David Cameron could. He did not have to wait until the Cameron/Clegg deal was sealed.

- **As the Cabinet Manual states, it 'remains a matter for a Prime Minister... to judge the appropriate time at which to resign'.²⁶ However, by doing so a Prime Minister effectively hands the Leader of the Opposition the initiative in forming a government.**

8.6 Commanding confidence

- **There is a strong case for the Government to consult on the possible introduction of an inauguration vote right at the start of new parliament – and before the Queen's Speech – to approve the choice of Prime Minister, thus establishing clear which leader could command the confidence of the Commons.**

This is similar to what happens in the Scottish Parliament after each election where members approve the name of the First Minister to be submitted to the Queen.

- **Alternatively, they could adopt the New Zealand convention, whereby parties make formal public statements of their support intentions, therefore ensuring clarity about any one party's ability to command confidence in the House.**

Only with these in hand, either indicating confidence supply or a coalition, will a Governor General accept a party's ability to govern.²⁷

25 Cabinet Office, *Cabinet Manual*, Para. 2.10, and footnote 12

26 Ibid.

27 Department of the Prime Minister and Cabinet, *Cabinet Manual 2008* (Wellington, New Zealand; 2008). 'Principles and processes of government formation', Paragraph 6.39 Accessed on 1 September 2011 <http://www.cabinetmanual.cabinetoffice.govt.nz/6.36>. The 'public statements' are intended to clearly set out whom they will support, it is not an interpretation of likely intentions based on public utterances.

8.7 Cabinet Secretary role

- **The Cabinet Secretary should facilitate any post-election talks by providing a venue and by offering to respond to any factual questions which the parties ask about policies. In the division of responsibilities following the retirement of Sir Gus O'Donnell in December 2011, handling such post-election talks, should remain part of the Cabinet Secretary's duties.**
- **However, the Cabinet Secretary should be cautious about any closer involvement such as being in the negotiating room, unless specifically asked to do so. The current Cabinet Manual states that this is dependent on the authorisation of the Prime Minister. However, the wording does not specify the type of 'support', though reference to the type offered, and given, in the 2010 election does give guidance.²⁸**

This is largely what happened in May 2010, but is less than the Cabinet Secretary was prepared to do, and is less than the Scottish Permanent Secretary did in seconding officials to the parties to assist in the talks following the Scottish elections in 2003 and 2007. The parties should be able to consult civil servants on, for instance, costings to ensure that any pledges are affordable. As noted earlier, the line between facts, such as costings of policy options, and policy advice is narrow. However, in an inevitably highly charged political atmosphere, any practical advice can easily be misconstrued or used as part of the negotiations.

- **During this period, the Cabinet Secretary needs to monitor what amounts to a caretaker convention – whereby the constraints affecting what ministers can do during a general election are extended to cover the period after an election before a stable government is established. (as set out by Sir Gus in his evidence to the Justice Committee on 24 February 2010).²⁹**

This is set out in the latest Cabinet Manual, but the phrase caretaker convention has been omitted to avoid confusion. Essentially, these restrictions ensure that ministers do not take decisions on appointments and the award of contracts which would bind their successors and which can be postponed. This does prevent ministers responding to immediate problems, like the ash cloud cancelling flights during the 2010 campaign, or the meeting of European finance ministers immediately after polling day. It applies to a period where there is no clear-cut result, and 'for as long as there is significant doubt over the Government's ability to command the confidence of the House of Commons'.³⁰

8.8 A measured transition

- **The one week delay in the first meeting of Parliament (to 12 days after the election) and in the Queen's Speech (to nearly three weeks later) introduced in May 2010 should continue.**

This extension was agreed well before there was any expectation that there might be a hung parliament and five days of talks. The delay allows time not only for any negotiations but also for ministers to get to grips with their new departments before having to present their new policies, and for new MPs to settle in to Westminster.

28 Cabinet Office, *Cabinet Manual*, para.2.14

29 House of Commons Justice Committee, *Constitutional Processes following a general election*, Oral evidence on Wednesday 24 February 2010, Q88-89, Accessed 1 September 2011 <http://www.publications.parliament.uk/pa/cm200910/cmselect/cmjust/396/396.pdf>

30 Cabinet Office, *Cabinet Manual*, Para. 2.30

- **The experience of May 2010 underlines the case for a less hurried handover, as we argued in our original report.**

Those who reject a delayed transition feel that it is still not credible given media, political and market expectations, even though there is often a delay of a week or two between polling day and the inauguration of a new government in most other western democracies. This could apply even if the change from one Prime Minister to another still happened immediately when the outcome of the election became clear. All ministers in the outgoing government would, of course, resign with the former Prime Minister. But not all the new ministers need be appointed at once.

The phased transition could take a number of stages after the completion of negotiations on the form of the government:

- **A new PM could take a few days, even a week, to appoint ministers, in the hope of avoiding the mistakes frequently made in the past over the hurried appointment of junior ministers, and outsiders (including some of the 'goats').**
- **A new government could have more time to agree its programme, and, in the case of a future coalition, to permit both detailed negotiations on the details and endorsement by both parties (to avoid at least some of the tensions which have developed over the mention of NHS reform in the second, but not the first, coalition agreement in May 2010, when only the first was endorsed by the full Liberal Democrat party in the country).**
- **In addition to the suggestion above of more pre-election discussions on legislative priorities, a new government should not short-circuit the normal processes of official and legal advice and should allow time for pre-legislative scrutiny of its bills, both inside Whitehall, and, when published, by Parliament. There is a tension here between the eagerness of a new government to get on with what it sees as urgently needed decisions and bills and the need for considered policymaking and legislation.**
- **A more phased transition would allow time for more ordered changes to the machinery and organisation of government.**

The 2010 experience showed that neither the country nor the government ground to a halt just because it took a few days longer than before to appoint all the ministers. Such a measured transition has positive advantages for all concerned in giving time for new ministers and civil servants to adjust.

- **This gradualism should apply not just to the first few days or week of a new government, but also to the first weeks and months. Incoming administrations should not succumb to the 'first 100 days' trap of believing everything must be done then.**

There is a need to take time during the first few months to get things right and to forego hasty action. This is difficult for the Civil Service since officials spend a large part of the early period of any new government convincing ministers that civil servants are helping them. This

might be undermined by any sense that officials were trying to slow ministers down, which could be seen as obstruction. The parties need to recognise the desirability of a transitional period for new ministers and their advisers to adjust to the demands of office. The politicians need to lower expectations about instant change.

8.9 Continuity in personnel

All of the above underlines the importance of making the best use of experience and preparation where possible.

- **There are strong advantages in continuity of personnel, both when shadow spokesmen become ministers, and among senior civil servants, over the election period and into the transition to a new government.**

This is not a panacea since there are the same problems of lack of prior government experience, and difficulties of implementation. There is also no direct correlation between continuity and impact in office – and there have been a few glaring examples to the contrary since May 2010 – but there are sufficient examples to point to the advantages, particularly in the major departments.

8.10 2015 Preparations

The existence of the Coalition will inevitably change preparations next time. The Civil Service will have to treat the incumbent government differently from the past, since the constituent parties in the Coalition will fight the election separately and then may become separate participants in any later negotiations. The Civil Service will have to prepare an analysis of the policy proposals of both the governing parties in the same manner as they have been doing for the Opposition parties. This is likely to require a more formal process of ensuring that all parties, whether in the Coalition or in Opposition, are treated in a comparable way.

- **Transition teams in the Civil Service will have to work with existing ministers as well as shadow spokesmen in a parallel way.**
- **Permanent Secretaries could allocate separate individuals or small groups to cover each of the Parties. This could increase trust. But on the other hand, if one single team covers all potential outcomes, it should be even-handed.**

This would be very different from the 'don't ask, don't tell' ambiguities of the past when incumbent Secretaries of State have been kept in the dark about their officials' contacts with Opposition spokesmen. Such formalisation should retain the past virtues of flexibility, but is necessary to preserve Civil Service impartiality.

Both the Coalition and a fixed-term parliament will affect the pattern of government in the second half of the parliament. There is talk of renegotiating and refreshing the Coalition agreement. Will the parties publicly set out – or, at any rate leak – their negotiating positions? This may affect the coherence of government. There will also have to be another spending review covering the period going into the next parliament. All this will inevitably tie in with the two parties' separate preparations for their election manifestoes in 2015. That poses questions for the Civil Service in offering advice while maintaining political neutrality. The

pace of legislation may slow down in the final two years of a parliament. As the election approaches, politicians will obviously be concentrating more on campaigning. This will inevitably put strains on the rules and conventions of office.

- **It will be important to ensure clarity on the rules, the separation of political and government business, and use of the Civil Service machine. It will be necessary to re-visit advice to civil servants and guidance for politicians about directions to civil servants, and political activity.**

There are lessons from other countries, and the devolved legislatures. The Scottish experience is revealing (and we are very grateful for the reflections of Sir John Elvidge, the former Permanent Secretary to the Scottish Government). The one formal change to conventions in Scotland is that in the pre-election period – defined as the six months up to polling day in May – civil servants are authorised to answer questions from ministers of one party, even though the information is not being made available to ministers of the other governing party. The convention of providing Opposition parties with access to information from the Civil Services over the last six months of a fixed term parliament has been adapted as a basis of treating private information to ministers from the government parties on the same terms. This is purely about answering questions, not about helping write manifestoes. Senior officials in Whitehall are doubtful about whether these procedures would be transferred to London. There are complications in the Scottish system since the budget for the following year, which appears in draft in the early autumn, has to be formally submitted to the parliament in January and completed by March, just before the election campaign. There is scepticism at the top of Whitehall about regarding the Scottish experience as a good guide to the very different conditions before and after a general election. In particular, there is nervousness about officials being drawn into the negotiating process.

- **In any coalition negotiations, great care needs to be taken over the way in which official advice and factual information are given to politicians in the run-up to an election. The Scottish model, in which civil servants may provide information to one part of the Coalition, without necessarily making it known to other ministers, is not easily transferable to Westminster.**

But the main lessons from Edinburgh are informal, and political, and, in one sense, contrarian. Don't assume that the Coalition partners will want to break-up the Coalition before the election, rather than go down to the wire. No party wants to get the blame for pulling the Coalition down. However, the close working relationships between ministers of different parties may become strained in this period. And there is always the danger in the pre-election year of ministers going rogue. It is important to use the collective political will to keep them inside boundaries. Above all, it is a matter of expectations. The key factor in maintaining discipline within the existing Labour-Liberal Democrat coalition in the run-up to the 2007 Scottish election was the belief that, while the parties might lose seats, they would be forming a coalition again after the election. This turned out to be wrong in the event but the belief constrained the language and behaviour of most Labour and Liberal Democrat politicians before the election. That was, of course, in an electoral system which was not expected to produce a single party majority government (and did not do so until 2011).

Neither factor applies at Westminster. Even with the formation of the Coalition, many Conservative and Labour politicians, if not Liberal Democrats, think, or hope, that the Coalition government is an exception – the product of exceptional electoral circumstances in May 2010 – rather than the start of a new governing pattern. However, psephologists reckon, even after the redrawing of constituency boundaries, the distribution of electoral support means that hung parliaments are more likely than in the past. Nonetheless, coalitions are certainly not regarded as the norm as they are in many other European democracies. That will affect behaviour in the run-up to the 2015 general election. Tensions are likely to result from the development of separate policy platforms, as well from more adversarial conduct.

The year to six months before the 2015 election will not therefore be easy.

- **Any changes in advice and procedures should be made public – following the precedent set by the Cabinet Manual in 2010. In New Zealand, advice to Civil Servants and any updates that would affect the Cabinet Manual (agreed by Cabinet) are published on its website.**

The UK can again look to New Zealand, who have released their latest advice for Government and Civil Service behaviour in the period before and during an election campaign, prior to their November 2011 election.³¹

The overriding lesson for both politicians and civil servants when it comes to a transition is to be flexible. Even if there is a coalition government, it will not necessarily look like the current one. There is a need to prepare, for example, for smaller parties, different methods of negotiation, and different negotiating periods than in 2010. Advance preparation and good contacts can help incoming governments, and both could be expanded. But the refrain 'expected the unexpected' applies not only to the outcome of an election (Westminster in 1992 and 2010 and Scotland in 2007 and 2011), but also to implementation afterwards. However well-prepared new ministers think they are, and however keen they are to press on with their plans, external political and economic circumstances are likely to be different next time around, and are always different in office.

31 The New Zealand practice is not to merely have the last version of the Cabinet Manual available, but to use updated Cabinet circulars for any new advice or precedents agreed by the Cabinet (and indeed there is a preference for pre-empting potential issues by considering the constitutional implications, where known, in advance). These are then later incorporated into a revision of the full Cabinet Manual at timely intervals. See <http://www.dpmc.govt.nz/cabinet/elections/index.html> for the latest advice, but with new circulars expected.

Bibliography

Bale, Tim, *The Conservative Party from Thatcher to Cameron* (Updated and Revised Paperback) (Cambridge, Polity Press: 2011)

Cabinet Office, *Chapter 6: Elections and Government formation* (DRAFT), (Cabinet Office, 5 January 2010). Accessed on 1 September 2011 <http://www.cabinetoffice.gov.uk/resource-library/chapter-6-elections-and-government-formation>

Cabinet Office, *The Cabinet Manual: A Guide to laws, conventions, and rules on the operation of government* (Draft, December 2010), pp.29-30. Accessed on 16 June 2011 <http://www.cabinetoffice.gov.uk/sites/default/files/resources/cabinet-draft-manual.pdf>

Cabinet Office, *The Cabinet Manual: A Guide to laws, conventions, and rules on the operation of government* (Cabinet Office, October 2011), Accessed on 24 October 2011 <http://www.cabinetoffice.gov.uk/sites/default/files/resources/cabinet-manual.pdf>

Cowley, Philip and Kavanagh, Denis, *The British General Election of 2010*, (London, Palgrave Macmillan: 2010)

Department of the Prime Minister and Cabinet, *Cabinet Manual 2008* (Wellington, New Zealand, Cabinet Office: 2008). 'Principles and processes of government formation', Accessed on 1 September 2011 <http://www.cabinetmanual.cabinetoffice.govt.nz/6.36>.

Dunleavy, Patrick and White, Anne, *Making and Breaking Whitehall Departments*, (London, Institute for Government/ London School of Economics: May 2011) Accessed on 1 September 2011 <http://www.instituteforgovernment.org.uk/publications/10/making-and-breaking-whitehall-departments>

House of Commons Justice Committee, Fifth Report of session 2009-10, *Constitutional Processes following a general election*, House of Commons paper 396 (London, TSO: 2010)

Laws, David, *22 Days in May: The Birth of the Liberal Democrat-Conservative Coalition* (London, Biteback: 2010)

Macpherson, Sir Nicholas, 'The Treasury and the transition to the new Government', Speech at Nuffield College, Oxford University, 18 June 2011. Accessed on 7 September 2011 http://www.hm-treasury.gov.uk/speech_permsec_180611.htm

Paun, Akash, *United We Stand: Coalition Government in the UK*. (London, Institute for Government: 2010), Accessed on 16 June 2011 http://www.instituteforgovernment.org.uk/pdfs/United_we_stand_coalition_government_UK.pdf

Riddell, Peter and Haddon, Catherine, *Transitions: preparing for changes of government* (London, Institute for Government: November 2009). Accessed on 1 September 2011 <http://www.instituteforgovernment.org.uk/content/73/transitions-preparing-for-changes-of-government>

Riddell, Peter, Gruhn, Zoe and Carolan, Liz, *The Challenge of Being a Minister: Defining and Developing Ministerial Effectiveness* (London, Institute for Government: 2011). Accessed on 17 June 2011 <http://www.instituteforgovernment.org.uk/publications/32/the-challenge-of-being-a-minister>

Snowdon, Peter, *Back from the Brink: The Inside Story of the Tory Resurrection*, (London, Harper Press: 4 Mar 2010)

Wilson, Rob, *5 Days to Power: The Journey to Coalition Britain* (London, Biteback: 2010)

Appendix: 2009 Recommendations

The present system of preparing for changes of government provides for smooth handovers, but uneven, and often flawed, transitions. The formal transfer of power works well. But this report has identified several ways in which the preparations for changes of government can be improved. This involves the Opposition parties as well as the Civil Service.

Opposition preparations

Opposition Leaders need to give more attention to what they would do in government – not just their policies but also their personnel. When they appoint shadow spokesmen, do they want or expect them to hold the same portfolios in government? An effective attack-dog in Opposition might not be the best Secretary of State in a tricky area of policy. Past experience indicates very strongly the advantages of continuity between shadow and ministerial posts to make an early impact. Opposition Leaders naturally concentrate on winning an election. A Prime Minister is also often in a stronger political position when forming a government just after winning an election than previously when shuffling a shadow team in Opposition. However, Opposition Leaders should consider the impact of wholesale changes in portfolios at the start of an administration, particularly when, historically, so many ministers have changed office within the first two years of an election.

Opposition parties should identify priorities for early announcements and legislation in the first two or three years of a parliament. As far as possible they should put their plans in writing, even though much will remain confidential until polling day. Consequently, when they move into their departments after an election, new ministers should be able to present their civil servants with dossiers setting out their expenditure plans (coordinated by the Treasury team) but also related administrative and policy ideas. In Sweden, in 1994, Goran Persson, as incoming Finance Minister, presented officials with detailed plans for spending cuts.

Preparing politicians for Office

Many politicians take up office with limited understanding of what is involved and what they need to do to be effective. Few have experience of leading, or even working for, large organisations at a senior level. One symptom has been the false assumption that there is a distinction between policy (the area for politicians) and administration and delivery (that of their civil servants). This applies as much to reshuffles between elections, with backbenchers who are promoted onto the frontbench and junior ministers being promoted to more senior posts, as it does to members of new Governments following a general election. It also relates to continuing development of ministers whilst in office. This would range from the formal structure of Government and departments ('the hidden wiring'), what a ministerial job entails, to the complicated nature of relationships across the Civil Service and with outside bodies. In addition, politicians need to learn about, and continue to develop, effective organisational leadership and teamwork issues.

Parties at Westminster should also adopt some of the mentoring and training schemes of local government. This development and preparatory work needs to be much broader than in the past, and go from the top level of Cabinet ministers and shadow spokesmen to include junior ministers and spokesmen, and, in particular, special advisers, who are increasingly important to the work of government. The Institute for Government is currently working with politicians on how to improve the effectiveness of current and prospective ministers.

Preparations in Whitehall

Civil servants undertake detailed analysis during the three to four weeks of an election campaign about the likely policies and direction of the existing or a new government, as well as about the implications for the Civil Service. Similarly, contingency planning for different

outcomes in a general election is already a high priority, not just in planning for a handover of power. This process generally works well. However, a long period of government under one party can lead to ingrained habits of thinking. So the prospect of a change of party in power can create uncertainty. Senior civil servants should actively prepare departments psychologically, as well as practically, for a potential transition. Some civil servants find the pace of change exhilarating, but there are ways in which departments can, and should, gear themselves up, including thinking about the first day, and using the pre-election contacts to establish some preferences both for this handover moment and for initial meetings with staff. There needs to be some flexibility given the inevitable uncertainties until a new government is formed about the likely number and identity of ministers. This affects, for example, the vital task of arranging private secretaries and offices. The Civil Service as a whole need to prepare for the unexpected, and to consider a range of contingencies for a general election.

Joys and limits of ambiguity: suggested new guidance

The lack of clarity in the guidance gives participants room to manoeuvre, and to use their discretion in order to maintain confidence in the three way relationship between current ministers, the Opposition parties and the Civil Service. However, the present system needs updating. Civil servants need clearer guidance in their discussions in order to ensure the impartiality of the Civil Service and to ensure that trust with existing ministers is maintained. The present guidelines, buried in the obscure and unhelpful Cabinet Office website, should be re-examined after discussions between the main parties and civil servants. The aim should not be to produce a formal code but a more explicit and fuller convention, a guide rather than an instruction.

A revised convention/guidelines should take account of the following points:

Greater clarity on the initiation of the start of contacts. Unless the UK moves to fixed term parliaments, the length of a parliament can vary between four and five years. There are risks that lengthy pre-election contacts can be cumbersome and even undermine the authority of the incumbent government. But a very short period of just a few months can also be subsumed by the pressures of campaigning and urgent national issues, as in the winter of 1978-1979. To ensure that there are at least six months of contacts between Opposition parties and Whitehall, the talks should automatically start three and a half years after the previous general election.

The process should be under the control of the Cabinet Secretary, rather than the Prime Minister in order to remove any remaining doubts about the timing and nature of the contacts. The Cabinet Office also needs to take on a more active role in co-ordinating but not controlling the process, rather than primarily being the recorder, and at times discourager, of contacts. This should still allow room for flexibility and initiative by departments. Permanent secretaries collectively need to consider developing an overall strategy for engagement with the Opposition parties – particularly in the handling of cross-cutting issues. Collaborative or joint sessions on major cross-cutting issues should become a normal part of the discussions between departments and shadow spokesmen, building on what is now being started.

The guidelines should suggest, rather than prescribe, best practice on frequency and location of contacts. There are bound to be variations depending on the particular circumstances of a department. But best practice guidelines would be helpful to all involved in view of the lack of institutional memory: suggesting, for instance, that meetings should be arranged so as to avoid embarrassing current ministers and their timing should be stepped up nearer an election day.

Small special units should be set up within departments to handle contacts with Opposition parties. At present, civil servants can talk to people in think tanks and pressure groups who are briefing Opposition parties but cannot talk to the staff of shadow spokesmen. This should change. One option might be that, during the permitted pre-election period for contacts, permanent secretaries should set up small new central units which are allowed to meet Opposition spokesmen and their advisers in private to discuss, and seek clarification on, their plans in more detail. The guidelines need to allow the Opposition to discuss policy with civil servants. This would still stop short of the Civil Service offering policy advice to Opposition politicians – a crucial dividing line in order to maintain the trust of existing politicians – but rather that the Civil Service should be able to question, and talk to, Opposition parties about their policy statements.

The guidelines should recognise the involvement of non-departmental public bodies (NDPBs) and other Arm's Length Bodies. Individual permanent secretaries should supervise all contacts within their departments including NDPBs and Arms-Length Bodies. NDPBs should be allowed to have meetings with Opposition spokesmen, but on exactly the same basis as their sponsoring departments. NDPBs should not seek to lobby Opposition parties, or advise them on policy, but should, rather, concentrate on explaining what they do and seek clarification about Opposition plans.

Bridging the gap - a Department of the Opposition and alternatives

This idea of a Department of the Opposition has appeared periodically over the last 40 years and has always run into the objections that it risks politicising the Civil Service. We accept these doubts, but believe that what we have called the knowledge and experience gap needs to be bridged in other ways. The concept of policy development grants, as it has worked since 2002, is a good idea but too limited. Bodies, like the Conservative Research Department in its old form, did help by focussing on longer-term policy thinking as well as day-to-day parliamentary and Opposition battles. We do not want to get into the broader, and still unresolved, argument about state/taxpayer aid for political parties, but there is a strong case for Opposition parties being helped to understand more about how government works, not to hamper or neuter them but to assist them when and if they take office themselves. This could involve either a modest expansion of ring-fenced policy development grants funded by the taxpayer specifically for preparing policies for government and/ or an extension of official briefing to Opposition parties on changes in government organisation, like the 1991 briefing by the, then, Cabinet Secretary on executive agencies.

There are advantages and disadvantages in the involvement of retired permanent secretaries, and other former civil servants, as well as ex-ministers (generally underused), think tanks and consultants for research and advice. These groups can make a very useful contribution- provided their diverse motives are understood- but they are no substitute for greater contact with current civil servants with whom Opposition politicians hope to work in government.

Part of the answer may lie in encouraging the development of non-partisan forums where Opposition politicians and civil servants can meet informally. These can provide the cover for greater mutual understanding and discussion. Such forums are already well developed in the foreign and defence areas, but less so on domestic issues. Outside bodies, such as the Institute for Fiscal Studies and now the Institute for Government, can help both in this way and by stimulating non-partisan debate.

Timing of handovers

There are advantages in a phased handover over a few days, or even a week, as opposed to the adrenalin and urgency of an overnight change. Experience elsewhere strongly suggests advantages to a staged process. This runs against British traditions, and media and political pressures for instant change. There are two choices. First, the formal, phased caretaker arrangements as in Australia and Canada. Second, a compromise plan of immediate change of Prime Minister, and perhaps a handful of other ministers to ensure continuity on national security and criminal justice, but a delay in the appointment of the rest of the Cabinet and middle ranking and junior ministers .

The Queen's Speech should be delayed from the recent, usual date of around a fortnight after polling day to three to four weeks after the election. This would allow time for new ministers to get to grips with their departments and to consider their policy priorities, and to plan their legislative programmes. The Commons Modernisation Committee has already suggested a delay in the first formal meeting of Parliament by a few days in order to allow more time for induction of new MPs.

Longer-term questions

Fixed term parliaments. This report shows that many of the difficulties of current transitions could be avoided if there were fixed term parliaments. This raises many broader constitutional and political questions, but, on the specific grounds of preparing for effective changes in government, a fixed four year term has many attractions.

Openness. Freedom of Information legislation and greater openness in central government has meant that much more information is now in the public domain. There are still many grey areas. The Cabinet Office should establish new, public guidelines about what factual and background information is made available to Opposition parties. Moreover, in many other countries, and in local government, elected politicians from whatever party are allowed to seek factual information, though not advice, from civil servants on a regular basis. This is inevitably a very sensitive area but the present formalities of parliamentary questions and appearances before select committees are too narrow for the proper flow of information.

Good government. This study has raised several broader questions about the nature of government. A smooth handover is only a pre-requisite for effective government. Modern campaigning works against frank and rigorous debate about the alternatives being offered. Sound bites and safety first pledges can mislead voters. All parties aspiring to form a government – thus ruling out smaller parties – should be required to have their plans costed as far as possible by the National Audit Office before the election.

Prime Ministerial transitions and reshuffles. Many of the lessons of this report apply not just to changes of government after general elections but also to changes of Prime Minister between elections, as in 1976, 1990 and 2007, as well as to more frequent ministerial reshuffles. These all tend to be sudden events with poor prior planning. Talents and habits honed in Opposition, or on the backbenches, are not easily transferable and, therefore, much more thought needs to be given to the development of ministers and advisers entering Government.

Suggestions for a new Prime Minister

- Do nothing in opposition that would make governing harder – in making shadow appointments and policy commitments. Remember that the public, the media and the Civil Service will take any public comments.
- Trust the Civil Service. Almost all are non-partisan. Whatever the ingrained habits and thinking of long periods of one party government, most officials will be keen to demonstrate their loyalty- that they can serve you as enthusiastically as the previous Government. So tell them your real priorities.
- Despite all the problems of leaks, work out as much as possible in Opposition so that you and your fellow ministers have detailed plans on paper to take with them into office. That will allow civil servants to get to work quickly.
- Be cautious about creating new departments or merging old ones. Such changes are invariably expensive and disruptive and seldom work.
- Don't rush. You will be exhausted after the campaign. So take your time forming your government and producing your legislative programme.

Suggestions for the Civil Service

- Consider machinery of government/ organisational issues in advance. The possibility of change provides an opportunity to take stock and assess departmental strengths and weaknesses. Such a process can be just as rejuvenating in the event of the return of an incumbent government.
- Be ready to present a good face for your department on Day One
- Consider how the Private Office works and ensure the staff there are particularly good quality. They can be the most important link to the rest of the department and also are central to maximising the Minister's capabilities.
- Consider the preparation of briefs for Ministers. It is important to ensure the avoidance of overload on the length or number of briefs. It is also important to establish early on the Ministers' preferences about briefs to ensure they feel they are reassured they are what they want.
- Ensure the accommodation of special advisers – both in a practical and general sense. Remember their likelihood to suffer from overload in the initial weeks. Understand how the Minister will want to work with them and help them work with the department.
- Show respect to the new team. Be prepared to throw out the received wisdom on 'how things are done' and don't get stuck defending past policies or the status quo. Need for a fresh approach/ blank slate.
- Expect the unexpected. Right up until the final hours of the count you can be hit for six by events. Prepare for different contingencies including the return of current government and the possibility of a hung parliament.

The Institute for Government is here to act as a catalyst for better government

The Institute for Government is an independent charity founded in 2008 to help make government more effective.

- We carry out research, look into the big governance challenges of the day and find ways to help government improve, re-think and sometimes see things differently.
- We offer unique insights and advice from experienced people who know what it's like to be inside government both in the UK and overseas.
- We provide inspirational learning and development for very senior policy makers.

We do this through seminars, workshops, talks or interesting connections that invigorate and provide fresh ideas.

We are placed where senior members of all parties and the Civil Service can discuss the challenges of making government work, and where they can seek and exchange practical insights from the leading thinkers, practitioners, public servants, academics and opinion formers.

Copies of this report are available alongside other research work at:

www.instituteforgovernment.org.uk

November 2011

© Institute for Government 2011

2 Carlton Gardens
London
SW1Y 5AA

Tel: +44 (0) 20 7747 0400

Fax: +44 (0) 20 7766 0700

Email: enquiries@instituteforgovernment.org.uk

The Institute is a company limited by guarantee registered in England No. 6480524

Registered Charity No. 1123926

**INSTITUTE
FOR
GOVERNMENT**