

# Inside Story: How Coalition Government Works

## Constitution Unit, 3 June 2011

### Summary of key points

#### The Coalition in Whitehall

- Finding a balance between unity and distinctiveness is the key problem for coalition government. The current coalition has successfully ensured unity, and stability; but struggles to allow the two parties to express their distinctiveness.
- Formal cabinet government has been revived: Cabinet and cabinet committees now meet regularly, but these are mostly forums for dealing with interdepartmental issues rather than specifically coalition issues.
- The main forums for reaching agreement between coalition partners are informal. Coalition issues are often dealt with *before* they reach the formal machinery of government.
- This informality of coalition decision making is based on high levels of trust between the leadership of the two parties. Trust, and the importance of compatible personalities, are essential for coalition government.
- However, this informality has one drawback: it means that the Lib Dems are often unable to demonstrate their influence in government.
- Some machinery has surprisingly not been effective in coalition brokerage—in particular, the Deputy Prime Minister's Office, special advisers, and Liberal Democrat junior ministers.

#### The Coalition in Westminster

- Flexibility within the executive is not always matched by flexibility in parliament. Compromise hammered out in government has led to excessive rigidity when policies are introduced into Parliament.
- The informality and relatively close relationships in the executive are not matched by similar relationships within Parliament. In both houses, the coalition is tolerated rather than embraced.
- Coalition governments often lead to a divide between the frontbench and backbench. Rebellions in this parliament are historically at record highs.
- The parliamentary parties have begun to modify their backbench committees to prevent the divide between frontbench and backbench widening.

#### The Dilemmas for the Junior Partner

- The Lib Dems are still reeling from the loss of their state funding, given only to opposition parties. This has led to the loss of many of their staff. It may help explain their under powered performance, particularly with the media.
- By going for breadth over depth, the Lib Dems have spread themselves too thinly. They need to prioritise. Given the numbers they have, what can they realistically do which will have an impact with the public?
- In a future coalition, the junior partner might seek to specify the support to be made available to them, in terms of special advisers, expanded Private Offices, and additional support for the parliamentary party.

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### **Inside Story: how coalition government works**

A first year report by Prof Robert Hazell and Dr Ben Yong, Constitution Unit, UCL

#### **Who won and who lost in the coalition negotiations?**

Coalition negotiations are about the division of office, and of policy: 'who got in' and 'who got what' (Laver and Schofield, 1990). During the five days in May 2010 the Conservative and Liberal Democrat negotiators focused first on policy. Only when the coalition agreement was concluded did David Cameron and Nick Clegg discuss the division of jobs.

In terms of policy, the Lib Dems did well, with 75% of their manifesto commitments going into the Programme for Government, compared with only 60% of the Conservative manifesto (Constitution Unit analysis). Content analysis of the policies in the Programme for Government using a left-right ideological scale similarly concluded that 'the Liberal Democrats appeared to have done rather better than the Conservatives in the agreement' (Quinn, Bara and Bartle 2011 at 302).

The Liberal Democrats also did well in the division of ministerial posts, gaining 22% of the seats in Cabinet, and 19% of other frontbench positions, while their proportionate share of coalition MPs was 16%. But by going for breadth over depth, seeking to place a Lib Dem minister in almost every Whitehall department, the Lib Dems may have spread themselves too thinly. Their objective was to influence every aspect of government policy. They may have achieved this, but it is very difficult to demonstrate to the public. The problem of distinctiveness, especially for the junior coalition partner, is a theme running throughout this report.

#### **The dilemmas of coalition governments**

All coalitions face two problems. The first is instability: coalitions are more prone to collapse than single-party majority governments. The second is the tension between unity and distinctiveness: while coalition partners must project unity to the outside world, they must also demonstrate that they are separate parties with distinct identities.

In the first year the coalition proved that it could be stable and unified. It showed that it could deliver strong and decisive government: indeed for some critics, it has been too decisive. It has been less successful in portraying the distinct identities of the coalition partners. The Deputy PM's office has not established recognisable priorities for the Lib Dems; Lib Dem junior ministers struggle to play the cross-departmental role envisaged for them; Special Advisers do little to help, because (outside Cabinet Office and No 10) they do not have the confidence or experience to operate as coalition brokers.

These are some of the initial findings from the Constitution Unit's coalition government project, funded by the Nuffield Foundation. With the support of the Prime Minister, Deputy Prime Minister and Sir Gus O'Donnell we have been interviewing parliamentarians, ministers, their advisers, civil servants, and stakeholder organisations. We have conducted 90 interviews so far, with further interviews to come in the summer. We hope to issue a second set of interim findings in September, and then write a book to be published in 2012.

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These are our initial impressions, not a comprehensive analysis. It is not a review of the government's policies, but reflections on how well the government works as a coalition. We recognise that some changes may be the result of a new government, with new people; but we try to focus on those which are the product of being a coalition.

The main changes resulting from coalition are the way the government works at the centre. In departments civil servants report that coalition government has made limited difference to their normal ways of working. In Parliament the coalition has made a difference, with the Liberal Democrats and Conservatives establishing backbench policy committees, creating stronger links between the front and back bench.

### **The Coalition in Whitehall**

The first year of the coalition was remarkably successful in terms of how coalition relations and the business of government were managed between the two coalition partners. Both parties worked really hard to ensure the coalition works, especially at the centre. David Cameron and Nick Clegg have set the tone for those around them. They and their advisers quickly built up high levels of trust and close working relationships, in marked contrast to the distrust and infighting which disfigured the Blair/Brown years. Personalities have been a major factor in the success of the coalition.

### **The Coalition at the Centre**

All governments plan and coordinate their policies through a combination of formal and informal decision making machinery. The coalition had expected to make use of the formal Cabinet machinery to discuss coalition issues and resolve coalition disputes. But in practice the main forums for reaching agreement between the coalition partners have all been informal. These informal groups meet very frequently – weekly, or even on a daily basis.

### **The Formal Machinery**

#### **(1) revival of Cabinet government**

Cabinet and its committees have been greatly revived under the new government. Cabinet Committees now meet which under the last government never met. They are used as a forum for strategic and general policy discussions, as well as resolving the frequent differences which arise between Whitehall departments when addressing difficult policy problems. Membership on these committees is carefully constructed to ensure Lib Dem representation. But most of the differences resolved in Cabinet Committees are interdepartmental issues, not differences between the coalition parties.

Overall the new Cabinet system is a great deal more collegiate. It may have slowed things down; but to take time over gaining collective agreement is not necessarily a bad thing. Cabinet Office insist on papers being circulated in good time for Cabinet Committees, and on 10 days to clear anything by correspondence. That is part of the general 'no surprises' rule: there is much less scope in this government for bounces, because of the need to always consult the coalition partner. All papers for Cabinet Committees must state what has been done to ensure collective approval: that the policy has been checked against the coalition agreement; cleared with the Treasury; and with the parliamentary business managers. The chair and deputy chair (one from each party) must sign everything off.

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### **(2) little use of formal Coalition Committees**

It was originally envisaged that Cabinet system would also be central to the operation of the coalition. Two committees were created specifically to manage coalition issues. The first is the Coalition Committee; the second is the Coalition Operation and Strategic Planning Group ('COSPG').

In terms of the formal machinery of the coalition, the Coalition Committee was understood to be the final arbiter of coalition issues. It was to be co-chaired by the Prime Minister and the Deputy PM, with equal representation from both parties: five Lib Dem ministers, and five Conservatives. The Coalition Committee has met only twice: once at the beginning of the new government to establish ground rules about coalition management; and the second time a couple of months later, when the agenda included the health service reforms. But there have been no formal disputes. Coalition issues are resolved in informal meetings, not Cabinet or its committees. This is more efficient and less adversarial.

If the Coalition Committee was intended to be the quarterdeck of the coalition, COSPG was to be the engine room. Technically it is a working group and not a Cabinet Committee, with just four members: Oliver Letwin and Danny Alexander as co-chairs, and Francis Maude and Lord (Jim) Wallace as the other members. It has hardly met. Instead Oliver Letwin and Danny Alexander's informal bilateral meetings have supplanted the need for meetings of COSPG.

### **The informal machinery, in half a dozen different informal forums**

In practice, almost all coalition brokerage takes place *outside* formal machinery. Any coalition issue should have been spotted well before it reaches Cabinet Committee level. Our interviews show that coalition issues are resolved in half a dozen different forums. These are set out below in order of importance, although there is no set path by which a coalition issue may be resolved.

#### *Prime Minister/Deputy Prime Minister bilaterals*

These are where all the big coalition issues get decided. The meetings take place once a week, on Monday mornings; occasionally twice. There is a preparatory meeting on Thursday or Friday. That meeting, and the PM/DPM bilateral, is attended by their chiefs of staff and senior officials. Cabinet colleagues and officials can ask for items to go on the agenda to get resolved at this level. Cameron and Clegg often talk by phone on Sunday evenings as well.

#### *The Quad: PM/DPM plus the Chancellor and Chief Secretary to the Treasury*

The Quad of David Cameron, Nick Clegg, George Osborne and Danny Alexander is the main forum for resolving any coalition issues which have spending implications. It first came into being for the comprehensive spending review, in the summer and autumn of 2010, supplanting the role of the Coalition Committee. The Quad is sometimes expanded ('the Quad plus') to include other Cabinet ministers with a relevant policy interest.

#### *Ministerial bilaterals or trilaterals*

Certain issues are resolved by the Prime Minister with the relevant Secretary of State, or by the PM and DPM and the Secretary of State. These bilaterals have not led to complaints about 'sofa government' of the kind which became commonplace under Blair. This may be

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because there is much more use of Cabinet committees; and because the coalition precludes purely bilateral deals, excluding the other party.

### *Oliver Letwin/Danny Alexander*

The next level is Oliver Letwin, Minister of State in the Cabinet Office, and Danny Alexander, now Chief Secretary to the Treasury. Letwin was the Conservatives' director of policy and in charge of writing the Conservative manifesto. Alexander was his opposite number in the Lib Dems: the man in charge of writing the Liberal Democrat manifesto, and Nick Clegg's Chief of Staff. Both had been key members of their respective parties' negotiating teams, since they knew party policy inside out. Alexander was initially appointed as Scottish Secretary, an undemanding job which enabled him to continue as Clegg's right hand man, with an office next to Clegg in the Cabinet Office. But when David Laws was forced to resign as Chief Secretary to the Treasury on 29 May 2010, he was replaced by Danny Alexander.

It seemed like a double blow at the time, not just to lose David Laws, but to remove Alexander from his crucial role as coalition broker. So Alexander continued nominally to be the Lib Dems' coalition broker, while also holding down the job of Chief Secretary. This was particularly demanding in 2010 during its comprehensive spending review. But Alexander has been able to combine both roles. He has frequent meetings with Oliver Letwin, and the Letwin/ Alexander axis is a crucial part of the coalition's negotiating machinery. Both men command a high degree of trust from their respective masters, and they also have a high degree of trust in each other.

### *Oliver Letwin's 'policy catchups'*

These are regular meetings which monitor progress on the coalition's agenda set out in the Programme for Government. They also look ahead for potential problems in implementing the agenda, especially for difficulties which might arise between the coalition partners. Meetings last for about an hour, and are attended by a mixture of ministers, officials and special advisers.

The next levels are two pairs of people working for the Prime Minister and Deputy Prime Minister: their top advisers, and top officials.

### *Ed Llewellyn/Jonny Oates*

The top advisers are the PM and DPM's respective Chiefs of Staff, Ed Llewellyn and Jonny Oates. They talk to each other several times a day, and unlike other special advisers, have sufficient authority that they can themselves resolve some coalition issues. But their authority does not extend to policy matters. They tend to deal with party political matters, such as administrative matters relating to special advisers, political narratives or speech writing.

### *Jeremy Heywood/Chris Wormald*

Working very closely with Ed Llewellyn and Jonny Oates are the two senior officials supporting Cameron and Clegg, Jeremy Heywood and Chris Wormald. Heywood is the Permanent Secretary in No 10. Wormald was head of the Economic and Domestic Affairs Secretariat in the Cabinet Office, and became Clegg's top official in October 2010 when it became clear that Clegg's team needed some bigger guns to fight their Whitehall battles. As

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they have gained the confidence of their respective masters, more coalition business has been delegated to them. The Heywood/Wormald axis runs parallel to that of Letwin/Alexander and Llewellyn/Oates, and issues do not jump between the different tracks.

### *Integrated staffing*

In addition, a key integrating mechanism has been the inclusion of both coalition parties' staff across Whitehall. There are Conservative and Lib Dem special advisers working alongside each other on both policy and communications inside No 10. Nick Clegg has four advisers who are outposted to No 10: Lena Pietsch and Sean Kemp, working on communications and the media; and Polly Mackenzie and Tim Colbourne, working on policy and strategy. They share offices with their Conservative colleagues. Another integrating mechanism will be the new Policy and Implementation Unit in No 10, which will report to both the PM and the DPM (see below).

### **The coalition in Whitehall departments**

Our interviews in departments suggest that the coalition has made limited difference to the daily workings of Whitehall. There have been very few – if any – cases where Ministers in departments have divided on party lines. Indeed across whole swathes of policy the coalition partners have discovered little difference in their policy responses when confronted with the hard choices of government. Serious disagreements are as likely to be between ministers of the same party, in classic interdepartmental disputes (eg Ken Clarke vs Theresa May on justice versus security; Vince Cable vs Chris Huhne on business disliking climate change policies). Issues are seldom presented in terms of reconciling Lib Dem and Conservative views: it is generally about reconciling conflicting policy objectives, often based on traditional interdepartmental responsibilities.

Three Whitehall departments are headed by Lib Dem Cabinet ministers (BIS, DECC, the Scotland Office), with a fourth Lib Dem Cabinet minister as Chief Secretary to the Treasury. The more normal pattern is for a Conservative Secretary of State to be paired with a Lib Dem junior minister: 10 Whitehall departments have Lib Dem junior ministers. It is a struggle for them to keep up with policy across the whole department. But in five departments (DEFRA, DCMS, DfID, NIO, WO) there is no Lib Dem minister at all. These departments are monitored by Nick Clegg's office at the centre. They report few problems with DfID, NIO or WO, where there are no real policy differences between the coalition partners. The Lib Dems' parliamentary party committees (on which more below) also play a role in monitoring. In DCMS they are assisted by Don Foster MP, who is regarded almost as a minister; while in DEFRA Andrew George MP plays a similar but lesser role.

Interviewees in departments report a real commitment to making the coalition work. There is more consultation and checking out with the other party, and much less of the factionalism and infighting of the previous government, although this may depend on the particular personalities of the ministers. Whitehall feels more cooperative, and has welcomed the revived role for Cabinet committees. Special Advisers are seen as inexperienced and not very effective, but that may change with time. The centre is seen by departments as under-resourced, not giving a strong lead, and occasionally being a source of delay.

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### **Formal and informal mechanisms which do not work**

There are a number of formal and informal mechanisms which have not worked so well in terms of coalition governance. The key mechanisms which are not working well are the Deputy PM's Office; the No 10 Policy Unit; Special Advisers; and Liberal Democrat junior ministers.

#### *The Deputy PM's office*

The DPMO remains under-resourced and overstretched. Initially it was inadequately staffed. This was addressed in a review in October 2010. The DPMO is now much bigger than a Secretary of State's office, but the staff are more junior and inexperienced in comparison with those in No 10. The DPMO's role and function is not helped by the initial decision of the Lib Dems to have a broad remit across government, with the DPM trying to keep abreast of all government policy. Just as the Lib Dems find it hard to demonstrate their influence by spreading themselves thinly across the whole of government, so the DPM finds it hard to point to his own tangible achievements. His main priorities are constitutional reform; social mobility; and rebalancing the economy (towards green technology, manufacturing and the north). These priorities are beginning to be known in Whitehall, but they have made little impact amongst the media, and none with the wider public – save for the referendum on AV. Following defeat of the referendum, the DPMO have gone quieter about constitutional reform, with a low key launch of the government's plans for an elected House of Lords. This reflects the public's lack of interest, and growing realisation that Lords reform is going to be very difficult to deliver against Conservative opposition in Parliament.

#### *No 10 Policy Unit*

The No 10 Policy Unit has so far not operated as a mechanism for dealing with coalition issues. That is for two reasons: first, the inexperience of Special Advisers (see below); but second, because the centre initially took a modest view of the Policy Unit's role and size. It has gone through three evolutions in the first year, ending in acknowledgment of the need for more capacity at the centre to keep an eye on departments. The stage three Policy and Implementation Unit created in spring 2011 is intended to keep on top of departments. It now consists of 12 civil servants head hunted from around Whitehall, and led by Paul Kirby and Kris Murrin, also both officials. It is an integrated unit working jointly to the PM and DPM; so it could become an additional part of the machinery binding the coalition together. But the officials may find it difficult to navigate the political divisions when given conflicting instructions; or when asked to provide advice to one of their political masters but not the other. The default position is likely to be to follow the instructions of the PM rather than the DPM.

#### *Special Advisers*

For the most part, Special Advisers have not become coalition brokers. In particular, departmental Special Advisers seem to play no part in resolving or discussing issues with their opposite numbers from the other party. That is in part because of their relative inexperience and lack of confidence: they are not empowered to broker deals, because compromise must be endorsed by the elected politicians. There are certainly no super-Spads of the kind that existed under the last government. Interest groups report problems of inaccessibility and incompetence, and clearly miss having people in Whitehall whom they can contact to get things done. A further reason why Special Advisers have not become

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coalition brokers is that the Conservative Spads do not know the Lib Dem Spads very well, and *vice versa*; although that may improve over time. Another difficulty is that in any one department the special advisers are from only one party. The one exception is BIS, where Vince Cable has two Special Advisers and David Willetts has one.

### *Lib Dem junior ministers*

Within departments it therefore falls primarily to ministers to 'coalitionise' policy, with a heavy onus on Lib Dem ministers to fulfil this role. But the role of Lib Dem junior ministers remains problematic. Lib Dems argue that the Lib Dem minister in a department, regardless of status, has a remit to watch over all departmental business as the representative of the smaller coalition partner. That is necessary because Lib Dem presence in a department signals tacit acceptance of that department's policies and actions. Yet in practice, many Lib Dem junior ministers have been unable to perform this role: they lack the capacity to monitor policy across a whole department. Lacking special advisers of their own, various ad hoc solutions have been reached, including additional support within their private office, relying more heavily on their parliamentary researcher, or calling upon the already-overstretched Lib Dem Policy Unit.

Again, a key factor is personality: whether or not a Lib Dem junior minister can exercise this watchdog function depends very much on the attitude taken by the Secretary of State. Success stories include Michael Gove working with Sarah Teather in the Department for Education, and Andrew Lansley and Paul Burstow in the Department of Health. At the other end of the scale, the most problematic department in coalition terms is the Home Office. The differences are partly ideological; but they are also about not sharing information, and marginalisation of the junior minister. If the Secretary of State does not wish to involve a junior minister, the coalition agreement cannot make it happen.

### **The Coalition in Westminster**

If the picture in Whitehall is one of the 'rose garden' or a marriage, in Westminster the picture has all along been that of a business partnership. Within the parliamentary parties, institutions and practices have been quietly modified to respond to the challenge of coalition government, but the parties do so separately of each other. Contact between the parties in parliament is mostly limited to daily and weekly meetings between party whips, with ad hoc meetings between ministers and backbenchers.

In the Commons, the government has a comfortable majority of around 80 MPs. In the Lords, the Coalition has a more effective majority over the Opposition than the previous Labour government (310 peers to Labour's 243). Given its majority in both houses, the government has behaved in a majoritarian way towards Parliament. This has led to accusations from parliamentarians of taking Parliament for granted. These criticisms were voiced particularly loudly in relation to the first year constitutional reforms, and they have also been levelled at the health service and welfare reform bills. This has been exacerbated by the excessive haste by which this legislation has been pushed through both houses.

Coalition government requires flexibility within the executive in reaching compromise agreements between the coalition partners, but that can become inflexibility when those proposals are submitted to Parliament. The agreement is locked down, leaving no room for

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concessions. This inflexibility may in part explain the unprecedented rate of rebellions by the government's supporters. The first nine months of the coalition saw more rebellions by government MPs than in the entire Blair first term. In the first year all Lib Dem backbenchers have rebelled at least once, save for just two MPs. Conservative MPs also rebelled frequently, especially against constitutional reforms. But the rebels have never mounted large enough numbers to threaten the government's majority (the average size of a coalition rebellion is seven MPs); and Conservative and Lib Dem backbenchers rarely join forces to rebel on the same issues. In the Lords there is a similar picture: peers from both coalition parties are rebelling, but this has led to government defeats, especially on constitutional reforms. With the Lib Dems committed to supporting the government, the crossbenchers' vote has been a determining factor in over two thirds of defeats in the Lords.

Media and public attention has mostly focused on the threat to stability caused by inter-party conflict—that is, conflict between the coalition partners. But coalition government may also intensify intra-party conflict—conflict within each of the parties. Leaving aside ideological differences, the most obvious division is that between frontbenchers and backbenchers. Decisions are now mostly determined outside the parliamentary party and within the government, leaving the backbenchers becoming particularly alienated in a coalition.

### *The Liberal Democrat party parliamentary committees*

In this respect, the most interesting development in parliament is the adaptation of both coalition parties' backbench committees to being in a coalition. The Lib Dems have established parliamentary party committees ('PPCs'), which shadow departments; act as a coordination mechanism between the two houses, and between those Lib Dems in parliament and those outside; and as a forum to connect ministers to backbenchers and share information. A protocol was agreed to by Norman Lamb and Ed Llewellyn to allow greater access to departments—particularly where there is no Lib Dem minister. But observation of this protocol has been highly variable, with most PPCs receiving little access yet, and reports of failures to give early warnings about upcoming policies and statements. Again, personality (the relevant Secretary of State, but also those of the co-chairs) is the predominant factor in whether the protocol works or not.

The PPCs are a vehicle to ensure party cohesion and discipline: by organising and involving backbenchers in the policy process, there is less incentive for them to rebel. At the same time, a Lib Dem co-chair may speak on issues in a distinctly Lib Dem voice, separate from a Lib Dem or Conservative ministers. So the PPCs hold out the promise of influence on and distinctiveness from the executive—although not yet.

But the PPCs are equally about the efficient use of scarce resources as they are about maintaining cohesiveness. In Parliament Lib Dems struggle: they have claimed for themselves a broad remit across government, in spite of only having 57 MPs in the Commons. But over one-third of these are in government, and are effectively lost to the backbench. More importantly, the Lib Dems are still reeling from the loss of Short Money and Cranborne Money—state funding paid to opposition parties in parliament. That has removed their research and policy capacity. Out of necessity, Lib Dem peers are now more

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involved in the parliamentary party; and all Lib Dem parliamentarians are expected to contribute to the party financially.

### *Conservative backbench committees*

The Conservatives have been slower and more ad hoc in the development and adaptation of their backbench committees. The 1922 Committee and its subcommittees remain the most important forum for ensuring backbench voices are heard by those in government, with its officers meeting regularly with ministers, and ministers appearing before the Committee or its subcommittees. In addition, a number of ministerial support groups have been formed in both the Commons and the Lords: these groups meet irregularly and on an ad hoc basis, mostly to deal with impending bills. There is nothing so formalised as the Lib Dems: the Conservatives are a much larger party to organise; and they are at present less anxious about the loss of their identity. But Conservative backbenchers have also established five policy groups with the objective of ensuring that there are distinctive Conservative policies for the second half of the parliament, and into the 2015 election.

### **Looking ahead: expressing greater party distinctiveness**

The coalition's big achievement in the first year has been to establish a government which is remarkably harmonious, effective and decisive. Cabinet government has been restored, and across Whitehall all policies are meant to be coalitionised. That has not prevented political misjudgements, with university tuition fees, the NHS reforms and the sell off of forests being prime examples. But these were the product of excessive haste in the government's first year, and the lack of external consultation. Despite stronger internal checks and balances, coalition governments still make mistakes, like other governments.

For the Liberal Democrats the top priority in the first year was to show that coalition government works, and that they could be an effective party of government. The paradox of coalitions is that (unlike single party majority governments), the pressures in the early years are towards consensus, but towards the end the focus is on differences. So going forward, the challenge for the Lib Dems will be to demonstrate their party's distinctiveness. Both parties face a distinctiveness issue, but it is the Lib Dems as the smaller party who experience the problem most starkly. Their policies and their influence are often drowned out by the actions of the larger party; too often they are reduced to arguing that their influence consists of stopping the Conservatives from doing something worse. A final problem is that the very informality of the coalition's decision making procedures, and the ability of the Lib Dems to intervene in issues before they become public, means that they are often unable explicitly to demonstrate their influence in government.

Despite their resolve to distinguish themselves more sharply in future, the Lib Dems will find it very difficult to do so. First, it requires a *volte face* in terms of their whole style and behaviour within the government: having been civilised coalition partners, they must reinvent themselves as much more assertive, and occasionally downright nasty. Second, if they manage to transform themselves into Mr Nasty (and Nick Clegg has been trying it out over the NHS reforms), they run the risk that coalition government will then be seen as quarrelsome and divisive, putting at risk all the achievements of Year One. Third, they lack the resources to broadcast their distinctiveness to the outside world. They have only four press officers in party HQ, where previously they had 13; and within No 10 and Cabinet

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Office they have three media Spads to the Conservatives' six. The government press machine cannot help, since it can only issue government press statements about unified government policy.

Fourth, and most fundamentally, their problems are compounded by the initial decision of the Lib Dem leadership to go for breadth of ministerial representation rather than depth. This breadth of representation makes it much harder for the Lib Dems to point to big policy areas where they have made a difference, because they are broadly but thinly spread. This is exemplified in the Lib Dems' monthly publication, *Liberal Democrats: Our Manifesto in Practice*. It proclaims how the Lib Dems are implementing many of their manifesto policies, which are then recorded exhaustively in 145 items across 24 pages (Liberal Democrats, May 2011). The Lib Dems may indeed have achieved hundreds of small wins, but most of them are doomed to remain invisible to the outside world if this is how they are publicised.

The Conservatives also face the issue of distinctiveness, but to a lesser extent. They do not face the problem of being subsumed by a larger body, but rather the problem of the sharp boundaries of their core identity being blurred, their policies being 'watered down', and insinuations of the tail wagging the dog. That is certainly the perception of many Conservative parliamentarians, and of some Conservative cheerleaders in the right wing press. But it is not clear that it is one shared by the broad electorate, or by Conservative voters as opposed to hardcore Conservative party members.

### **Looking ahead: review of the coalition agreement, and of ministerial teams**

In the spring the Lib Dems were developing plans for a formal review of the coalition agreement to develop a revised programme for government for the second half of the Parliament. The process was to be led by the Federal Policy Committee, starting this summer, with a draft of the revised coalition agreement ('Coalition 2.0') being debated at party conference in spring 2012, and the final version being approved by party conference in September. These plans now seem to be in abeyance. It would give too much scope to the malcontents in both parties to have a 12 month policy review with prolonged sniping from both sides. And it would run completely counter to the Lib Dems' attempts to distinguish themselves, if they were seen to be getting even more firmly into bed with the Conservatives. So instead there may be individual policy reviews, in areas like climate change or family policy, but policy will be renewed through green or white papers rather than a revised coalition agreement. The delayed white paper on public services reform may be one example, and an early test of whether the Lib Dems can highlight their distinctive contribution.

The other way in which governments renew themselves is through reshuffles. The coalition agreement gives Nick Clegg control over any changes to the Lib Dem team. But his room for manoeuvre is limited, because one third of Lib Dem MPs are in the government, and most observers say that (with one or two exceptions) none of the Lib Dem backbenchers would make good ministers. But that assumes he must confine himself to the House of Commons. In the Lords the Lib Dems have 90 peers, with plenty of senior and experienced figures who would make good ministers, and who would be quite capable of holding their own with a Conservative Secretary of State.

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### **Looking ahead: the coalition in Parliament**

The Lib Dems have created a network of 14 party parliamentary committees, and the Conservatives have followed suit in a more low key way. Although primarily a means of informing backbenchers about the government's plans, these committees have the potential to become more two way channels of communication, and to provide backbenchers with a forum to influence government policy.

The first year has seen an unprecedented rate of rebellion, amongst Lib Dems and Conservatives. If rebelliousness increases, the government will need to listen to the backbench committees more intently if it wishes to get its business through. Rebelliousness normally does increase during a Parliament. Another reason why it might increase sharply towards the end of this Parliament is the need for all MPs to seek reselection in new constituencies once the boundary review is completed in 2013. Rebels may find it easier to gain reselection than coalition loyalists, as Conservatives with memories of 1922 will be well aware.

### **Ideas and recommendations**

We conclude with some tentative ideas of ways in which this and future coalitions might operate more effectively. These are skewed towards the junior partner, because the main problems reported to us have been that the Lib Dems lack the resources to perform their role effectively.

#### *The Liberal Democrats need more support*

##### *(a) in Departments*

Most Lib Dem junior ministers fail to fulfil the remit of 'coalitionising' policy across the whole of their department. To perform this role properly, they need to receive a copy of every submission that goes to the Secretary of State. They then need to have additional support in their Private Office to read and respond to those submissions. In the absence of additional Special Advisers, this could take the form of additional policy advisers from the civil service, or more support in their Private Office. A couple of departments have bolstered their junior Lib Dem ministers in this way.

##### *(b) at the centre*

The DPM's office is still perceived as ineffective. This is partly a hangover from their slow start. But they need to prioritise, establishing clear priorities which the voters can understand. And to convey those priorities to the public, they need more senior and experienced media advisers who have themselves worked in the media.

##### *(c) in Parliament*

With the loss of Short and Cranborne money, the Lib Dems have lost much of their parliamentary support just when they needed it most. The PPCs provide a link between front and backbench, but they cannot provide policy input without some policy and research support. Absent a wealthy philanthropist, this can only be funded through the review on party funding (chaired by Nick Clegg) agreeing to channel state funding to the governing parties in Parliament as well as the opposition party. The other parties are most unlikely to agree.

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### *The junior partner in a future coalition*

The most likely junior partner in a future coalition at Westminster is still going to be the Lib Dems. But what if they have only 20 to 30 seats after the next election? That would concentrate their minds on the crucial decision of whether to go for breadth vs depth in the allocation of ministerial posts. With half the number of ministerial seats, they could not hope to cover the whole waterfront. They would be forced to be more selective in their choice of ministries, and they might decide to go for depth rather than breadth, to have more visible impact in a few key policy areas. They might also decide that their leader should take charge of a major department, rather than trying to influence policy across the whole of Whitehall.

If the Lib Dems sought to repeat the current model, they might consider asking for the DPM to be based in No 10, and properly serviced by the No 10 machine, rather than being outposted in Cabinet Office. There is a precedent for that in the UK, in the Office of First and Deputy First Minister in Northern Ireland, which services both first ministers equally. It is not a happy precedent, in terms of how OFMDFM operates; but it demonstrates that constitutionally the same office can serve two masters as joint heads of government.

The parties should also take more time over negotiation of the coalition agreement. There were specific media and market pressures in May 2010 which put intense pressure on the negotiating teams. In future five days could be regarded as the minimum. As well as taking more time, the junior partner might in future focus a bit more on which posts to occupy, since that is what gives them profile within the government. And they might seek to specify the support to be made available to the junior partner, in terms of special advisers, expanded Private Offices, and additional support for the parliamentary party.

### *What resources should be made available to the junior partner?*

This analysis assumes that the junior coalition partner needs additional resources in order to be an effective partner in the coalition. It begs the question: what is the appropriate level of resources for the junior partner? The Conservatives in the present coalition might say, that with only a 1:6 ratio of Lib Dem to Conservative MPs in Parliament, the Lib Dems should only have a 1:6 share of resources to support their role in government. But this report shows that 1:6 is only a starting point. In terms of division of policy in the Programme for Government, the Lib Dems did far better, with a higher proportion of Lib Dem than Conservative manifesto pledges being included. In terms of division of office, the Lib Dems did slightly better, with a 1:5 ratio of ministerial posts. And in terms of division of Special Advisers, the Lib Dems did a lot better, with a ratio of 1:3 (18 Lib Dem Spads to 56 Conservative Spads). So there are no hard and fast rules about the level of resources for the junior coalition partner: it is all to play for in the coalition negotiations. The Lib Dems could have aimed for more in the coalition negotiations when their bargaining power was greatest; since then that bargaining power has been in decline.

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