

MANAGING THE

How did the coalition work as a government? **Robert Hazell** and **Peter Waller** review its internal workings. How did the Lib Democrats functioned as part of it, and **Matthew Hanney** analyses how the party itself was managed.

The Lib Dems and the workings of government: success or failure?

Professor Robert Hazell and Peter Waller

THE CONSTITUTION UNIT at UCL carries out research into a wide range of political issues, largely focused on Westminster and Whitehall and the links between the two. Immediately after the 2010 election, we were given permission by the then cabinet secretary to interview in depth a wide range of Whitehall officials, ministers and special advisers to consider how the coalition was operating in practice. We were very well placed, therefore, to look in

detail not so much at the political success – or otherwise – of the coalition but at how it was operating in practice.¹

So what did we learn from that research? The first thing to say is that the vast majority of those we interviewed thought that the coalition was working well. This was the general verdict not only of ministers from both coalition parties but also from Whitehall officials and various third parties. One comment from a senior official was typical:

I was not at all sure how the coalition would work or even whether it would work. But it has been far better than anyone would have expected.

One Tory minister commented to us:

Team work is stronger because of the coalition. The fact that we had to discuss what we wanted to do, what the other party wished to do – or indeed



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ings and effectiveness, while Jonathan Oates and William Wallace reflect on aspects of how Liberal

whether there were other options – made it much better.

And a Lib Dem minister told us:

The team of ministers in our department works together well on a day-to-day basis in a constructive spirit ... the good relationship is at the heart of how it is all working.

As we dug deeper into the reasons why the story was so positive, we isolated a number of factors:

- Prior expectations – especially from civil servants – of the coalition were that it would be unstable, fractious and constantly slowed down by internal disputes. Many officials had lived through the infighting of the Labour government, especially between the Blairites and the Brownites, and assumed a coalition would be even worse. The fact that it was harmonious came as an enormous relief.
- Both political partners felt proud of their role in forming the coalition and were determined to make it a success. The Tories were delighted to have found a way back into government even though they lacked a majority; and were clearly patting themselves on the back at their magnanimity in sharing power. The Lib Dems were delighted simply to be in government, and they were determined to show that a coalition was a perfectly viable basis for exercising political power. Both parties could claim with good cause that they were putting the national interest

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before their narrow party interests.

- The fact that there was a coalition meant that Whitehall had to change many of its internal rules and practices – and in practice this meant moving back towards a more rational form of decision-making. Sofa government and pre-cooked deals were replaced by more formal committee discussions and much bending over backwards to ensure that the perspectives of both parties in the coalition were recognised. The fact that the programme for government was a detailed, practical document and had replaced the woolly aspirations of the typical party manifestos, gave Whitehall much greater clarity from the new government than they had been used to. Special machinery was set up to resolve disputes between the parties but in practice seldom had to be used.
- The coalition felt, both in Whitehall and Westminster, more ‘grown-up’ in that it was impossible to claim, as single-party governments often do, that there was only one possible answer to any question. The principle of collective responsibility remained so that decisions, once taken, were supported by both parties. But no one was pretending that there had not had to be compromises in reaching an agreed position.

Our research was concluded at the beginning of 2012, less than two years into the new government. So writing now in 2015, in the aftermath of a nightmare election for the

Lib Dems, it is tempting to think that we must have been deceiving ourselves in painting such a positive picture of the coalition’s first twenty months. But we do not think that we were deceived. The first two years of the coalition were by any standards a period of considerable success. The programme for government – which our work suggested contained more Lib Dem manifesto commitments than were drawn from the Tory manifesto – was a very ambitious document but almost all its proposals had been implemented by 2012. Government was as crisis-free as governments ever can be and there was a good degree of respect amongst both parties for each other and their role in making the coalition work. The fact that the 2015 voters re-elected the majority coalition partner to govern on its own suggested they were far from dissatisfied with the performance of the government in the preceding five years.

One aspect of that which has been little commented on – but which stands to the Liberal Democrats’ credit – is the fact that the Lib Dem ministers, and cabinet ministers in particular, were clearly of equal calibre to their Tory partners. Yet this was certainly not a given. As in most professions – and politics is a legitimate profession in this context – the cream tends to rise to the top so it might be expected that the most capable and ambitious politicians would be found in the parties most likely to be in government. For a small party to have people of sufficient calibre to fill twenty-three ministerial posts, including five cabinet ministers, was thus a genuine stretch. But at no point in the five

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years of the coalition was it argued in Whitehall, the media or elsewhere that the Lib Dems lacked the necessary talent. Looking back, it seems already that a team including Clegg, Cable, Huhne, Davey, Alexander, Laws and Webb will be seen as something of a golden age for the party.

So starting from that benign picture at the end of 2011, why did it all go so horribly wrong in 2015, with all but Clegg of that generation of leaders swept away by the electorate? Well, from the admittedly narrow perspective of our focus on Whitehall, it arguably never did go wrong. Against so many of the expectations of the political commentariat in 2010, the coalition survived for a full five-year term, and would have done so even without the backing of the Fixed Term Parliaments Act of 2011. There were no great stories of chaos in Whitehall or of the ministerial corridors degenerating into trench warfare. Liberal Democrat ministers maintained commendable discipline. When there were stories of ministerial splits, they were mainly 'blue on blue', as demonstrated by the tensions between Ken Clarke and Theresa May, or later the very public spat between Theresa May and Michael Gove.

So most of the explanations of the 2015 election result lie elsewhere. The most obvious Whitehall-focused example, which we did cover to a degree in our research, was the great student fees disaster, which led one of our interviewees to say:

Whether or not it was the right decision we came to in the end is almost irrelevant. You know, we broke a pledge, we're hated for it.

But, as the comment makes clear, it was the pre-election pledge that did the damage, not the handling of the issue when in government – though the Lib Dem failure to identify and stick to a single narrative for the final decision undoubtedly exacerbated the position.²

But there are two Whitehall-focused questions which it is worth raising in relation to the internal workings of the coalition as they might have had some impact on the 2015 outcome even if marginal.

First, was the original decision to spread the Lib Dem ministerial allocation thinly the right one? Conventional academic wisdom from across many democracies is that the junior coalition partner does badly in the subsequent election. But could the Lib Dems' chances of success have been improved by taking all the ministerial seats in a limited number of departments, rather than having a single minister in almost all departments? Under this scenario Nick Clegg might have become Home Secretary or Education Secretary, and the department clearly identified as a Lib Dem department. The Lib Dems would have been able to point to achievements in that area as clear Lib Dem achievements, making it harder for the Tories in 2015 to present most successful Lib Dem ideas as Tory achievements.

Second, did the Lib Dems give up on government – and start campaigning for 2015 – too soon? It was certainly predictable from day one of the coalition that at some point the two parties involved would move from emphasising their ability to cooperate constructively towards wanting to demonstrate to the electorate the issues on which they disagreed. So there was bound to come a point where the two parties would be reluctant to make decisions unless they were unavoidable, preferring to use points of disagreement as potential distinguishing features between them in an election campaign.

With the benefit of hindsight, however, that point arrived much earlier in the parliament than we had anticipated. By 2011–12, the programme for government had largely been implemented and it was expected that there would be another negotiation and a new programme announced for the second half of the parliament, sometime in 2012. Some attempts were made in that direction, but the two parties never managed to recreate the momentum that had been given by the original programme for government. Instead both parties began increasingly to focus on their points of difference more than their common ground.

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The problem that created for the Lib Dems, however, was that they came increasingly to be seen as 'in office but not in power'. The Tories rather successfully presented themselves as still being very much in power but on many fronts being held back by a failure by the Lib Dems to agree to anything they were proposing.

Tories rather successfully presented themselves as still being very much in power but on many fronts being held back by a failure by the Lib Dems to agree to anything they were proposing. The obvious Lib Dem successes seemed to date back to much earlier in the parliament, and there was no similar sense of a Lib Dem agenda being obstructed by the Tories – apart from the high-profile examples of the AV referendum defeat, and withdrawal of the plans for Lords reform following a major rebellion by Tory backbenchers.

But generating new policy ideas in government is never easy, and it was particularly difficult for the Lib Dems, given how thinly stretched they were across all government departments. Outnumbered by the Tories by a ratio of five to one, they were forced to devote far more of their time and energy to blocking or modifying Tory policies than to generating their own. There is a long list of Tory policies that they managed to moderate, but which inevitably remained hidden from the electorate; and it is very difficult to claim credit for something that has not happened.

Moreover, the Lib Dems were arguably a victim of the coalition's overall success. By 2015, the perception – at least in England – was that the country had been effectively managed by the government and was recovering steadily from the earlier recession. There was no sense of the chaos and constant crisis that had characterised the final few years of the previous Labour government, during which Gordon Brown had been repeatedly attacked by his own cabinet colleagues and ministers. The Lib Dems might ironically have done better in the 2015 election if there had been more internal strife in government so that the country was much keener for a change of government overall and the Tories more vulnerable as a result.

This leads to our final assessment. In 2010, the Lib Dems had in reality only two choices, first to form a coalition with the Tories and second to let the Tories form a minority government and to seek to bring it down at a later point. (We continue to believe that a Labour–Lib Dem coalition was never a credible option at the time.)

It was entirely predictable – and was of course widely predicted – that the decision to enter the coalition would lead to a bad result for the party in 2015, even if no one quite predicted how bad that outcome might be. But there is little point in a serious political party not seeking power and little reason to think that the long-term outcome for the party would have been any better had they declined Cameron's offer and waited for another opportunity.

So the decision to enter the coalition was entirely justified even if the result was to reduce the party to a level of Westminster representation they have not had for fifty years. The Lib Dems were part of five years of a coherent and competent government and can point to achievements that were distinctively Lib Dem achievements. The judgement of the electorate was harsh; the judgement of history may prove kinder.

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Peter Waller left the civil service in 2008, having worked on a wide range of economic issues over thirty years, largely at the DTI. Peter was heavily involved in the coalition government project, and the project on special advisers, both of which led to published books to which he was a significant contributor.

- 1 Our research was published in a book, *The Politics of Coalition*, by Robert Hazell and Ben Yong (Hart Publishing, 2012): <http://www.ucl.ac.uk/constitution-unit/constitution-unit-news/080612>
- 2 Though a single narrative would never have been easy when the party MPs managed to vote in three different blocks in the Commons vote.
- 3 A quote originally from Norman Lamont about the Major government.

Imbalances of power: building a functioning coalition

Jonathan Oates

ON TUESDAY 12 May 2010, Nick Clegg and David Cameron posed on the doorstep of No. 10, co-leaders of the first peacetime coalition in seventy years. For the first time in half a century the government's majority was dependent on two leaders in government, not one. Notwithstanding the disparity in parliamentary representation – 307 Conservative seats versus 57 Liberal Democrat, the government's majority was now a binary matter. If either of the parties did not agree to a policy, the government did not have a majority for it.

Yet behind the famous black door of No. 10, the institutions of government seemed almost oblivious to this fact or to the respective strength of support for the parties in the country, where – of the total votes cast for the coalition parties – the Liberal Democrats had attracted 40 per cent and the Conservatives 60 per cent.

Despite briefings to the national media about the preparedness of Whitehall for a hung parliament, no real thought had been given even to such a mundane matter as where the Deputy Prime Minister would be located, let alone how his office would be staffed or how the machinery of government would adapt. The truth is that for much of the civil service (but by no means all), the view seemed to be – as little as possible.

As the door was pulled shut behind the two party leaders, the No. 10 operation hummed efficiently and immediately into action in support of the leader of the Conservative Party. Meanwhile, his coalition counterpart was hastily ushered upstairs to one of the Downing Street state-rooms; with him, his then chief of staff (soon to be Scotland Secretary), Danny Alexander and a few members of party staff. There were no telephones, no computers, no support whatsoever – just a cup of tea and a polite but bewildered welcome.

Perhaps the problem was that, prior to 2010, the term 'Deputy Prime Minister' had been used in a wholly different context. The

civil service had dealt with 'Deputy Prime Ministers' before – most recently John Prescott and Michael Heseltine: they had been departmental ministers and the title 'Deputy Prime Minister' a mere (if politically important) courtesy. The role of Deputy Prime Minister in a coalition was a different affair. Every significant decision over the next five years would have to be jointly agreed by both leaders. Yet there was a staggering failure to understand this, represented most starkly by the huge disparity in official and political fire power in their respective offices.

Later that day, or the following, the DPM got his first civil servant. Sir Gus O'Donnell, then cabinet secretary, seconded his principal private secretary to head up the then non-existent Deputy Prime Minister's Office. He was a highly able and dedicated civil servant, who over the next few years worked with exceptional professionalism and determination to support the Deputy Prime Minister, but he was in his early thirties and massively outranked by his No. 10 counterpart, the 50-year-old Jeremy Heywood. Jeremy held permanent secretary rank in the Prime Minister's Office and was a notable survivor of the inner circle of previous administrations. He had been Gordon Brown's permanent secretary before taking on the role for Cameron. He had also been principal private secretary to Prime Minister Tony Blair and before that to Tory chancellors of the exchequer, Norman Lamont and Kenneth Clarke. He was (of course) to go on to be cabinet secretary – in short he was the Whitehall insiders' insider. You did not have to be an expert in the politics of the civil service to know that this imbalance between the PM and the DPM's offices was massively to the DPM's disadvantage and that of effective coalition working.

Over the next few months we became increasingly frustrated by the lack of institutional support for the DPM, which left our small team of special advisers not only covering the whole gamut of government departments but also

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having to do the jobs of officials who had not yet been appointed.

It is worth remembering that at this stage the Deputy Prime Minister's Office had a total of four special advisers responsible for policy, who had to cover decisions across every government department, as well as supporting the DPM with his specific responsibilities on constitutional reform. Despite the deluge of media attention, at the outset, the DPM had no civil service media team, no visits staff, and only one special adviser supporting him directly on media. No. 10 had a whole press office that answered to the PM.

These problems were only compounded by the fact that the Liberal Democrats immediately lost their 'Short money' allocation, which had provided substantial financial support for the party's parliamentary policy team. Consequently, we were stuck between a rock and a hard place, shut out of access to the funds available to opposition parties and denied proper political support and access to civil service information.

By the time I became Nick Clegg's chief of staff in August, a modest civil service staff had been assembled. That it was too small for the task was obvious but by no means the biggest problem. It had become clear by then that large parts of the civil service had hardly adapted to coalition at all and showed no signs of ever doing so. Some senior civil servants appeared incapable of understanding that if a decision did not have clearance from both parties in government it was not a decision. Some departments sought to obstruct access to information, sometimes with the support of their secretaries of state. Decisions were announced that had not been cleared. On one memorable occasion, while discussing the infamous Beecroft 'fire-at-will' proposals, a senior civil servant responded to my suggestion that we drop further discussion – given there was no prospect of the proposal being agreed by the Deputy Prime Minister – by saying: 'Quite frankly the Deputy Prime Minister does not have a veto'. I had to point out to him gently that this Deputy Prime Minister very definitely did.

It was clear to us early on that we urgently needed to strengthen the official and political side of our

office if the coalition was to function effectively. The most urgent requirement was to appoint a senior Whitehall insider to head up Nick's operation. We needed an operator who could command not only the respect of Whitehall departments but also, where necessary, their fear and who would have the weight to win the staff resources we needed. Securing agreement to this appointment and a broader strengthening of the operation was a painful and drawn-out process that ran through to the late autumn. One of the early challenges was that no one would ever say no to a proposal – it took me a short while to realise that this did not mean yes. But before long I had appreciated that if I was to get anything done I had to understand the TV programme *Yes Minister* as a documentary rather than a comedy.

Inevitably, the pressure on both political and permanent civil servants caused by the lack of staff resource, coupled with the desire amongst some of the senior civil service to avoid 'a rival to No. 10', created the worst possible circumstances in which to take the critical decisions required at the start of the coalition. The special advisers and permanent civil servants who manned Nick's office, did an amazing job and it is only due to their huge dedication and the absurdly long hours that they worked, that the coalition was able to function at all.

By January of 2011, we had substantially strengthened the DPMO with a widely respected director general appointed to oversee the operation, a beefed up and highly able private office in place and the establishment of a research and analysis unit and a media team. Our political staff, however remained highly stretched and it was not until October of 2011, after a Herculean struggle aided by a very helpful report from the Institute for Government, that we gained agreement for the appointment of a number of multi-departmental special advisers. Whilst this eased the burden a little, by then, the political die had probably been cast.

Of course, even with a properly resourced office and a political staff who were not stretched beyond the laws of physics, there is no guarantee that we would have made better or even different decisions in

the first year of the coalition. The responsibility for those decisions is entirely with those of us who were involved in making them. What is clear, however, is that the environment in which they were taken could hardly have been less auspicious.

It is difficult to know why the civil service was so insufficiently prepared for the operation of a coalition government. We took advantage of the knowledge and experience of Jim Wallace, the former Liberal Democrat deputy first minister of Scotland (later advocate general and deputy leader of the House of Lords) who provided invaluable insight to our team prior to the formation of the coalition and as a minister throughout the government. Whitehall could also have learnt much about coalitions from their counterparts in Edinburgh and Cardiff, but such experience was, it seems, rather airily and sometimes disparagingly dismissed. Instead the preparation for the post-election period was focused on the role the civil service would play in coalition negotiations (a job that the parties rightly decided was one for them). As a result the actual job of the civil service – how it would support an elected coalition administration – was damagingly neglected and never really resolved.

All this is not intended as a criticism of individual civil servants. With a very few exceptions, the vast majority of people I worked with were not only highly able, but also extraordinarily hard working and committed to delivering for the coalition. I do not write that to spare anyone's blushes or to soften the criticism. I do so because it is true and because, in the main, the failure was one of institutional inertia and conservatism not of individual will. The more I came to see of the institution of the civil service, the more I realised how much less it was than the sum of its parts.

I hope that the lessons of the last parliament lead to much better support for any future coalition from its outset. But whether in support of a coalition or a single party administration, it is also critical that the senior civil service (often aided by ministers) stops resisting necessary, radical and much overdue reform. Only when it embraces reform will the institution become as excellent, effective and innovative as so

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many of the brilliant individuals it employs.

Jonathan Oates was chief of staff to the Deputy Prime Minister from August 2010 to May 2015. He was previously

deputy director of communications at 10 Downing Street and prior to that the Liberal Democrats' director of election communications for the 2010 general election. He was ennobled in the 2015 dissolution honours.

A view from the edge: managing coalition in departments without full ministerial representation

William Wallace

LORDS MINISTERS PLAY secondary roles in any government; 'ministers in the Lords Whips Office', who act as spokesmen for two to three departments and are formally also whips, risk being marginal to policy-making, even in a single-party government. So my view of coalition was from the edge of government, working my way in by demonstrating to senior Conservatives that disputes could be settled by talking to me more easily than by carrying everything up to the 'Quad'. I started in 2010 in the Foreign Office, my field of professional expertise, where I was treated as a member of the ministerial team from the outset; but I also covered the Ministry of Defence and, after a brief attachment to Education, the police and counter-terrorism aspects of the Home Office (the 'national security agenda'). When the mid-term reshuffle came in 2012, I had just been made Lords spokesman for the Cabinet Office – the only peer attending their ministerial meetings, so responsible for managing all the CO's business (civil service management, the third sector, and political and constitutional reform) through the Lords. Nick Clegg complimented me on how well I was coping, and asked me to carry on without a Commons minister from now on in either the FCO or the MoD. I said I could in no way manage to be the only Liberal Democrat presence in three departments effectively, and recommended that Sue Garden succeed me in Defence, given her familiarity with forces' welfare and RAF issues.

Government is high-pressure, seven days a week; and coalition government increases the pressure. I have never worked as hard

in my life as I did between 2010 and 2015. When you have got your head round the statement you have to make at twenty-four hours' notice, and the draft paper you received on Friday afternoon and have to negotiate with Conservative colleagues on Monday morning, there's the journalist who phones you late at night and the outraged Lib Dem activist (and old friend) who demands that you explain why you have conceded to a Conservative proposal. In opposition you can think; in government, you cope.

Since managing coalition means extra work and extra meetings, it became clear to Lindsay Northover and me, after a few weeks in office, that we could not cope with the pressures of Lords business, learning our briefs, trying to get upstream in the policy-making process in the departments to which we were attached, and keeping in touch with our Liberal ministerial colleagues and the rest of our peers' group. We asked for an additional two spokesmen, and gained one in Sue Garden. Coalition formation had put Commons appointments first, so the three of us were unpaid, as were several of our Conservative Lords colleagues.

The best immediate decision our Lords group took was to maintain our separate whips' office when we lost our opposition funding; many of us made voluntary contributions to keep it going in the early months, before we shaped a system of monthly contributions from group members to fund it. The Conservatives closed their party whips office and relied on the Government Whips Office for support – but discovered that they had to struggle over weekends to keep in contact with their backbenchers at the same time as reading

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through papers, and lost their ability to strike a balance between coalition and Conservative messages. We wrestled with that balance, of course, having to ask Lib Dem peers to support compromises that we had struck, painfully, behind the scenes. We also maintained the same party whips from our time in opposition, to hold our independently minded group together; the Conservatives imitated us two years later, as they discovered the difficulties of explaining coalition compromises to partisan peers.

Neither Westminster nor Whitehall adapted at all willingly to coalition. In the Lords the Labour group was aggressively tribal, bitterly convinced throughout the first year that we could not hold together, doing their utmost to prevent us from deviating an inch from the duty 'to speak for the government' as a whole, and protesting on any occasion that a distinct Liberal Democrat perspective was spelt out alongside the Conservative view. We managed to develop a dual system, with Liberal Democrat ministers giving the government line and nominated backbench spokesmen giving a differentiated party line. Backbench rebellions were a tactic we could use occasionally – at the risk of provoking Conservative rebellions against measures we had won; though of course there was no way we could control our backbenchers in the last resort! I learned over time how to modulate the way I put the coalition line across when at the despatch box or on the media, to convey different degrees of enthusiasm or reservation.

Learning coalition inside government was also painful, within a structure unused to institutional compromises. Whitehall expected most incoming Liberal Democrats to behave as junior ministers under their secretaries of state – and most secretaries of state wanted to take credit for everything positive that came out of their department. Nick Harvey in Defence was clear from the outset that he was the Lib Dem minister, and fought to be shown departmental papers across the board. Jeremy Browne accepted his role as a junior FCO minister without understanding that his role was also to safeguard Lib Dem interests, plunged into visits to Latin America and Asia, and did not follow

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papers on Europe and the Middle East – the two most contentious areas between the parties on foreign policy. It took me, as a marginal player of uncertain status without an FCO private office, several months to gain access to the drafts on the proposed EU bill, by which time they were already in a shape that was difficult to challenge. Chris Huhne had nominated me for the Cabinet Sub-Committee on EU Affairs, which helped my credibility and standing with officials and Conservative ministers; an early visit to Brussels, during which the president of the Commission addressed me as ‘Professor Wallace’ in front of several Conservative ministers, also helped (I had taught him twenty years earlier). It helped me further within the FCO that Helen, my wife, had trained many of its senior officials when they first entered the civil service, had taught senior politicians and officials in several other EU countries, and was recognised as one of the leading experts on European politics; there was one wonderful occasion when I was asked to phone the Finnish prime minister (whom we had both taught) on behalf of No. 10. Nick Clegg strengthened my position further by taking me with him on visits to Paris and Berlin.

William Hague was a collegiate secretary of state, who conducted his weekly meetings as an open discussion, in which I could flag up areas that our party found difficult. Theresa May was a tougher minister to deal with, but open to argument. I learned to place myself in her meetings directly in her line of sight, so that I could catch her eye easily when I wanted to disagree; Lynne Featherstone often sat out of view at the side. Liam Fox was far easier to deal with than Philip Hammond, his MoD successor, a loner who treated all his junior ministers with disdain; when Sue Garden succeeded me as Lords spokesman, it took her nearly two months to get in to meet him. When he transferred to the FCO he cancelled the weekly ministerial meetings, to the dismay of Conservatives as well as myself; I met him only three times in his nine months as Foreign Secretary, though I continued to meet David Lidington, the Europe minister, every week, and other junior ministers frequently. The unstable coalition that

is the Conservative Party, with the Prime Minister wavering in the middle, was both a problem and an opportunity. With some Conservative ministers we could work and exchange information easily, even establish relations of friendship and mutual trust. With others, active suspicion of their intentions was the only sensible approach, even when (like Michael Gove) personally charming; Lindsay Northover warned us all from the outset to be wary of attempts to charm us while pressing forward with initiatives which we could not accept.

Coalition also requires active coordination. We failed to achieve this throughout the first year, with only occasional meetings of Liberal Democrat ministers. I went into one cabinet committee meeting with a clear sense of what our ‘side’ wanted to get across, only to have that position undermined by a Lib Dem colleague uncritically reading out the departmental brief. After a year we instituted regular weekly meetings – the cost of yet another hour blocked out in our calendars more than compensated for by the chance to compare notes and share tactics. We also learned in the first year how crucial our Spads were: glancing through papers that might not have crossed our desks, alerting us to policy initiatives before we had heard about them, marking their Conservative opposite numbers as they advised *their* ministers. We needed more than the handful who, like the three of us as Lords spokesmen, were stretched across two to three departments each – and gained useful reinforcements in the 2012 reshuffle.

Cameron’s mishandling of the European Council meeting in December 2011 was a major crisis within the coalition – not only because Europe was one of the most sensitive sources of disagreement. The Prime Minister represents the UK at these; but in a coalition he should have the wit to consult, and the diplomatic skills to avoid excessively irritating his continental counterparts. Monica Allen, our international affairs Spad, briefed me initially; Nick Clegg then persuaded me, against my initial inclinations as a bitterly displeased but junior player, to go on television to voice our unease with Cameron’s behaviour; and Helen and I ended the weekend with

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Danny Alexander sitting round our kitchen table in Wandsworth discussing how we prevent such a fiasco happening again. I learned from this that using the media to signal to your partners can be helpful; a Conservative colleague phoned me shortly after I had been on TV, to discuss how to get out of the hole the PM had dug. It didn’t hurt that he and other Conservatives learned that I had come close to resigning over this – only a marginal resignation, but nevertheless one that they understood would have registered Liberal Democrat disapproval of the PM’s behaviour.

The coalition agreement had included, at Conservative insistence, a commitment to examine the ‘balance of competences’ between the UK and the EU, across a wide range of policy areas. They expected that a call for evidence from businesses, professional associations and other stakeholders would provide an agenda for repatriating powers from Brussels to Westminster. I was the Liberal Democrat, with two Conservative colleagues, on the ‘Ministerial Star Chamber’ that oversaw a process that produced some thirty-two papers, in four groups, over two years. The evidence that flowed in was overwhelmingly in favour of maintaining the current balance, even in a few cases of giving Brussels greater powers. No. 10 responded by doing its best to bury the exercise, delaying the publication of each group until the day after parliament had risen for the summer or for Christmas, and doing its best to stop any of us briefing the domestic press.

The officials who supported us were effectively professional and neutral throughout a politically charged process, in which the paper on the free movement of people was delayed by over six months as we fought Theresa May’s Spads to allow the document to reflect the evidence, and the first draft of the paper on civil justice attempted a strong Eurosceptic tone unsupported by any of the legal authorities who had contributed. Lib Dem Spads watched my back in other departments effectively, and Helen provided expert advice; I circulated a critical memo around Whitehall before each negotiating meeting, at the cost of several lost weekends, to spell out the areas where drafts

were not following the evidence submitted. So the Conservatives were left without an agenda for repatriation. But the Liberal Democrats did not attempt to counter Conservative efforts to keep the outcome out of the press; it was not until the middle of the election campaign that *The Observer* devoted a full page to the story.

There was no such formal process to manage differences on Middle Eastern policy. William Hague was robust on Israel–Palestine, spelling out that the spread of settlements across the West Bank would soon make a two-state negotiation impossible. His colleagues pursued closer political and commercial relations with the Sunni Gulf states, pushing arms sales and inviting further investment in the UK. The National Security Council spent more time in the coalition's first three years discussing 'Gulf strategy' than European strategy. Nick Clegg asked an informal group of MPs and peers to review policy towards Iran to provide him with advice; we met a range of outside experts, and recommended that we should press for a more positive approach. Cameron later moved policy towards a more Israel-friendly approach, while maintaining an uncritical alliance with the Gulf monarchies, accepting the Bahraini offer to pay for the expansion of the British naval base and agreeing to investigate (and potentially ban) the British affiliates of the Muslim Brotherhood in response to a request from a Gulf prince. Saeeda Warsi's resignation was a response to that shift. But for Liberal Democrats, without a minister in Defence and with only myself monitoring developments from within the FCO, our influence was limited.

Could we have done more? Undoubtedly we could have played harder on occasions, and briefed the press more aggressively. I cultivated some journalists for background briefings; but most weren't interested in the arcane policy areas I worked in. The balance between keeping the coalition together and demonstrating our distinctiveness was never easy to strike; both press and Labour were always looking for signs that the coalition might fail. I also tried to brief Miliband's advisers from time to time about coalition policies on Europe and

on defence, in particular on the Trident review. That was a dispiriting experience: I met with indecision and unwillingness to play multi-party politics. 'We're still discussing that', or 'the shadow cabinet can't agree' were two of the responses I got to suggestions that Labour might like to give support to positions Liberal Democrats were pressing.

We should have been spelling out the distinctiveness of the Liberal Democrat philosophy that lay behind the policies we were pressing – but that's not easy to do in government, outside of party conference speeches. Cameron himself, and his No. 10 office, gave the coalition little sense of direction. He seemed to be concerned with party management, letting others compete in defining the direction of policy. The hard truth may be the message that we heard from our continental Liberal counterparts, when after the first year we were invited to a seminar on how, as the junior partner in a coalition, to avoid getting most of the blame and little of the credit. What they

told us was how difficult it is for the smaller partner in a coalition to avoid that fate. In the fifth year we should have paid more attention to spelling out the underlying differences between the coalition partners – in the hope that a largely hostile media might help us to get that message across. We were locked in for too long to the mindset that we had to prove that coalition can work, rather than demonstrating how two different parties can negotiate. But the weight of scepticism from so much of the media, as well as the Labour opposition, even after four years of coalition, still held us back.

William Wallace (Lord Wallace of Saltire) was a government whip and spokesman in the Lords from 2010 to 2015; from 2012 to 2015 he was the only Liberal Democrat in the FCO and dealing with the departmental business of the Cabinet Office. He was professor on international relations at the London School of Economics until 2005; and had earlier led the manifesto drafting group for both the 1979 and 1997 general elections.

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How did the Liberal Democrats remain united in the 2010–2015 parliament? And were they right to?

Matthew Hanney

WHEN THE LIBERAL Democrats entered the coalition government in May 2015 predictions abounded that the party would not, and indeed could not, last the course.¹ Many expected the party to split, or at least see a wave of high profile defections. The precedents of 1886, 1916 and 1931 offered historical ballast to this expectation. In short, the expected strains of delivering significant austerity in conjunction with the pressures junior parties in coalition inevitably face, especially in FPTP electoral systems, threatened to pull the party asunder.

Yet the Liberal Democrats entered the 2015 general election as a united party. Over the five years no parliamentarian had defected to another party;² and whilst membership fell in the first few years of the parliament, it increased for

the final eight consecutive quarters.³ Aside from the occasional squall from semi-detached peers, and the ham-fisted and short-lived attempted coup against Nick Clegg's leadership after the 2014 elections, there was little open dissent across the party over the five years. Despite consistently poor mid-term election results, there was no serious attempt to suggest leaving the coalition, and staying in the government remained the clear view of the party throughout.⁴ There were five main reasons this happened: the collective nature of the decision to enter government, the economic circumstances of 2010, the policy achievements in government, the belief during the parliament that the 2015 election could see a successful defence of a majority of the constituencies, and Nick Clegg's leadership style.

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The first, and most significant factor, was the collective decision-making process that the party engaged in before it entered the coalition. As leader and party president, Nick Clegg and Ros Scott ensured that this process not only adhered to the party's then agreed procedure – the so called 'triple-lock' – but went beyond it.

The background to this lay with the choice of the negotiating team of Danny Alexander, David Laws, Andrew Stunell and Chris Huhne. Whilst they regrettably lacked demographic diversity, they did represent a cross-section of the party's ideological spectrum. They also had between them experience of negotiating the Labour–Liberal Democrat coalition in Scotland, numerous local government agreements and extensive private-sector negotiating experience. Despite the eccentric suggestion from David Steel that this team were 'new and younger colleagues who he [Clegg] could dominate',⁵ this was not the case. It was a negotiating team selected with careful consideration given to ensuring it would be credible to the wider party.

As David Laws has narrated in *22 Days in May*, over the course of the five days after the 2010 general election the party leadership and negotiating team met extensively not just with MPs and the Federal Executive, but also with peers and representatives of the parliamentary parties in Scotland, Wales and Europe. The views expressed in these meetings were listened to carefully and, where possible, woven into the coalition agreement. And indeed, as David Laws articulates, the need to secure the support of the wider party was used as leverage during negotiations, most notably in relation to electoral reform.

The result of this extensive internal conversation was that when the proposed agreement was put to a vote, only one member of the FE, David Rendel, voted against, and no MP did (though a few, including Charles Kennedy, abstained.) Under the 'triple-lock' procedure this was more than sufficient a mandate. However there was consensus amongst the collective leadership of the party – the officers of the Federal Conference Committee, the FE and both Ros Scott and Nick Clegg – that

it would be wise to have a special conference anyway.

This was a crucial decision. And one for which those who pushed for it should take a considerable amount of credit. Equally important was the decision that conference debate the coalition agreement on a take it or leave it basis with tricky issues, most notably tuition fees, being addressed in amendments to the motion for debate rather than the agreement itself.⁶ After a full debate, with opponents of the agreement given a fair chance to make their case – with rather memorable props in Linda Jack's case⁷ – the special conference gave an overwhelming endorsement⁸ of the coalition agreement. This represented a collective 'dipping of the hands in the blood'. The party had collectively agreed to enter the government with all the inevitable challenges, trials and tribulations that would follow. This meant that over the following five years, nobody could sensibly or legitimately suggest that the decision had been imposed from on high. It had not and the party knew that.

The party also, albeit perhaps less overwhelmingly, accepted the argument that the country faced an economic crisis which required a stable government overseeing a programme of fiscal consolidation. The brief version of this argument was that the books needed balancing and needed balancing as fairly as possible, and the Liberal Democrats being – and remaining – in government was the best way to guarantee this. The strong grip the executive holds versus the legislature on the budgetary process in the UK⁹ meant that the influence Liberal Democrats wielded through the so-called 'quad' budget negotiation process was keenly felt, and significantly greater than anything that could have been achieved via confidence and supply.

That the wider party was willing to agree to the tough choices that implementing austerity entailed would not have surprised any student of Liberal Democrats in local government. In authorities across the country, from London boroughs such as Islington, Camden, Brent, Lambeth and Southwark, to cities such as Liverpool, Leeds, Newcastle, Sheffield and Birmingham, Liberal Democrats had taken power, sometimes also in

coalition with the Conservatives, from Labour and had taken difficult and often unpopular decisions to clear up the financial mess their Labour predecessors left.

The party's support for the fiscal mandate was tested twice at conference. The first time was at autumn conference 2012 when an amendment calling for the party to quit the coalition's agreed fiscal mandate was overwhelmingly defeated.¹⁰ The second time was a more closely contested vote with Nick Clegg himself summing a motion and seeing off amendments from the Social Liberal Forum which sought to unpick, albeit it with more nuance than the amendment a year earlier, the fiscal mandate. The vote was closer than previously, but still represented a clear win for the leadership.¹¹

So when this issue was put to the test at conference the result was clear. The reasons for this can be debated elsewhere, but the coalition was notably more flexible in its approach to the fiscal mandate than either its supporters or critics would allow at the time – and this was probably most evident in the reversing of cuts to infrastructure spending. Whatever the reason for its support, as long as the party believed that the coalition government's economic and fiscal policy was broadly correct (whilst acknowledging that it could never inevitably be purely Liberal Democrat) it would make little sense for the party to fracture, or to seek new leadership.

Throughout the five years of the coalition government there were clear and identifiable Liberal Democrat policy wins. It can be argued that these were outweighed by obviously objectionable policies, especially on welfare, but the policy wins were indisputably happening. Some, such as increasing the tax threshold and delivering the pupil premium, were flagship policies which went from the front page of the party's manifesto to become government policy. These policies benefited millions across the country: to paraphrase an old slogan, everybody knew somebody who benefited from the tax threshold change. And every school governor, doubtless well-represented in Liberal Democrat ranks, knew the difference the pupil premium made to their own school.¹² Liberal

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Democrats could, and did, take pride in these policies.

And just as important was delivering on issues that might, perhaps unfairly, be described as more niche issues, such as equal marriage, ending child detention for immigration purposes, and legislating for 0.7 per cent of GDP to be spent on international development. Knowing that Liberal Democrats were making a difference in areas that the party had campaigned on for decades persuaded many that remaining in government was worth it. And, importantly, this remained true throughout the parliament. An exit from the government after the 2014 elections would have seen Jo Swinson's important work on shared parental leave stopped by Conservative ministers who fought tooth and nail against it.

In short, this might be described as the Alex Cole-Hamilton explanation. He said after his defeat in the 2011 Scottish parliament elections that 'if my defeat tonight is part payment so that no child will spend another night in a detention centre then I accept it, with all my heart.'¹³ So compelling an argument was this that Nick Clegg quoted it in his 2011 autumn conference speech¹⁴ and again in his 2015 resignation speech, framing the wider argument as 'we will never know how many lives we changed for the better because we had the courage to step up at a time of crisis. But we have done something that cannot be undone. Because there can be no doubt that we leave government with Britain a far stronger, fairer, greener and more liberal country than it was five years ago.'¹⁵ An often overlooked element to policy wins for the Liberal Democrats, at least in regards to the continued support that the leadership and government enjoyed from MPs, were constituency-specific wins that the coalition delivered. Both Nick Clegg and Danny Alexander were diligent, especially in the second half of the parliament, in trying to meet these. The most obvious of these were road projects such as the A303, A1 and Kingerswell bypass. It would be easy, and understandable, to deride these as 'pork barrelling'. But when you have been campaigning for years¹⁶ for a policy that would improve the lives of those you represent,

then being able to make it happen by talking directly to a party colleague who is the responsible minister is of considerable importance.

Inevitably, and reasonably, given the result of the 2015 general election, there has been no shortage of critics of the campaign the party ran. However, in the years running up to the election, MPs, key-seat candidates and their teams, and indeed the media, believed that the strategy constructed and implemented by Ryan Coetzee and Paddy Ashdown gave the party a decent shot of being strongly competitive in forty to fifty seats and of holding approximately thirty seats – and with them, potentially the balance of power nationally. Polling by both the party and Lord Ashcroft broadly bore this view out, as did, crucially, both the Eastleigh by-election and local elections in those constituencies.

Ultimately, this belief was incorrect, and the results and polls gave the party false hope. However, it is reasonable to suggest that without the dramatic change in the political landscape – on both sides of the border – brought about by the Scottish referendum, the party's strategy might have proved relatively successful. This of course can never be proved either way. The key point remains that the party's candidates in the seats where there was a reasonable prospect of success bought into the plan that Ryan Coetzee, Paddy Ashdown and the 'wheelhouse' proposed and implemented.¹⁷ They may have been wrong to do so, but that they did was a huge factor in keeping the party united.

Whilst Lib Dem HQ did have some control of finances, which may have encouraged such buy in, this was relatively limited and the support most candidates gave was largely genuine rather than feigned or bought. This was also certainly true for the campaign run for the European elections in 2014 when the idea, if not the precise execution, of running an aggressively pro-European campaign was generally very positively received by candidates and the wider party.

Only a few of the critics of the electoral strategy can honestly claim to have expressed their concerns before polling day. The fact remains that, had there not been a reasonable degree of confidence

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that the line could be held, then there would have been a more determined attempt to rock the boat. After all, self-preservation is the most powerful of both human and political instincts.

Perhaps the most overlooked reason why the Liberal Democrats remained together is the leadership and party management skills of Nick Clegg. Whilst he doubtless made mistakes – perhaps the greatest was on the so-called 'secret courts' issue – he also got a lot right. He committed significantly more time to party management than any other party leader in government. This is as it absolutely should be in a party with such strong internal democracy as the Liberal Democrats, but nonetheless the list of his engagements is impressive. He was one of the most regular attendees at the Commons parliamentary party meetings, went regularly to the Lords parliamentary party meetings, held monthly conference calls with fellow leaders in Scotland, Wales, Europe and London, spoke at countless conference fringes and receptions and spoke at numerous fundraising events for key-seat candidates, as well as more ad hoc personal touches such as many hand-written letters to members on appropriate occasions and congratulatory calls to council by-election winners.

After the disastrous local election results of 2011, he was particularly assiduous in his communications with party's local government base. He went to the annual local government conference and met often with the Liberal Democrat LGA executive; indeed, so regular were his trips to Local Government House that the Conservative leader of the LGA found it easier to speak with him than with David Cameron. A similar pattern emerged in the devolved administrations where Conservative representatives suffered the repeated frustration of finding their Liberal Democrat counterparts better informed on the actions of the UK government, even in areas with Conservative ministers.

The scale of this commitment would have been in vain if it were a set of tick box exercises, but Nick Clegg was adroit at listening – with his customary good humour – to what members across the party said and then acting on it.¹⁸

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Numerous changes to government policy, and the presentation of it, stemmed from such conversations. These actions helped pull the party together by ensuring it had a stake in government, as well as generating goodwill that could be called upon in tougher times.

Were the Liberal Democrats right to have been so united?

This is an infinitely harder question to answer, especially for those intimately involved with the coalition government. But given the 2015 general election result, it is a question that merits examination. The facile answer is that the result could not have been worse, so any alternative strategy – be it a change of leader or exit from the government – could hardly have delivered an inferior result. This is an easy position to take, but for three reasons it is incorrect.

The first is that there is no clear evidence that, once the collective decision to enter government had been taken and the subsequent policy choices made, anything else would have made a significant improvement to the party's electoral standing. Nick Clegg was widely thought to have run a competent election campaign, performed well in the debates and indeed secured endorsements of one form or another from almost every national newspaper. However, the electoral consequences of the unholy alliance of Scottish and English nationalism, stoked by the SNP and Tories, was liable to sweep away any Liberal Democrat leader, campaign and message.¹⁹

The second is that for the survival of political parties – especially smaller liberal parties – it is division, defections and splits which can prove fatal rather than poor electoral results per se.²⁰ The Liberal Democrats in the aftermath of the 2015 general election are proving a robust, and indeed growing, party which held a relatively amicable leadership contest (certainly compared with Labour's!) and showed a willingness to collectively retain ownership of its record in government. Tim Farron has taken office without the stain of disloyalty and inherits a party that knows it can hang together in the toughest of times. The lack of bloodletting in the last parliament

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means that the hard questions and conversations that need to happen are free to be held in good faith and without rancour.

Finally, it is important to consider that the electorate view political parties over the long term, not just one electoral cycle. For many years the Liberal Democrats, and its predecessor parties, were viewed, however unfairly, as not really being up to the tough job of governing. Fine to be given control of local authorities, but not to play in the Westminster big league (as many voters saw it.) Such a view of the Liberal Democrats provided an inevitable glass ceiling on electoral performance in general elections.

The competency test that the electorate applies might be more that of Justice Stewart's 'I know it when I see it' rather than a scientific formula. But it is a hugely important test. After the last five years the Liberal Democrats are now equipped to pass it. Had the party broken ranks and turned in on itself then the public may well have taken an extremely dim view, not just in 2015 but in any future general elections when it looked possible we might form part of the next administration.

So, perhaps not surprisingly, I am in no doubt the party made the right collective choice to hold its nerve for five years. It was not easy and the price certainly was a high one, higher than almost anybody expected and higher than the party deserved. It is wrong to suggest there was no alternative; there was, but it was not one that would have served the party well.

Matthew Hanney was an adviser to Nick Clegg between 2006 and 2015.

- 1 Inter alia, <http://www.theguardian.com/commentisfree/2010/may/03/lib-dem-tory-coalition>.
- 2 Matthew Oakshott left the party 2014 to describe himself as a 'non-party Social Democrat'; perhaps the most senior Liberal Democrat to defect directly to another party was Richard Grayson (former Director of Policy under Charles Kennedy and parliamentary candidate), who defected to Labour in 2013.
- 3 <http://www.libdemvoice.org/45455-45435.html>.
- 4 The best, though imperfect measure of this, being the regular *Liberal Democrat Voice* members' polling,

which consistently showed very strong support for remaining in coalition: <http://www.libdemvoice.org/category/ldv-members-poll>.

- 5 <http://www.theguardian.com/commentisfree/2015/may/11/nick-clegg-liberal-democrats-disaster-coalition>.
- 6 The text of the motion the Special Conference passed is here: http://www.libdems.org.uk/special_conference_passes_building_a_fairer_britain_in_government.
- 7 Pink handcuffs!
- 8 Estimates vary as there was no need for a count, but of the approximately 1,500 in the hall certainly no more than 50, and quite possibly fewer than 20, voted against the agreement.
- 9 Especially compared to say the US for example, for more see here: <http://blogs.lse.ac.uk/politicsandpolicy/budgeting-in-the-uk-is-highly-transparent-but-that-does-not-mean-that-budget-decisions-are-carefully-scrutinized-nor-that-the-right-policy-judgements-are-made/>.
- 10 <http://www.bbc.co.uk/news/uk-politics-19699655>.
- 11 <http://www.theguardian.com/politics/2013/sep/16/nick-clegg-lib-dems-austerity>.
- 12 In England, and Kirsty Williams and her team also forced Labour in budget negotiations to deliver an equivalent in Wales.
- 13 <https://twitter.com/Alex4Central/status/66336714939047936>.
- 14 <http://www.telegraph.co.uk/news/politics/liberaldemocrats/8778863/Lib-Dem-conference-2011-Nick-Cleggs-speech-in-full.html>.
- 15 <http://www.libdems.org.uk/a-message-from-nick-clegg-to-liberal-democrat-members>.
- 16 Or, as an extreme example, Alan Beith's forty-year campaign to improve the AI which finally came to fruition under the coalition.
- 17 For more on this, see <http://www.theguardian.com/politics/2015/feb/17/inside-nick-clegg-lib-dem-general-election-campaign>.
- 18 For example, on tax incremental financing, the need for city deals not to be contingent on directly elected mayors and the timing of police and crime commissioner elections.
- 19 As argued further by Ryan Coetzee here, <http://www.theguardian.com/commentisfree/2015/may/22/liberal-democrats-opposition-labour-government>.
- 20 For example recently the Australian Democrats, Irish Progressive Democrats, and historically the splits in the Liberal Party of 1916 and 1931.