



politicalmandate

The Coalition Government
and its progress to date

CONTENTS



Introduction by Anthony King	3
About this pamphlet	7
A busy four months...	8
What next for this in coalition but not in government?	11
Analysing some of the key Departmental policy areas	
Business, Innovation & Skills	15
Cabinet Office	16
Communities & Local Government	17
Culture, Media & Sport	18
Defence	19
Education	20
Universities & Skills	21
Energy & Climate Change	22
Environment, Food & Rural Affairs	23
Foreign Affairs	24
Health	25
Home Office	26
International Development	27
Justice	28
Scotland Office	29
Transport	30
Treasury	31
Work & Pensions	32
Outside Parliament	33
The blogs MPs most respect	35
Conclusion	36
About Political Mandate	37

INTRODUCTION **by Anthony King**



No one last May predicted that today Britain would be governed by any kind of coalition government, let alone by a Conservative-Liberal Democrat one. Before 6 May, the most likely outcome of the 2010 election seemed to be either a Conservative overall majority or a minority Tory administration. David Cameron would become Prime Minister in either case, but he might find himself forced to depend on the support of other parties in the House of Commons.

On the night itself, the Conservative leader quickly realised that his party would fall short of an overall majority, and he knew he would be criticised and possibly even ousted by members of his own party for having failed to deliver them outright victory. He almost immediately staged a coup of his own. He offered the Liberal Democrats a full coalition based on a detailed agreement to be negotiated between the two parties. The Lib Dems would have seats in the cabinet, and Nick Clegg would be Deputy Prime Minister. It was a bold stroke on David Cameron's part and at once established him as a politician of the first rank – confident, tough and astonishingly adept.

Cameron put Clegg and the Lib Dems on the spot. Britain needed a new government and needed one immediately. Moreover, it needed a government that looked as though it would survive for several years and would move quickly to tackle the country's enormous budget deficit. Otherwise the currency and bond markets, already shaken by developments in Greece, Spain and Portugal, might – and probably would – go berserk. The core requirement was “stability.” Conservatives and Liberal Democrats in early May used the word endlessly in media interviews.

It was a bold stroke on Cameron's part and established him as a politician of the first rank.

Once Cameron's offer was made, it was one that Clegg and his team could hardly refuse. If they refused, the Tories and the media would immediately accuse them of putting at risk the country's economic recovery. For that reason alone, the Lib Dems' bargaining position, although it looked strong, was in fact very weak.



It was further weakened by Labour's failure to do better on 6 May. The Lib Dems would really have hoped for parliamentary symmetry: a position in which both major parties had secured enough seats for the Lib Dems to be able to install either of them in power. What they got instead was asymmetry: they could install the Tories in power but not Labour. By themselves, the Lib Dems and Labour could not command a Commons majority. They would be forced to rely – but in reality could not possibly rely – on the continuing support of a higgledy-piggledy disarray of minor parties. The country needed stable government. That is not what it would have got under a Lib Dem-Labour arrangement.

Of course, most Lib Dems would have preferred to do a deal with Labour, but the parliamentary numbers simply did not add up. Even if they had, Gordon Brown stood in the way. He was every bit as slow on his feet as Cameron was fast on his, failing immediately to counter the Tory leader's offer of a full coalition to the Lib Dems and also failing, until it was far too late, to offer to surrender his own position. Nick Clegg and his colleagues concealed the essential weakness of their position and negotiated cleverly, extracting from reluctant Conservatives the promise of a referendum on AV. In order to make a deal, Cameron was prepared to offer the Lib Dems almost any concession that he believed his party would accept. He got his deal – within days. Four months on, both he and it are still in place.

On the eve of the party conference season, people constantly ask whether the Conservative-Lib Dem coalition is proving a success. Is it working? That one question is actually two. Are the two parties working together effectively as a government? Separately, are the coalition government's emerging policies likely to cure the nation's deep-seated economic and other ills?

The first question is easier to answer than the second. So far, after only four months, the coalition, as a coalition, has undoubtedly been a success. There have been almost no spats, in either public or private, between Conservative and Liberal Democrat ministers. Teams of ministers from the different parties appear to work together amicably within the same departments. So far there has been no instance of an urgent decision being postponed simply because the two parties cannot agree. There have, of course, been well-publicised ministerial disagreements, but they have been confined to the Tories' own ranks: between George Osborne and Liam Fox and between the Chancellor and Iain Duncan Smith. Those disagreements would have been equally sharp if the Tories had been in power on their own.



The second question – of how effectively is the coalition dealing with the ills of the whole country – is harder, indeed impossible, to answer at this early stage. Two facts, however, stand out.

One is that the markets have not gone berserk. Before the election, Osborne, in particular, feared that the market for British government bonds might collapse, with interest rates soaring and investor confidence shaken as Britain's credit ratings were downgraded. That has not happened. The dog that might have barked in the night has remained silent. The coalition government has thus achieved one of its most important initial objectives.

Conservatives probably wanted to act swiftly because Labour under Tony Blair had moved so slowly.

The other fact that stands out is of a different character – and, from the government's point of view, could prove considerably more worrisome. That is the tremendous speed with which the new government has acted, especially in connection with schools and the health service in England. Within weeks of taking office, the coalition government had not only introduced a fiscally ambitious budget but had set out detailed plans aimed at revolutionising the administrative structures of both primary and secondary education in England and the NHS in England. Within months, it had begun its comprehensive cull of quangos, including the Audit Commission. The Conservatives, in particular, probably wanted to act swiftly because Labour under Tony Blair had moved so slowly – and ultimately ineffectually – in its early years, but the Tories may have drawn the wrong inference. The Blair government after 1997 moved slowly because it did not really know where it was going.

The contrast between now and the early Thatcher years is striking. Margaret Thatcher came to power in 1979 knowing exactly what she wanted to do but not knowing in any great detail how she wanted to do it. Her detailed plans evolved only slowly, and the domestic policy achievements for which she is best remembered – privatisation and curbing the trade unions' power – were largely products of the mid 1980s. Thatcher did not hit the ground running. She certainly hit the ground, but she then spent time surveying her surroundings before moving off into uncharted territory.



Irrespective of the intrinsic merits of the government's proposed education and health-service reforms, ministers may live to regret the haste with which they are being brought in. Relative stability among ministers in Whitehall could in time be matched by extreme instability across the rest of the public sector.

But of course the fate of this new government– and possibly the country's fate – will be determined overwhelmingly by the effectiveness, or otherwise, of the government's economic policies. On the Chancellor's own optimistic scenario, fiscal restraint will hold down taxes, restore consumer and business confidence and eventually result in an economic recovery led by an energised and freed-up private sector. On the Opposition's less optimistic scenario, substantial tax rises coupled with drastic cuts in public spending could damage both consumer and business confidence and even result in a deep double-dip recession. Osborne does not look like a gambler, but he is one. Any Chancellor in 2010 would have to be.

How long will the new government last? That depends ultimately on the Liberal Democrats. They may choose voluntarily to quit the coalition. The Tories are in no position to sack them: sacking them would almost certainly bring down David Cameron and his government. One possibility is that the Lib Dems remain broadly united and stick with the coalition until May 2015, perhaps exacting yet more concessions from the Conservatives as they go along. The Liberal Democrats will certainly not want to provoke an early election if, as seems probable, the opinion polls begin to report that voters in droves are turning against the coalition.

Another possibility is that more and more Lib Dem MPs conclude that their chances of retaining their own seats – and perhaps the chances of the Liberal Democrat party as a whole maintaining its collective position – would be improved if the Lib Dems deserted the coalition and set up shop on the opposition benches. If the coalition government became sufficiently unpopular, the Lib Dems might decide that ceasing to be part of it, and ceasing to support it, would be the politically prudent course of action.

Yet another possibility is that the Lib Dems split, with some ministers sticking to their posts while others, along with probably a majority of their backbenchers, decide to reassert their independence as a party. In the past, the Lib Dems' predecessor party, the Liberals, often split. History could repeat itself.

Anthony King is Millennium Professor of British Government at the University of Essex.



ABOUT THIS PAMPHLET

This pamphlet tries to take stock and review the coalition government's progress since assuming power in May.

Already, the novelty of coalition government appears to have worn off over the summer months. It doesn't seem so strange after all. In fact, it seems for once Britain has opted for a 'grown up' form of politics with parties coming together and working in partnership to deliver a common agenda.

Sadly for David Cameron and Nick Clegg that relative calm over the summer months is likely to come to an abrupt end over the next few weeks culminating in the publication of the CSR on 20 October. Make no mistake the CSR will be brutal; the Chancellor has already indicated that the level of spending cuts required to pay down the national deficit will be unprecedented in the post War era.

Labour's new leader, fresh from electoral victory at their conference will concentrate their energies on discrediting the coalition's fiscal policy, and they may not have to look far for ammunition or support.

The Chancellor has indicated that the level of spending cuts required to pay down the national deficit will be unprecedented in the post World War Two era

Commentators, academics and politicians are all divided over the level of cuts which are required and the pace that they should be implemented. In addition, the trade unions, congregating at their annual conference this week in Manchester, have issued warning shots.

Thinly veiled threats of civil disobedience this autumn/winter, are likely to materialise if the government lives up to the 'cuts' rhetoric it's been briefing the media over the summer. These are exceptionally challenging circumstances for any government and the fate of the coalition government may well rest on the success, or failure of the CSR.

Over the following pages you will find a summary analysis of some of the key government departments, the personalities and the politics.



So, which issues are cabinet ministers having to grapple with, what departmental turf wars are taking place (who are the winners and losers?) and which cabinet ministers' have reputations on the rise, both in the eyes of departmental officials and Downing Street, and which are heading for the revolving door, left broken by bruising encounters with the Treasury?

Each department has its agenda, but the anticipated severity of the spending cuts is likely to result in fundamental reappraisal of what policies are actually deliverable. Expect those departments with cabinet ministers who understand what's required to fare best, but in this spending review there won't be many winners.

There will be opportunities, as the coalition seeks external private and voluntary sector expertise to help advise on and partner delivery of government policy.



A BUSY FOUR MONTHS...

Ministerial posts divided up, a comprehensive policy programme agreed, the first Budget introduced, establishment of the Office of Budget Responsibility and the initial rounds of spending cuts implemented: the Conservative/Liberal Democrat coalition government is firmly established on the political scene and making far more of an impact than the last cross-party governing agreement, the Lib/Lab pact of the 1970s.

The first few months of a government are often a poor indicator of how it will turn out in the long run. Gordon Brown did not end up being the popular leader confidently in charge that he was in the summer of 2007. Nor did John Major end up by the consensual leader of the party seen as by far the best at handling the economy. Nor even did Margaret Thatcher end up presiding over the government many predicted immediately after the 1979 general election, that is one which would not be that much of a break from the pre-1979 political consensus.

With the added complication and potential fault lines of a coalition, not to mention the uncertainties of the economic outlook and the situation in Afghanistan, predicting how this government will turn out is a risky prospect.

Early feelings of optimism were brought to a halt within weeks when David Laws, the much respected Lib Dem chief secretary to the Treasury, resigned over an expenses claim. If this was a reality check, the coalition was keen to ensure it did not become a setback.

**The first few months of a government
are often a poor indicator of how it
will turn out in the long run**

So far the signs are that the commitment to a full five-year government is genuine and seeping into the day-to-day expectations of how Whitehall goes about its business. Underpinning it is a simple judgement: the longer the parliament lasts, the more time there is for the tough economic decisions early in the parliament to bear political fruit.



At a personal level, the different ministerial teams mixed from the two parties are generally working well, with personality differences and policy disagreements as much within parties as between them. On many issues, such as the environment or the justice system, the lines of disagreement cut across the coalition parties rather than divide them.

There was inevitable media speculation over likely policy fault lines and potential areas of disagreement between the two parties in the run up to the Queen's Speech, but it was received with genuine endorsement. It is the impact of the Comprehensive Spending Review on 20 October that is a much more uncertain prospect. Generations of ministers have entered government sure that there is waste to be found but left office wondering how it turned out to be so elusive. Will the massive cuts of a quarter or more in many departmental budgets see waste and luxury services finally located and rooted out or will it see widespread cuts in services that the public considers essential? No-one really knows.

The announcement in August, that retail tycoon Sir Philip Green has been appointed to spearhead a review on how Whitehall can reduce overall spend, has raised a few eyebrows, especially among the Lib Dems. What new areas of government spending is he going to shine a light on that the Chancellor and his teams of advisers cannot identify?

Will the massive cuts of a quarter or more in many departmental budgets see waste and luxury services finally located?

But if there is a dividing line between the coalition partners, it will be spending cuts that may expose the ideological differences between a Conservative Party dominated by those who believe in principle in a smaller state and a Liberal Democrat party heavily populated by those with a rather different attitude towards state funding. For the moment, the necessity to cut the deficit helps smooth over these differences, but the irony is that the better the government's economic policies fare the sooner the differences may grow.



WHAT NEXT FOR THOSE IN COALITION BUT NOT IN GOVERNMENT?

Both Cameron and Clegg have largely been commended by the public and the media for the pragmatic approach they have taken to coalition government. In fact, there has been a degree of audacity in the way both men have junked policies previously considered quasi party 'heirlooms' in order to safeguard cabinet unity and maintain the momentum of policy delivery. It is that momentum which is critical to the success of the coalition. No one can predict how the electorate will react at the polls in the devolved and local elections next year. Already, some commentators are forecasting an implosion in Lib Dem support. But the government isn't being drawn on psephologists' predictions; it is focused on delivering the terms of the coalition agreement, and won't allow itself to be blown off course by 'peripheral' issues on the horizon.

Keeping a coalition government together will be challenging. Though the Conservative and Lib Dem leadership may have struck up a good personal rapport, the rank and file parliamentary membership of both parties who have not been appointed to posts in the coalition government are much more circumspect over the benefits of cohabitation.

Momentum is critical to the success of the coalition

Nick Robinson's recent BBC documentary emphasised the chasm over policy which existed during the coalition talks between the Conservatives and the Lib Dems, especially between those outside the leadership circles in both parties.

It is difficult, almost impossible, to fully understand the range of emotions that MPs of both parties would have felt in the period immediately in the aftermath of the election result. Subsequently, it has been widely reported that there was overwhelming support for the coalition from both the Conservative and Liberal Democrat backbenches. But that was in the eye of the storm, with the 24 hour media stalking the negotiating teams with reports that the markets would not accept delay, and with the Greek economy in peril, the UK's political leaders could ill afford to procrastinate.

Now the dust has settled, we have a clearer sense of how the Conservative and Liberal Democrat backbenches feel about the government, and unsurprisingly there are some who have become critical of the direction and detail of some of the policy and legislation emanating from Whitehall.



Many of the most 'vocal' backbenchers are well known figures on the green benches, and in almost every case they previously held frontbench roles in their parties. But post-election they are on the backbenches. Some are considered habitual members of the 'awkward' squad, but several are respected and most importantly are seen to chime a chord with party backbench opinion. Both David Cameron and Nick Clegg will have to carefully manage their relationships with these individuals in their own parties, because they possess the power to agitate and corral support either in favour of the coalition, but also against it.

For Cameron scrutiny focuses on the 'style' of his relationship with his backbenchers. Often accused of being abrasive with colleagues who aren't inside his 'circle' of advisers, he was roundly criticised within days of becoming Prime Minister for his clumsy attempt to ride rough shot over the influential Conservative backbench 1922 Committee elections and curb its independence by opening up membership to frontbenchers, who of course in government are now ministers. In the short term the failed attempt left Cameron with a bloodied nose, but there will be longer term fears within Downing Street that the Prime Minister's decision has left him vulnerable and only succeeded in fanning the flames of mistrust which already burn between the Tory backbenches and the leader.

Former Tory leadership candidate and shadow Home Secretary David Davis, is the most likely to remain a thorn in the side of the Prime Minister. It didn't take him long to rock the boat. In July, he was overheard by journalists at a private dinner describing the partnership between Cameron and Clegg as the 'Brokeback Coalition' - a reference to the Oscar-winning film Brokeback Mountain. Davis' 'beef' is he just doesn't like being in coalition with the Lib Dems, so we can expect a few more interventions from him over the coming months.

Other individuals of independent mind are likely to be John Redwood, former Wales Secretary in John Major's cabinet, and infamously Conservative leadership challenger in 1995. Like Davis partnering the Lib Dems in coalition is not a notion that makes him comfortable. He mounted a vigorous campaign against raising the rate of CGT. He will be a vociferous commentator on the planned spending reductions.



Likewise Andrew Tyrie, the new Treasury select committee chairman. He beat the odds on favourite veteran Michael Fallon for the post and is likely to be a tougher customer for the Treasury to handle than Fallon would have been. A former Treasury official and special adviser, who was strongly supported by Labour members in his bid to become committee chairman, he brings an independent mind to the role, and he won't be afraid to use it.

Lastly, Graham Brady could be the surprise package on the Conservative backbenches. The new Chairman of the 1922 Committee has twice crossed swords with his leader. In 2007, he condemned the change of party policy on grammar schools, was reprimanded, and resigned later in the year and during the 1922 Committee elections he ran and won against Richard Ottoway who was Cameron's preferred candidate.

Simon Hughes' role as Deputy Leader of the Liberal Democrats is to be the official voice of discontent

In contrast to Cameron, Nick Clegg is considered to be more consensual among Liberal Democrat colleagues (although that view may be changing in government); the key challenges facing Clegg are around policy. The Lib Dems may find themselves in coalition, but it is a coalition, at least numerically, that is dominated by Conservative ministers and therefore can appear to Lib Dem backbenchers that it is a government focused on delivering a Tory agenda. There is huge pressure on Clegg to carry his parliamentary party with him and persuade them that he and his colleagues in government are 'gold plating' the delivery of Liberal Democrat policies, like raising the tax threshold for the poorest, increasing the rate of CGT, and delivering constitutional reform. He will be judged on what he can deliver in government, but some of those Lib Dem MPs in the coalition but not in government are waiting for him to slip up, the question then is how does he deal with it? Is Nick Clegg first and foremost the leader of the Lib Dems or Deputy Prime Minister?

In many ways, Simon Hughes' role as Deputy Leader of the Liberal Democrats is to be the official voice of discontent. Backed by the party's establishment in the contest for the post, Hughes was seen as the answer to how the party can give space to those uneasy about aspects of the coalition without becoming a divided party.



Beyond him though there are also some early signs of which backbench MPs might become rebellious. Earlier this week Bob Russell tabled an Urgent Question for the Chancellor to appear and explain why he revealed an additional £4 billion worth of spending cuts to the media and not to the House of Commons. So far the grounds for complaint from back bench Lib Dem MPs have been fairly narrow – principally the VAT rise – and unease expressed in muted terms, but we can anticipate that it will increase. Four MPs signed an EDM on VAT rises, Andrew George, Bob Russell, Mark Williams and Roger Williams, though only one of them (George) then voted against the government in the commons, being joined by Mike Hancock. Six MPs (including Andrew George and Mike Hancock again) subsequently voted against the Academy schools legislation.

None of these rebels are seen as 'heavy hitters' in the Liberal Democrats or people who have a particular following amongst colleagues or the party at large.

A potentially more potent source of danger for the party is popular former leaders, though by far the most popular of those – Paddy Ashdown – is sticking firmly to his long-expressed belief that ex-leaders should behave with a similar loyalty to their current leader that soldier (of whom he was one) should show to their more senior officers. The more intriguing figure is that of Charles Kennedy (born 1959) who, unlike the other ex-leaders, is still young enough for a future further political career still be to plausible.

Both Clegg and Cameron face unique and overlapping challenges from their backbenches, and their ability to keep their colleagues on side will test their authority and critically, the sufficient level of support they both depend upon if they're going to successfully keep the coalition together.



BUSINESS, INNOVATION & SKILLS



Vince Cable's appointment as Business Secretary was greeted with mixed reactions among the City, media and political circles. The sage of the financial crisis had gone full circle. Special Adviser to John Smith in the Callaghan government, via Shell where he was chief economist, to becoming the most popular 'interim' leader probably any party has ever had and finally the Department of Business, Innovation & Skills. A department he advocated abolishing only a few years ago when it was the old DTI. But much has changed in the intervening period with Lord Mandelson transforming the fledgling Department for Business into a political powerhouse to challenge the influence of the Treasury.

Aware of this potential rival power base, Chancellor George Osborne has been quick to embrace Cable as a colleague, but the relationship got off to a bad start, with Cable believing he had responsibility for the banking sector, only to discover that the Treasury was determined to maintain its stranglehold over the financial sector. It is no secret that Cable and Osborne don't get on. During the election Cable accused Osborne of indulging in 'schoolboy economics', criticising the Tory shadow chancellor over his plan to use £6 billion of efficiency savings to scrap Labour's national insurance rise. But both men know how critical their relationship is to the fate of the coalition.

It was a significant gesture that Cameron made BIS the first ministry he visited on taking the reins in Downing Street, and he lavished compliments on the former Lib Dem Treasury spokesman. Cameron painted the picture of BIS and the Treasury being the 'two big economic departments' which have a massive role to play in rebuilding the economy.

Determined not to be brushed aside, Cable is adamant he wants to see three priorities pursued by the coalition: structural reform of the banking sector, the introduction of a levy (at least until banks are made safe through structural reform) and pressure on banks to provide credit and working capital to credible businesses. His recruitment of able economist Giles Wilkes as his special adviser from the Lib Dem leaning think tank CentreForum illustrates his determination not to be blown off course by the Treasury.

Osborne's appointment of the Independent Banking Commission (due to report in May 2011) has brought him some time to make his case for safeguarding the structure of 'universal' banks but there is potentially a big clash brewing. Although some journalists have wrongly read Cable's frequently dour demeanour for unhappiness with the coalition (not having noticed that it has been his demeanour for years), a failure to get his way on banking reform could trigger a major coalition crisis.

But if it's not the banks, it may be the Post Office that presents the Business Secretary with his biggest challenge. A perennial headache for every recent government, Cable announced ambitious plans last week for the complete privatisation of Royal Mail. This goes well beyond the commitment in the Lib Dem manifesto that proposed to sell off only 49% with the rest divided between employees and the state. Although BIS officials are keen to emphasise all options are still on the table, even discussing plans for the sale of Royal Mail will bring the trades unions out in force and handling any fall out could prove Cable's biggest test in government.

CABINET OFFICE



The critical prize for the Liberal Democrats entering coalition government with the Conservatives was political and constitutional reform. Nick Clegg, now installed as Deputy Prime Minister at the Cabinet Office, has the responsibility and the opportunity to implement the sort of policies his party has spent decades in the political wilderness calling for.

Obtaining Conservative agreement for voting reform and tacit support for proposals on the Alternative Voting system appeared to be quite a coup for the Lib Dem leadership in the early days of the coalition. Clearly an outsider, Clegg has quickly learnt in government the need to take a more pragmatic approach to policy formulation and delivery. He is widely considered to have adapted well and built up a strong personal rapport with David Cameron – something many Lib Dem backbenchers are sceptical about.

As for the Cabinet Office, it has succeeded in pursuing two different agendas. Clegg's reforming agenda is likely to have a lasting impact on the configuration of parliament, but it is the second agenda that will have a far wider impact on the success of the coalition, that of Francis Maude and Oliver Letwin. In opposition, both senior Tories were instrumental in drafting policy and planning for delivery in government, and they have carried on this work since the election.

While the Treasury has applied pressure on individual government departments to reduce their annual spend, it has been the role of Maude and Letwin to overhaul the government's procurement process, strip out waste and drive through better cost-benefit analysis to ensure that the government pays more competitively for the services it procures.

An early move was to transfer the Office of Government Commerce & the public sector procurement agency Buying Solutions into the Cabinet Office to form the Efficiency & Reform Group, which has been given a mandate to ensure departments work together to tackle waste and improve accountability. As part of the 'Big Society' agenda, the Cabinet Office will also play an important role in enabling voluntary groups and social enterprises to help design and deliver public services. While the most eye catching announcement has been the appointment of retail tycoon Sir Philip Green to head up a review on Whitehall efficiency (which is due to report before the CSR). He's been tasked among, other things, to assess whether government contracts entered into since 2007 are good value for money.

Maude has recently claimed in the media that he is close to successfully renegotiating existing ICT contracts with the 19 biggest government suppliers – trimming £800 million off the price tag. But there remains real pressure on the Cabinet Office, as the 'delivery department'. It straddles two agendas, which both embrace reform, but are piloted by different political masters. If cracks emerge in coalition government policy delivery, it is likely they'll be spotted first at the Cabinet Office. The relationship between Clegg and his Tory departmental ministers will be crucial.

COMMUNITIES & LOCAL GOVERNMENT



Eric Pickles has always been a man who 'tells it as he sees it' and a seat in cabinet hasn't changed that. A former councillor himself, within weeks Pickles had lambasted councils for employing people in 'non-jobs' and suggested council chief executives were surplus to requirement, comments which drew a sharp rebuke from the Conservative chair of the Local Government Association.

Likewise, he has wasted no time in implementing the coalition agreement, scrapping regional housing targets, abolishing the Comprehensive Area Assessment of councils and doing away with regional spatial strategies and regional development agencies. Pickles is intensely political and his eye for a populist story has seen him swiftly banning 'garden grabbing' and the 'bin tax'.

Pickles is widely seen to have made a good start, with his clarity of direction said to be welcomed by officials, though some critics claim that his style is leaving many staff struggling to work effectively. His headline-grabbing pronouncements can be short on detail: the Department had one of the biggest shares of the Chancellor's £6.2billion package of early cuts, and was criticised for repeatedly postponing the release of details of how the cut would be applied to each council's budget. Pickles' Special Adviser, Sheridan Westlake (a serving councillor in Guildford), has also impressed DCLG officials by his accessibility – he is reported to respond to every email he receives from officials within 24 hours.

They will need all the attention to detail and high-level support they can muster if they are to achieve the bigger policy promises in the coalition agreement: the radical decentralisation of the planning process and reform of local government finance. On the former, there should be little differences of principle with the Liberal Democrat minister Andrew Stunell as decentralisation has long been a Liberal Democrat demand. As one of the key negotiators for the coalition, Stunell is also fully committed to making it work. However, on local government finance Conservative and Liberal Democrat policies have frequently been markedly different.

These differences may increase if Pickles continues his style of both talking about decentralisation yet also issuing central directions to local authorities. Moreover, whilst giving local communities a much greater say in what is built locally will be popular, many in the housing, transport and energy sectors fear that plans to incentivise communities to accept new development will not be sufficient to overcome local opposition and entrenched 'nimbysism'.

Likewise, wholesale reform of the fiendishly complex system that funds local government has been tried repeatedly but has always floundered on the conclusion that the revaluation of the council tax base would be fatally unpopular. The coalition agreement's promise to freeze council tax in the first year implies Pickles is no less sensitive to that issue and the fact that the timetable has already slipped by two years, putting it perilously close to the next election, means that radical reform – with all the winners and losers that will imply – just got even more difficult.

CULTURE, MEDIA & SPORT



Culture, Media & Sport is one of the few government departments with no Liberal Democrat ministers, and perhaps as a result the Conservatives in charge are closely sticking to the plans they set out in opposition.

There is some Liberal Democrat influence in the form of Don Foster MP, the former Lib Dem CMS spokesperson, who is said to be working closely with Jeremy Hunt and his team, and has been tasked with leading a review into using abandoned betting accounts to fund grassroots sport.

Hunt and his ministerial team have certainly hit the ground running since the formation of the coalition government in May. Hunt has become a bit of a 'poster boy' for Chancellor George Osborne's Whitehall spending cuts. DCMS may only control a £2bn budget, but the Treasury has been hugely impressed with how Hunt, a former management consultant, intends to introduce 50% cuts in the running of the department in an attempt to protect frontline funding of arts and sport.

One of Hunt's first steps was to scrap official cars and end first-class travel. An even more cost cutting proposal Hunt is working on is for DCMS to move from its premises in Cockspur Street and share office space with another Whitehall department, possibly the Treasury, to reduce the annual £10m rental bill.

Early eye-catching policy announcements include abolishing free swimming, scrapping the UK Film Council and merging a number sports quangos. This rather grim news for the sector has been offset by some clear and bullish statements from the Sports Minister, Hugh Robertson who has been widely praised by people both inside and outside the department, for unveiling plans for an Olympic-style school sport competition and the redistribution of the National Lottery. He also moved swiftly to maintain the current list of sporting events protected for free-to-air television, conscious that he couldn't deprive sports of a major income stream while cutting their funding elsewhere.

Aside from sport and the Olympics, communications policy will be central to the department's success. Both Hunt and Communications Minister Ed Vaizey have been vociferous in their criticism of the BBC. Hunt has already accused 'Auntie' of needing 'to live on the same planet as everyone else' and has refused to rule out a cut in the licence fee. The BBC has responded by offering to freeze the licence fee for the next two years, but that's still unlikely to satisfy Hunt who will be looking for tougher spending reductions.

Vaizey in his part DCMS, part BIS role has been charged with carrying the torch for delivering Britain with world class broadband infrastructure. High aspirations, but already there are mutterings over whether government is prepared to make the necessary investment.

DCMS may lack the size and scope of many Whitehall departments, but several of the policies that it is delivering are likely to become emblematic of the success or failure of the coalition government.

DEFENCE



Liam Fox as Defence Secretary was one of the earliest ministerial confirmations following the formation of the coalition. With troops deployed in conflicts across the world and with the loss of lives in Afghanistan, this is a tense and important time for the MOD. Fox has shadowed the role since Cameron handed him the portfolio in 2005 following the former's defeat in the Conservative leadership election. However, the ultra right-wing, Eurosceptic Fox and the 'compassionate Conservative' Prime Minister have an extremely fragile relationship, which has become more strained since the government formed. Along with William Hague and Iain Duncan Smith, Fox is one of the key figures in cabinet from the Conservative right.

The sacking of Sir Jock Stirrup as Chief of the Defence Staff was one of the earliest areas of tension between the Defence Secretary and the Prime Minister, with Fox accused of handing the story to the media without permission from Number 10. Further negative headlines followed with Fox's insistence that Luke Coffey, a former US army captain, became his special adviser – a move criticised by many apparently due to security reasons and concerns that Fox's Atlanticist views and connections with 'Atlantic Bridge', a charity Fox set up to maintain the 'special relationship', have become too strong.

Tensions have also arisen over the future of Trident, both within Conservative ranks, with Chancellor George Osborne reiterating that the MoD will have to fund the full cost of any renewal itself without additional assistance from the Treasury, more widely within, the coalition, with the Liberal Democrats having been very sceptical of the merits of replacing Trident, especially in a like-for-like manner. The coalition's agreement to subject any future plans to a cost-effectiveness review is wise yet also simply defers the key decisions.

The greatest immediate challenges facing the MOD are the proposed spending cuts and the removal of troops stationed abroad. Fox recently declared that Britain no longer has the funding needed to defend itself from all levels of threat, leading to suggestions that the 25,000 troops currently stationed in Germany will soon be brought home.

There have also been mixed signals regarding when troops will leave Afghanistan. Cameron has pledged to withdraw all British troops by 2015 while Fox said Britain would be betraying the sacrifices of its fallen soldiers if it left "before the job is finished".

Last month Fox outlined that the MoD will be reorganised into three specific areas – policy & strategy, the armed forces and procurement & estates, and a cultural shift 'which will see a leaner and less centralised organisation'. Moreover, he announced that a defence reform unit under Lord Levene was being set up to guide the Strategic Defence and Security Review, with the aim of identifying ways of devolving more responsibility for the running of the armed services themselves.

The Liberal Democrat minister in this department is Nick Harvey, whose prominence amongst Liberal Democrat MPs had been on the wane for several years. Thrust back into the relative limelight as a minister, his role not only gives him an inside track on the Trident negotiations but also the opportunity to continue the concerns for well being of military personnel that often featured in Lib Dem campaigns in opposition.

EDUCATION



The Conservatives had bold plans for education in opposition and the coalition negotiations with the Liberal Democrats were never going to alter that vision significantly. Education Secretary Michael Gove has been a strong advocate of the Swedish 'free school' and Academy models for some time, and was one of the first shadow ministers to get his plans approved by the Conservative's implementation team in opposition. With an Academies Bill largely written before the election and hundreds of groups contacting the New Schools Network – set up by Gove's former policy adviser Rachel Wolf – enquiring about how they might set up a 'free school', things were looking rosy for the education team in Opposition.

Coalition has brought the complication of the Academies proposal being unpopular with many in the Liberal Democrats (especially councillors), and as a result many of the details of the legislation are less trail-blazing than if there had been a one-party government.

A much more significant alteration in policy to accommodate the coalition has been the introduction of a 'pupil premium' to focus extra funds on teaching the poorest children – reflecting a core Liberal Democrat priority and one which is particularly dear to Nick Clegg's heart. The Liberal Democrat focus on the first years of formal education has also been reflected in Sarah Teather's ministerial remit, which includes a comprehensive review of early years education.

The department has hit some early stumbles. The widely-expected cancellation of the Building Schools for the Future programme descended into farce when the list of cancelled projects contained mistakes in not only the first draft, but also the second and third. Following initial reports that over 1,000 schools had applied for Academy status, Gove's team faced further embarrassment when the confirmed list contained just 150 schools. Then to make matters worse, fellow Conservative ministers have started publicly attacking Gove for not approving school projects in their constituency.

It is perhaps a saving grace then that all of these problems occurred in the first few months in government at a time when the Labour Opposition was still in disarray, the scrutiny functions of parliament still were not in place and while most of the media held back on being too harshly critical of a government still finding its feet.

On entering government Gove has shown himself clearly from the school of thought that thinks one of the big lessons from Tony Blair is that governments need to act quickly on a broad front if they are not to look back in retirement and regret how little they achieved. The challenge for Gove will be in the implementation - convincing businesses, teachers and community groups they actually want the power to run new schools and that the pupil premium provides meaningful support to the government's rhetoric on social inequality.

UNIVERSITIES & SCIENCE



Not strictly a government department, and under the patronage of the Department for Business, but for the purposes of this pamphlet we believe Universities & Science deserves a standalone section.

Higher education was always going to be one of the most difficult policy areas for the incoming government. The Independent Review of Higher Education Funding and Student Finance, led by Lord Browne and due to report later in 2010, simultaneously dominated and quelled debate about universities and research prior to the election.

Ending tuition fees has been a long-standing, and very popular, Liberal Democrat policy. Although still retaining its strong supporters in many parts of the party, Nick Clegg tried to significantly water down his party's position until a confrontation in autumn 2009 forced a compromise to be brokered. Despite these views, Nick Clegg himself, along with many other Lib Dem MPs, signed an NUS-led pledge to 'vote against any increase in fees'. Reflecting the shifting tensions within the Liberal Democrats on the issue, the coalition agreement merely gives Lib Dem MPs the option to abstain from any vote on fees.

Following the election, and despite rumours of changes, BIS retained universities and science. David Willetts MP, who could reasonably have hoped to become Secretary of State under a Conservative government, became a Minister, albeit one with a seat in cabinet. Initial announcements, from warm words about protecting science funding and the promotion of apprenticeships, were well received and the Browne Review's ongoing deliberations helped them through the first few months.

The first real test for David Willetts, and the coalition, will come with the publication of the Browne Review. Already cracks have appeared, fracturing a fragile agreement to hold fire until the review reports. Vince Cable's said publically that he favours a graduate tax over tuition fees but 'senior sources' within the Conservative Party are reported to have said that this idea had been rejected. The unions, including the NUS, are warning up to attack the government in the face of cuts and fees reform.

The challenge for Willetts will be to persuade his colleagues in the coalition that reform of higher education funding and student finance is not only necessary but will also go hand-in-hand with an improvement in quality and social mobility. The risks for the Liberal Democrat party are higher still – not only has opposition to tuition fees been a reliable vote winner for the party, but the party itself is no longer all of the same view on the issues.

In early September, Cable faced the wrath of the scientific community when he delivered a blunt message that he intends to squeeze public funding of scientific research. Emphasising the government's favourite mantra, he urged universities 'to do more for less', stating that taxpayers should only be asked to back research that has a commercial use or was academically outstanding. Scientists have responded tersely, claiming that breakthrough discoveries don't occur in an orderly timescale – like elections! The underlying fear is that historically public funding has been the only guaranteed source of investment for long term research. Again hardly anything appears to be immune from the measures that will be announced in the Spending Review.

ENERGY & CLIMATE CHANGE



The new ministerial team at DECC faces no small challenge: developing a policy and market framework that will deliver around £200bn investment to completely transform the UK's ageing and environmentally unsustainable energy system over the next decade.

The team are also at the centre of the coalition's political dynamics. For the Liberal Democrats, significant progress on tackling climate change represents one of prizes of entering coalition government. For David Cameron and the Conservative modernisers, climate change is one of the markers of how the party has taken the journey away from a position of historical right-wing scepticism.

So far the team at DECC have had a fairly smooth start to the new parliament, perhaps because in truth, both the Conservatives and Labour have both advanced broadly similar energy policies for some time now, with the result that Labour's opposition in this area has been mostly muted. The Liberal Democrats' tendency in opposition to 'out-green' the other two parties, has turned into a more pragmatic approach now that Chris Huhne is faced with the realities of working with the Conservatives and keeping the lights on.

Many eyebrows were raised when news trickled out that a Lib Dem would take the post of Energy Secretary in the coalition cabinet. How could they square it with the party's opposition to nuclear power? In fact Chris Huhne has taken a pragmatic approach to a potentially thorny issue. In August, he emphasised that nuclear needs to play an important role in the UK's future energy mix, and while the government will put in place the necessary policy framework, under no circumstances will public subsidies be made available. It is a delicate position to occupy, but so far the realist Huhne has managed to keep his party in line.

Renewable energy and the cost effectiveness of energy and climate change policy seem set to be the major sticking point between the two governing parties. Grumbings from Conservative backbenchers unhappy about Huhne's pursuit of higher EU targets for emissions reduction, and some of the less cost effective mechanisms for supporting renewables are likely to only grow louder.

Perhaps more than anything else DECC needs to provide some much-needed stability and certainty for investors wary of making policy-driven investments in a market characterised in recent years by endless reviews and changes. The new government will be judged by what investments have actually been delivered under its watch. It has taken a sensible approach so far, publishing an Annual Energy Statement to provide some near-term clarity, and has not rushed to abandon policies without consulting industry. The new team seems to be taking a long-term approach, without forgetting the urgency of attracting investment.

The relationship between Huhne and Clegg will tease many commentators, looking for cracks in the coalition among senior Lib Dems. There's no love lost between both men, since Clegg squeezed past Huhne to win the party leadership contest by the slenderest of margins. If Clegg does hit stormy waters, we can be sure that Huhne will be a leading contender and offer himself as a viable alternative to lead the Lib Dems.

ENVIRONMENT, FOOD & RURAL AFFAIRS



The Department for Environment, Food and Rural Affairs has got off to a relatively smooth start under the coalition government. Initial concerns about Caroline Spelman's links to the GM food industry were somewhat allayed after she stood down from the food and technology lobbying firm she had directed with her husband.

Early policy announcements from DEFRA have sought to keep the Conservative Party's rural supporters on side. Farmers will be heartened by the launch of a taskforce on farming regulation, the announcement of a consultation on a badger cull to control bovine TB, and a push for 'honest' food origin labelling.

DEFRA is perhaps 'the' department ripe for spending cuts in October's Spending Review. Spelman has earmarked some of the 87 quangos that the department services for abolition or merger which will go long way to delivering the 40% savings she has agreed with the Treasury to deliver, while still enabling DEFRA to protect frontline services like flood defences and animal health protection.

However, deep cuts will challenge DEFRA's commitment to deliver on one of its flagship policies: to bring fast broadband to all rural areas. It remains to be seen whether the coalition government will be able to make any more progress than the last government in addressing the challenge of securing a sustainable food supply for the future, balancing the interests of farmers, health, and environmental impact. And will DEFRA be successful in taking on the water industry as it seeks to reform the way we use this precious commodity?

The elephant in the room for DEFRA is the coalition government's pledge to offer a free vote on the repeal of the Hunting Act. There was no mention of the free vote in the Queen's Speech and Caroline Spelman has since emphasised that it is not a priority for the government. For now the government seem to have been successful in persuading Conservative backbench MPs not to take matters into their own hands by tabling a private members bill on the issue.

But the wider Conservative grassroots membership may be less forgiving over the months ahead if such a totemic policy is habitually brushed under the carpet in favour of policies more sensitive to Liberal Democrat coalition partners. Such a divisive issue could still provide a sting in the tail for the Prime Minister, and Tony Blair's remarks in his summer interview with Andrew Marr on how he regretted passing the anti-hunting legislation, will only fan that sentiment.

FOREIGN & COMMONWEALTH OFFICE



The machinery of British foreign policy has been transformed to accommodate a larger role for DFID and to foster international trade. David Cameron is determined to conduct British foreign policy on an economic footing, already visiting India, Pakistan, Turkey and Italy. This is not an initial quartet any previous Prime Minister would have selected and reflects a shift away from traditional foreign policy concerns and towards those that are most directly linked to the domestic situation – fighting terrorism, encouraging trade and having good relations with countries that are the source of large immigrant communities. The shift is further reflected in the appointment of Simon Fraser Permanent Secretary at the Foreign Office, formerly the top civil servant at the Department for Business and a former trade adviser to Lord Mandelson, when he was EU Commissioner.

The 'special relationship' with the United States has received appropriate verbal commitments from both sides, and the presence in both countries of a government keen to reduce military involvement in the Middle East as quickly as possible eases a potential source of tension. More problematic are likely to be the disagreements within the coalition on how quickly British troops should be withdrawn from Iraq, with William Hague making more hawkish comments than those heard from many Liberal Democrats.

Attitudes towards Europe have in the past differed sharply between the coalition partners, though the shift of events has played them a helpful hand. Not even the keenest pro-European thinks Britain could or should enter the Euro soon, making the Lib Dem concession on that more nominal than real. Similarly, with major European reforms off the agenda, questions about what reform to support and whether or not to hold a referendum are largely academic. The appointment of pro-European David Lidington to the Europe post, and omissions from the coalition document of important pledges such as the negotiation of powers back to the UK in key legislative areas has not been popular within the Conservatives and it is the internal management of the Conservative Party that will be the key to success.

Hague also faces difficulties with Defence Secretary Liam Fox, clashing recently on the timetable for troop withdrawal in Afghanistan. Fox has become increasingly outspoken and could prove difficult to deal with, being seen as irreproachable due to the placation his position offers to the right wing of the Party.

Hague has been a valued adviser to Cameron in recent years, enjoying a privileged position in Cameron's inner circle. He has been able to make his appointments without interference – he brought three special advisers to the Foreign Office; ruffling feathers with fellow Minister's restricted to two, although the recent departure of Chris Mayers and the unwelcome accompanying media coverage may have undermined his position.

The Minister of State is Liberal Democrat MP Jeremy Browne, whose remit includes human rights, an issue on which friction may arise with Conservatives as events throw up questions of how ethical a foreign policy the UK should pursue.

All significant foreign policy decisions are likely to have to go through Cameron and Clegg, meaning we are likely to see a foreign policy dominated by pragmatism – for now.

HEALTH



The first 100 days has confirmed that Health Secretary Andrew Lansley's long-held vision for a root and branch restructure of the NHS is set to dominate the health policy debate for years to come.

The NHS White Paper, *Equity and Excellence: Liberating the NHS* paves the way for a massive reorganisation of the NHS, with commissioning power transferring to GPs consortia and providers being given additional freedoms. This, coupled with a new regulatory regime, will transform the way England's health services are managed.

Although the reforms have come as a shock to many, especially as they did not feature in the coalition government's policy agreement, they were hardly a secret to NHS watchers. Andrew Lansley, after all, has been talking about them since 2006.

The Liberal Democrats' main policy on health in the coalition document – local accountability in the form of directly elected representatives to PCTs – has already been made obsolete with the abolition of PCTs. However, there is some comfort for the Liberal Democrats, with additional powers being transferred to (elected) local authorities. Paul Burstow also finds himself in charge of a series of high profile policy areas, including cancer and social care. Expect the latter to cause the election row over 'death taxes' to reignite next year. Burstow's own particular interest is in integration across services, particularly between health and social care, and an early sign of this are the plans to extend NICE's remit to include social care.

Despite the government's commitment to real-terms protection of the NHS budget, the health service will nevertheless be facing significant financial pressures. Efficiencies will be expected across the board, and the restructure will not come cheaply. The Secretary of State is already coming under pressure from coalition backbenchers to defend local hospital services. Always a hot button issue in the marginals, this could define many floating voters' view of the health reforms and have a major influence on backbench morale.

Despite all the talk of introducing greater levels of localism and independence to the NHS, the White Paper gives Andrew Lansley significant powers to shape the future of the NHS. For a man who has spent seven years in opposition planning what he would do with the NHS when he got the chance, expect him make full use of these.

HOME OFFICE



Theresa May was a surprise appointment as Home Secretary, given Chris Grayling was widely tipped to assume the role in government. But that was before coalition. Despite being new to the brief May, has been complimented with her energetic approach to tackling the often unwieldy Home Office. Many of her first endeavours have been to pick apart much of what the Conservatives and the Liberal Democrats see as the draconian powers consecutive Home Secretaries accrued under the Blair and Brown governments.

May's debut as Home Secretary saw her overturn several of the previous Labour government's measures on data collection and surveillance in England and Wales. Other high profile policy pronouncements include abolishing the proposed National Identity Card scheme, reform of the regulations of retention of DNA samples for suspects, controls on the use of CCTV cameras and suspending the registration of scheme for carers of children and vulnerable people.

This shared civil liberties agenda has smoothed the way for initial working between Conservatives and Liberal Democrats, who are represented in this department by Lynne Featherstone. One of the party's most popular MPs with its grassroots activists, Featherstone is also pushing hard on the equalities agenda, an area where agreement with her coalition partners may be far harder to secure.

The flagship announcements so far has been the package of reforms to policing in England & Wales, which will see police authorities abolished in favour of elected Police & Crime Commissioners, and the Serious Organised Crime Agency will be replaced by a new National Crime Agency. May also intends to review the role of Anti Social Behaviour Orders. ASBOs, often ridiculed by the general public do not fit in with the Cameron vision of a 'Big Society' and the new government wants to pursue a less punitive, community-based approach to tackling social disorder.

Despite this broadly liberal approach, which has been welcomed by many commentators after the more strident measures brought in by recent Labour governments, May has a big challenge on her hands if she is to deliver the necessary spending cuts while maintaining frontline services. Already police forces are mobilising in their efforts to lobby local MPs and government to resist the extent of the cuts which they claim will see police numbers drastically reduced and will lead to an upsurge in crime. This is not a palatable message for either coalition partners to digest, but as the junior coalition partner, it is likely that the Liberal Democrats will feel the pain at the ballot box in the local and devolved assembly elections next year if crime levels are perceived to soar.

The spending cuts will hurt, but in terms of doorstep issues it doesn't get more sensitive than rising crime and insufficient police numbers to hold back that tide. May and her team have moved quickly to seize the momentum, but they are in danger of seeing what progress they have made derailed through the severity of the spending cuts.

INTERNATIONAL DEVELOPMENT



Transforming the Conservative approach to International Development policy was one of David Cameron's first policy manoeuvres on becoming party leader in 2005. His quest to decontaminate the then toxic Tory brand was based in large part on his vision for a modern compassionate Conservative Party, and he and the party has not looked back since.

Andrew Mitchell, following five years shadowing DFID in opposition, now has the job as Secretary of State – a role he previously said would be a “dream come true” for him. He has strongly defended the UK's international development commitments arguing that “this is a moral issue,” but also “in our national self-interest too.”

The view that international development is now a mainstay of government policy was reinforced when the Conservatives and the Liberal Democrats both made manifesto commitments to meet the UN aid target of 0.7% of gross national income by 2013. Essentially this guaranteed that DFID spending would be ‘ring fenced’, a privilege the Conservatives only also granted to the NHS. So while other departments have spent the first few months scrutinising the books and taking tough decisions where the spending axe should fall, DFID has been given a reprieve.

But DFID and Andrew Mitchell have had their hands forced into a degree of early policy fire fighting, as other departments and cabinet colleagues have sought to impose their views on the role and use of departmental funds. Days after the election Mitchell and new Defence Secretary Liam Fox exchanged barbed comments over Britain's role in Afghanistan in the wake of joint trip both men made to the troubled state. Fox was hostile in his criticism of Mitchell's view that the UK had a responsibility to invest in Afghan schools and support infrastructure, branding Afghanistan ‘a broken 13th century country’ , adding Britain was not in the region for the sake of education policy, but ‘so the people of Britain and our interests are not threatened’.

Mitchell's next challenge has been to fend off a ‘land grab’ from the Deputy Prime Minister Nick Clegg. The Lib Dem leader sees international development as a key area where his party can take the lead in policy delivery. In July, alongside Mitchell, the DPM unveiled the DFID structural reform plan, setting out the key steps the Department will take to deliver better value and more effective aid. This falls into six themes (role of women; value for money; wealth creation; conflict & stabilisation; climate change and international commitments) that DFID will focus on to support the Millennium Development Goals, the global blueprint to improve the lives of the world's poorest.

Over the last month media coverage has emerged raising questions about DFID axing many spending commitments quietly below the radar. These claims are based on leaked memos from within the Department, but if this change of strategy becomes more pronounced, then it is likely to cause significant disharmony between the coalition partners and potentially severely undermine David Cameron personally who has ‘publicly’ supported DFID's actively interventionist strategy.

JUSTICE



He may not wear a pair of tights all that well, but as the most experienced minister in the government Ken Clarke has taken to the Ministry of Justice with relative ease.

David Cameron is now the fourth Prime Minister Ken Clarke has served under since he first became a minister in 1972, beating by one the number of times he has stood for and lost the party leadership. Having been Secretary of State for Health, Secretary of State for Education, Home Secretary and Chancellor of the Exchequer, Clarke brings to his latest role great experience from across Whitehall.

His flagship policy, which has won him plaudits and critics alike, is to reduce the number of prisoners, halt prison expansion and reform sentencing. While the economic necessity of reducing the cost of sentencing is clearly a driver, Clarke has made a virtue of this necessity by setting out a philosophical case for this policy – that prison doesn't work. Going against the authoritarian grain of Michael Howard's famous agenda, followed to the letter by various Labour Home Secretaries, will have won Clarke many friends among his Lib Dem coalition partners. It has not however, done much to appease his perennial enemies on the Tory right (including Mr Howard).

Clarke's position in the department is strengthened by having Liberal Democrat (Lord) Tom McNally as one of his ministers, a trusted advisor to Nick Clegg, who served then Prime Minister Jim Callaghan as a Downing Street advisor in the 1970s. McNally will be key to getting controversial measures through the Lords and his presence will ensure that the department is closely tied in to senior Liberal Democrat circles.

However, it is not all liberalism at the Ministry of Justice. Crispin Blunt caused a handbrake U-turn over the summer when his balloon about allowing 'prison parties' was shot down by the right-wing tabloids, causing an immediate dressing down from Number 10. Mr Blunt does not have as many friends as most in the government, not helped by the recent revelations about his personal life. The idea of a justice ministry perpetually in thrall to the feral law'n'order-mongers of the media has not gone away just yet.

The new MoJ has got over some initial run-ins with Number 10 over the latter's bungled approach to the coalition's policy over anonymity for rape suspects. But tensions are looming on the horizon between Clarke and the Deputy PM, over the latter's liberal reform agenda. Aides to both men are already steeling themselves for some turf wars over constitutional reform and issues such as the European Convention on Human Rights. This may appear ironic, given that Clarke is politically closer to Clegg than almost any Tory in or out of government, but politics is politics and departmental territorialism is more important than ever as the cuts agenda bites. The plans for £2billion of cuts will force some uncomfortable decisions on them all.

SCOTLAND OFFICE



As part of the coalition negotiations, the Lib Dems were given the position of Scottish Secretary, relegating Scotland's only Conservative MP David Mundell to Under Secretary. Danny Alexander was appointed first, but in the wake of David Laws' resignation Alexander was promoted to the Treasury and Michael Moore assumed the role.

The Scotland Office acts as 'the voice of Scotland in Whitehall' – liaising with UK government departments on 'reserved power' issues of relevance to Scotland and advising them on devolved issues under the remit of the Scottish government and parliament.

The Westminster coalition government has pledged to implement the findings of the Calman Commission report, published in 2009 which principally cover:

Financial accountability and taxation, including

Basic and higher rates of income tax levied by the UK government in Scotland should be reduced by 10p in the pound and the block grant from the UK to the Scottish Parliament should be reduced accordingly.

Income tax on savings and distributions should not be devolved, but half of the yield assigned to the Scottish Parliament, with a corresponding reduction in the block grant.

Green taxes should be devolved to the Scottish Parliament.

The Scottish Parliament should be given a power to legislate with the agreement of the UK Parliament to introduce specified new taxes that apply across Scotland.

Until a proper assessment of spending needs across the UK is carried out, the Barnett formula should continue to be used as the basis for calculating the block grant.

Closer working between Holyrood and Westminster, including

Committees of the UK and Scottish Parliaments should be able to share information / evidence and hold joint evidence sessions on areas of mutual interest.

The EU – stronger role for Scottish Ministers, including

In developing UK government policy related to the EU, early and proactive engagement by the relevant government department with its Scottish government counterpart should be a matter of course.

When a request from the EU is received covering a devolved area there should be a presumption that Scottish ministers are accepted as part of the UK delegation.

With the SNP currently in power in Scotland and the Conservatives and Liberal Democrats at the helm in Westminster, the 2011 Scottish Parliament elections will effectively see Labour as the only main party in opposition, potentially seen as being the only party capable of offering the electorate a 'new government yet having learned the lessons of recent government experience'.

Election outcomes are of course only speculation at this stage, but most likely scenarios are: Labour minority government; SNP minority government again or a Lab / Lib Dem coalition (history repeating in Scotland).

TRANSPORT



Prior to the general election Philip Hammond MP was gearing up to be the nation's hate figure presiding over the cuts in government spending at the Treasury, famously saying that he was "likely to become a great figure to pin up on the dartboard, and throw darts at". It must have been a bit of a surprise to him then when the Chief Secretary to the Treasury post was given to the Liberal Democrats in the coalition negotiations, and Hammond ended up with one of the departments that tends to suffer badly in times of government spending restraint – Transport.

Hammond's policy brief has not stopped him from seeking out cuts in his own department early, however. Hammond was one of the new cabinet ministers who worked tirelessly to get his submission to the spending review in early so that he could take his place at the 'Star Chamber' and adjudicate on other department's proposed cuts.

Although Hammond is clearly not as much of a transport enthusiast as his Labour predecessor, and despite his clear focus on cuts, his first few months as Transport Secretary have been surprisingly well received by many in the transport sector.

In Sian Jones he's appointed a special adviser who he worked closely with when shadow Chief Secretary, so they have an unparalleled breadth of understanding of the nature of the cuts required across departmental budgets.

The Liberal Democrat minister in this department is Norman Baker, best known in opposition for his harrying of fellow parliamentarians over ethical issues (and the MP whose digging triggered one of Mandelson's resignations). In power, he is responsible for a collection of transport issues – including encouraging cycling, walking and alternatives to travel – which are generally seen as desirable aims across political parties yet also fairly low priority in times of tight public spending. His role is therefore likely to see him mostly slip out of the public eye.

There is widespread acceptance that there will be significant cuts in the DfT budget over the next five years, however the new governments also at pains to articulate that they have learned the lessons of previous governments and the Chancellor has admitted that the last Conservative government, "cut capital spending too much". What this means in practice is that many projects will still go ahead, but that value for money in transport infrastructure projects will become more important than ever. Those projects of fundamental strategic value which can spearhead significant regional investment and act as catalyst for economic growth should be safeguarded, but there is no guarantee.

Projects such as Crossrail and High Speed 2 should be protected from the most savage cuts, but their delivery in the original size, scope and spec is still open to negotiation. All should become clearer after the CSR, but the government has been keen to reiterate that all spending commitments are options on the table – and indeed can be dropped.

TREASURY



Across the coalition government, arguably the greatest challenge is faced by the Treasury in general and George Osborne in particular. The Department has to deliver on the government's goal of eradicating the Budget deficit by the end of the parliament and avoid the perils of a 'double dip' recession whilst all eyes are on Osborne, who is still considered by many to be the chink in the armour of the Tory high command.

It was however, not Osborne but his number two, and Lib Dem coalition partner, David Laws who stumbled first as he fell from grace embroiled in an expenses scandal. His successor, the relatively inexperienced Danny Alexander has had to rapidly get to grips with the challenges of the Spending Review, to be published on 20 October.

Despite this, the Treasury and Osborne have, to date, fared relatively well. An 'emergency' budget was delivered setting out a programme for radical deficit reduction, tax increases including to VAT and the first swathe of spending cuts. Whilst the influential Institute for Fiscal Studies and the Treasury Select Committee have both questioned whether the Budget was truly 'progressive' - hitting those who can bear the burden hardest - the public seemingly accepted Osborne's pitch that his Budget was really both 'unavoidable and fair'.

Indeed, their willingness to be judged by a progressive yardstick may yet come back to haunt them as the Treasury struggles with the undoubtedly difficult financial and fiscal decisions ahead.

Closer to home, Osborne has become a respected figure within the Treasury. Officials like working with him, helped by his relaxed manner and nice touches such as hand written letters to thank people for their hard work, a rare occurrence in the Brown era!

But, the initial questions over the independence of the Office of Budget Responsibility, the early resignation of its head Sir Alan Budd and the widely leaked reports of tensions between the Treasury and spending departments ahead of the Spending Review suggest that the honeymoon has come to an end. The subsequent appointment of Robert Chote to replace Alan Budd ensures there will be a regular, respected, but not compliant, voice in the media commenting on government decisions.

Moreover, the big challenge of delivering the Spending Review and securing the recovery remains. Spending cuts to the welfare state on a scale never seen before and a VAT rise which will hit people's pockets early in the New Year will place significant pressure on a Treasury, which itself is being significantly reduced in scope and size. Equally, the next round of Budget negotiations in the EU will not be an easy ride and the outcomes of the Banking Commission and the regular interventions in traditional Treasury policy areas from Vince Cable should make for interesting times.

WORK & PENSIONS



Work & Pensions Secretary of State Iain Duncan Smith's (IDS) developed a typically forthright vision of reform in opposition, which the Liberal Democrats were never going to dramatically derail. Having established the Centre for Social Justice (CSJ) in 2003, Duncan Smith's thinking around 'compassionate conservatism', stronger families and a more diverse voluntary sector was well developed. The links with CSJ remain strong – the CSJ's Executive Director, Philippa Stroud, joining IDS as his Special Adviser.

Since entering government, IDS has, as expected, set in motion significant reforms. From tearing up previous welfare to work contracts, rolling out plans for payment by results and launching the simplified Work Programme. Many of his ideas, such as simplification and making work pay, enjoy cross-party support, and can be seen as building on the reforms of Tony Blair and former Welfare Secretary James Purnell.

However, there's little doubt that the proposed reforms are placing a strain on the coalition. The proposed reform of housing benefit is just one area which threatens to create divisions between Liberal Democrats and Conservatives. Simon Hughes, 'darling' of the Lib Dem activists and deputy party leader, has already spoken out against the suggestion that council houses should not be granted for life, and the issue is likely to cause unrest amongst voters.

Arguably the key challenge lies, however, in developing financial models which will enable welfare to work providers to deliver services under a payment by results scheme. Much vaunted voluntary organisations are concerned about the financial strain. Treasury is already balking at the challenge, and Lord Freud has been deployed to warm up the City to provide the requisite support to big providers.

IDS' almost evangelical commitment to welfare reform suggests that it could make for an effective working relationship with Steve Webb, the Lib Dem minister in the department. With IDS seen as flag-bearer for the Tory right and Webb a left leaning Liberal Democrat, at first sight they make for an unlikely partnership. However the combination of their deep interest in the subject matter and shared religious perspectives may make this department one where the coalition works most smoothly.

Tensions are more likely to increase between DWP and the Treasury. There has been speculation that IDS and Osborne have engaged in 'open warfare', over DWP's request £3 billion in upfront costs to implement reform, while Osborne has retaliated stating DWP needs to find £10 billion in savings, or the Treasury won't find the funding.

IDS has strong support from Downing Street, but his proposal requires huge sums of investment, when the Treasury is beating down Whitehall departments to reduce their expenditure. Cameron knows IDS will walk away if he doesn't get his way, but just how damaging that would be for the Prime Minister, his party and the stability of the coalition is the great unknown question?

OUTSIDE PARLIAMENT



With a change in government comes not only new ministers and different policy priorities, but also a shuffle round in who influences policy from outside parliament.

For the Liberal Democrats, there is really only one think tank closely aligned to the party – CentreForum – although the migration of Richard Reeves from Demos to Nick Clegg's team of special advisers highlights how CentreForum is not the only think tank that's listened to.

Also, uniquely amongst the major British political parties, the Liberal Democrat party conferences play a major role in substantial policy-making and the party's culture of internal consultation drew envious glances from Conservative MPs who had far less of a say in the coalition negotiations than their Liberal Democrat colleagues.

Arguably the most influential is Policy Exchange

Both the week long autumn conference and the weekend spring conference will continue to see policy debates that have the potential to have a major impact on policy negotiations within the coalition. Public affairs people will probably spend more time reading the conference standing orders over the next four years than in the previous four decades.

An increasingly important source of influence in internal party politics are the blogs. For the Lib Dems, Lib Dem Voice (www.LibDemVoice.org) has by far the largest audience and often sees parliamentarians contribute to it and for the Conservatives, Conservative Home (www.ConservativeHome.com) continues to go from strength to strength.

In contrast to their coalition colleagues, the Conservatives have an extensive network of external think tanks to take ideas from and 'road test' potential policies. In recent years two think tanks have risen above the crowded policy landscape to exert a significant degree of influence on Conservative policy.

Arguably the most influential is Policy Exchange. Set up by Francis Maude, Michael Gove and Nick Boles (before Gove and Boles were elected MPs), it's often seen as the 'Cameron's' favourite think tank', and has become a virtual alma mater for leading Conservative thinkers who have gone on to become MPs.

The other crucially important player is the Centre for Social Justice. Set up by Iain Duncan Smith after he was deposed as party leader, it has gone from strength to strength, underpinning a political renaissance for IDS which has been cemented by his return to cabinet. In opposition, the CSJ drafted practically all the Conservatives' welfare policy and was heavily involved in the planning wider policy delivery. Both Steve Hilton and Andy Coulson, two of Cameron's closest advisers were keen advocates of the role the CSJ performed in enabling policy to be stress tested away from the spotlight of the Westminster media. In government little has changed, with the CSJ providing template policy for the DWP to take forward.



Party conference this year provides Cameron with the first opportunity to address the wider Conservative Party membership. Much more of a rally than a policy-making environment, the Conservative conference in Birmingham is likely to be celebration, as it is the first time a Conservative Prime Minister has taken the podium at Conference since 1997, but it will be cautious celebration. Yes, the party is back in government, but it has a responsibility to fix the public finances, lead Britain out of recession and is conjoined with the Liberal Democrats. Not an easy task. Expect Cameron's speech to focus on the challenges we collectively face as a nation, but also the new exciting trading opportunities available if Britain seizes the initiative.

There may be an occasional warning from some podium speakers during the week about the devolved and local elections in 2011, as these will provide the first test of the public's appetite for the coalition. But don't expect much. It's likely to be the Lib Dems who will feel more pain at the polls

Media interest may well focus on the evolving relationship between the Prime Minister and Mayor of London Boris Johnson. The Mayor faces re-election in 2012, shortly before the Olympics. He is expected to be re-elected, in part due to the lacklustre nature of the opponents he is likely to face as opposed to any significant achievements he has delivered. But he is a skilled operator who has distanced himself from the coalition and fiercely stood up for the financial services community against a tide of pronouncements emanating from the Treasury and the Department of Business over proposed banking reform.

Johnson has been speculating in public that he is relaxed about the possibility of losing his re-election, but has not specified what he would do in such a situation. Does he still harbour ambitions to return to parliament and knock on the door of cabinet? Almost certainly, but it remains to be seen if Cameron would let him in.

THE BLOGS MPS MOST RESPECT



MPs, peers, advisers, apparatchiks and aficionados will all be mingling during Conference, as they 'circulate' the central conference complexes, as well as attend, and take part in the countless number of fringe events scheduled across each week. Away from the main auditorium, conversations, 'off the record' briefings and gossip take centre stage and the speed that a nascent rumour or insight can transfer to a mainstream media story can be breathtaking.

Mobile phones and Blackberries are the vital tools of the trade as delegates and visitors try to keep track of events as they unfold. Conference can feel like being in a goldfish bowl, but that has changed dramatically with the rise of social media, enabling those attending to transmit their views to external audiences with lightening speed.

Twitter is still the Holy Grail for divulging snippets of information, but given the level of 'tweet' traffic during Conference, it is almost impossible to follow, which is why especially MPs retain their favourite blogs which generally capture the necessary information and are considered respected sources.

The three blogs Conservative MPs most respect:

ConservativeHome www.conservativehome.com

Iain Dale www.iaindale.blogspot.com

Guido Fawkes www.order-order.com

The three blogs Liberal Democrat MPs most respect:

Political Betting www.politicalbetting.com

Lib Dem Voice www.libdemvoice.org

Lynne Featherstone www.lynnfeatherstone.org

Source: ComRes polling of MPs, 2009

Try logging on yourself over the next few days and during the party conferences. If any cracks become visible in the coalition, there is a good chance they will be exposed on one of these blogs first.

CONCLUSION

"Historic" and "unchartered" are favourite clichés of political pundits looking to raise their prose above the humdrum level of describing daily politics. The formation of a peacetime coalition is one of the rare events that fully deserves such terms, for it is the first time since before the Second World War that the Palace of Westminster has seen a formal coalition.

As this booklet has shown, there are many areas of policy difference and many points of political tension between the coalition partners. Looked at in isolation, the list may raise serious doubts about the government's ability to last the full five years. However, the likely course of the economic cycle will provide a strong incentive for the coalition to stick together so that there is a chance for benefits from tough early decisions to become tangible.

Moreover, compared with the deep policy splits in previous governments, including between the 'Blairites' and the 'Brownites' and between the 'wets' and 'drys' under Thatcher, the policy differences in many areas are not that great. Unlike those two previous governments, there is – so far – a harmonious personal relationship between the two sides. There is no Bernard Ingham or Damian McBride at the heart of government, rubbishing ministers off the record to compliant journalists.

Anthony King's foreword stresses the role of the Liberal Democrats in determining how long the coalition lasts. As the policy sections also show, understanding this third party is also key to understanding a wide range of government policy. So one prediction can be made with confidence: far more people will spend far more time on understanding the Liberal Democrats as the coalition government goes about its work.

The prospects for the coalition also depend on how the new Labour leader fares, so what is clear is that this year's conference season makes for interesting times.

September 2010



ABOUT **politicalmandate**

Political Mandate has more than a decade's experience of delivering strategic advice and support to a broad range of companies, trade bodies, charities and other organisations. Built on the widely renowned AS Biss & Co public affairs practice, we are now one of the largest and most respected teams in the marketplace, with offices in London, Edinburgh and Washington and partnerships in Cardiff, Belfast and Brussels.

Four core principles guide our approach:

Public affairs with purpose

There's no point in public affairs for its own sake. Political Mandate understands the world in which you operate and takes time to get to know your organisation and the challenges you face. We always focus on getting the job done, whether that means building your reputation, winning a key campaign, or boosting your bottom line.

The highest standards and the best people

We believe in securing your goals by winning the argument. Our 30-strong consultancy team have the best minds in the business. With backgrounds in business, local government, the civil service, political parties, parliaments and European institutions, our advice is built on first-hand experience of your issues.

Integrating communications

We never forget that Ministers read newspapers too, and that consumers are also voters. Working as a team with our leading brand and corporate PR specialists, we can get you heard in a way that others can't.

Integrity

We are committed to transparency and complete honesty in the advice that we give and in the lobbying we do. For that reason, Mandate is a leading member of the Association of Professional Political Consultants and we are strong supporters of its Code of Conduct.

Our multi-award winning team covers the full range of public affairs disciplines:

- Building and managing reputation
- Lobbying and securing legislative and regulatory change
- Campaigning and coalition building
- Crisis management
- Select committee and consultation preparation
- Monitoring and analysis
- Speech writing



If you'd like to find
out more, please get
in touch

tellmemore@yourmandate.com

Mandate Communications

60 Great Portland Street
London W1W 7RT

T: +44 (0)20 3128 8100

F: +44 (0)20 3128 8171

www.yourmandate.com