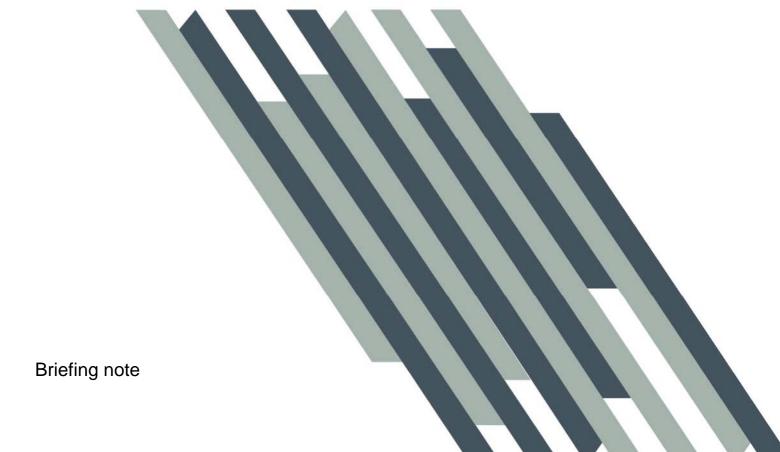


# The Engine Room: How to organise 10 Downing Street



For over two centuries the British Prime Minister has governed the country from 10 Downing Street. But nowadays there is remarkably little consensus about how Downing Street should be organised so that the Prime Minister can most effectively run the government as a whole. Every recent occupant has reorganised and restructured Number 10 at least once, with the most recent change announced under David Cameron being a shift back to a policy unit headed by a political appointee.

On 9 April the Institute for Government is hosting a <u>discussion on how Downing Street has operated under the past four prime ministers</u>, and how it needs to evolve to meet today's demands.

Our speakers include:

Sir Alex Allan, Principal Private Secretary to John Major

Baroness Sally Morgan, Director of Government Relations at Number 10 under Tony Blair

Patrick Diamond, Senior Policy Adviser at Number 10 under Tony Blair and Gordon Brown

**Fraser Nelson,** Editor, The Spectator.

In advance of this event, we asked our panellists to comment briefly on one aspect of how Downing Street works. Below, we present their responses as well as commentary from the Institute for Government itself, drawing on our past work on a number of related issues.

## What should be the respective roles of the civil servants and special advisers in Number 10?

#### Sir Alex Allan

Whatever their exact roles, the most important thing is for civil servants and special advisers in Number 10 to work closely together and communicate clearly with each other—and indeed with others providing advice to the Prime Minister. There's no problem with the Prime Minister receiving conflicting advice—indeed ministers normally welcome being exposed to contrasting points of view. But it works much better if the advice is co-ordinated. I remember being told that one senior special adviser in Mrs Thatcher's time was reduced to sliding notes under the door of the Prime Minister's flat because of mistrust of the private office.

Clearly, the detailed roles will depend on the internal organisation of Number 10. Under John Major, I headed the private office (no chief of staff); a special adviser headed a policy unit made up of a mix of civil servants and special advisers; and the press secretary was a civil servant. The three of us liaised all the time on issues coming forward or in prospect, and kept in close contact with the political secretary, whips, business managers etc.

Making sure that everyone knows and understands the Prime Minister's views is crucial. Nothing destroys departmental ministers' and officials' confidence in Number 10 more than someone confidently asserting that the Prime Minister wants something, only for it to transpire later that he or she believes the opposite.

## How should Number 10 ensure it communicates a clear and coherent narrative across government and to the public?

#### **Baroness Sally Morgan**

The clarity of the political narrative has to come right from the top: it must be developed by the PM and his or her closest advisers and disseminated from there. The clearer your narrative is, the easier it is for others across government to see how their own work fits within the overarching framework.

When I was in Downing Street, we used to speak of having a 'washing line narrative' that others could then hang specific policy initiatives off. For instance, the language of 'rights and responsibilities' provided a clear framework within which policy in areas such as welfare reform could be developed.

Within Downing Street, it is crucial that the narrative is well understood by both the civil servants and the political section, so that initiatives developed elsewhere in government can be judged against a clear framework and tweaked as necessary. Number 10 can only work well on the Prime Minister's behalf when it completely understands what the PM wants – so the guiding political narrative has to remain consistent over time.

You also have to have structures that support the development of your narrative. This should include a grid that functions well and is well understood. And the Prime Minister's time should be used in a way that reflects and reinforces your core messages – both in terms of engagement in public debate, and in how the PM spends their time internally. For instance, Tony Blair held regular 'delivery meetings' with civil servants, ministers and advisers to keep the momentum going on his public service reform priorities.

### How much does the personal style of the prime minister affect the way in which Number 10 is structured and functions?

#### **Patrick Diamond**

Inevitably, the political personality of the Prime Minister impacts on how Number 10 is organised and structured. In theory, a more collegiate PM who was largely content to leave policy-making to departments would require a relatively slim and small scale Downing Street operation. More pro-active PM's have usually sought to beef up the policy and communications capacities of Number 10, signalling that they are not content to leave everything to departments. Most post-war PM's have fallen into the latter category.

What really impacts on the structure and organisation of Number 10, however, is the strategic mission of the PM for the country. Margaret Thatcher sought to make British government more cost efficient and battled to reduce bureaucratic waste. She established units at the centre to drive the process. John Major wanted to make the public sector more responsive to the citizen, a process led by the Cabinet Office. Tony Blair sought to improve the delivery capability of public services, eliminating failure and improving responsiveness. A host of central units were duly created.

The structural composition of Number 10 cannot be separated from the broader strategic goals of the government of the day. This is also why it has proved difficult to fix the structure

of Number 10, or to agree notionally on the creation of a PM's department in Whitehall.

## How effective is the current operation at Number 10 and why is it so often criticised?

#### **Fraser Nelson**

To answer how effective the Number 10 operation is, you must first ascertain what it is supposed to be doing. This is, alas, unclear. If the answer is to be a personal office of the Prime Minister, then it does the job very well. David Cameron's performances on the national and world stage are routinely impressive: in government, as in opposition, he runs a very well-oiled and well-supported machine. It also works well as a coalition conflict resolution center, with the Quad determining most of the important issues in government with very little of the squabbling that Tory videos warned about before the general election.

But the steps taken to promote inter-party harmony have reduced Number 10's political efficacy. In Cameron's Number 10, a successful 'political' operation is one which makes sure policy gets past the leadership of both parties (thanks to a policy unit staffed by civil servants). To Blair, a 'political' operation was one which foresaw how health reform would be received by the unions, the backbenchers etc. Focus on coalition harmony has blinded Number 10 to the wider reaction: not just of the country, but of Parliament. Hence the Uturns.

Number 10 is criticised by Tory Cabinet members who believe that the Quad has sundered the Prime Minister's personal authority leaving them with no support. And it's criticised by a media who see Number 10 as having lost its grip on both the government machine, and events in general.

#### **Commentary: Lessons for the organisation of Number 10**

#### **Akash Paun and Jill Rutter, Institute for Government**

Nowhere else in government is subject to such frequent churn and reorganisation as Number 10, both from one administration to the next and during the term of office of almost every single Prime Minister.

As the Institute for Governments' report <u>Supporting Heads of Government</u> showed, the UK provides its Prime Minister with remarkably little support compared to other countries. We distinguished three key roles in which heads of government need sufficient support if they are to be effective: direction setting, policy advice, and implementation. We specifically found that "the UK has far fewer policy advisers directly supporting the Prime Minister than leaders in Australia, Canada or Germany".

Despite this, both Gordon Brown and David Cameron came in determined to slim down what they saw as the bloated operations of their predecessor. But it is not just size which is at issue. As Fraser Nelson points out above, there can even be a lack of consensus about the

basic purpose of Number 10 and, as Patrick Diamond makes clear, Number 10 needs to be organised so as to support the strategic mission of the Prime Minister of the day. So when this changes, so too does the structure of Number 10.

With no fixed structure, Number 10 is often said to operate more like a court than a government department. Yet Downing Street is at the same time a vital cog in the wider machinery of government. When it malfunctions, the government as a whole is unlikely to operate effectively. So what are the general lessons for how to organise Number 10?

One lesson David Cameron learnt in his first year was the necessity of having a strong policy capacity in Downing Street. After May 2010, not only was Number 10 reduced in size, but the Prime Minister's Strategy Unit which had served Tony Blair and Gordon Brown from within the Cabinet Office was abolished, reducing the capacity for longer term thinking.

As the Institute for Government argued early on (for instance in our review of the first year of the coalition – chapter 2), the government made 'a false start' in its initial decision to create a slimmed-down centre, with Cabinet ministers given greater autonomy to get on with policy development. This approach was partially reversed after the political crises of forestry policy and then, on a much larger scale, NHS reform – where Number 10 failed to challenge either the politics or the practicalities (as the Institute's report Never Again? highlights). Responding to these problems, a new expanded Policy and Implementation Unit was created in 2011.

As Alex Allan discusses, a central challenge for Number 10 has always been to get the relationship right between civil servants and political appointees. Both Gordon Brown and David Cameron came into office committed to reducing the number of special advisers but subsequently reversed that commitment. In recognition of their vital role in 'oiling the wheels' of government, the Institute for Government has long argued for a relaxed attitude to the growth in special adviser numbers, though we have also called for a more professional approach to recruitment, induction and training.

But it is absolutely clear from all our contributions that there has to be effective co-ordination between the official and political sides within Number 10 – and that Number 10 can only work when it presents a unified and clearly authoritative voice to the rest of Whitehall. As Sally Morgan points out, everyone who speaks on behalf of the Prime Minister needs to be clear on his priorities.

After the unexpected formation of a coalition government, Downing Street had to adapt swiftly to the new and unexpected role of supporting a two-party government. The innovative solution of having a number of Liberal Democrats embedded in the heart of Number 10 – to ensure that policy-making is 'coalitionised' from the top down – appears to have worked well from the point of view of coordinating policy. However, the critical decision to have a non-political policy unit, which could support both sides of the coalition, may have left the Prime Minister more politically exposed than he need have been.

Since the early months of the coalition, there has been a move away from the initial notion of a unified centre serving both David Cameron and Nick Clegg. The <u>Institute for Government</u> <u>argued in September 2010</u> that to be effective in his cross-cutting role as Deputy Prime

Minister, Nick Clegg required a stronger office with separate policy capacity of his own. This advice was followed shortly afterwards.

More recently, the appointment of John Hayes MP to a Downing Street role appears designed to fill some of the political gap around the Prime Minister. The decision by David Cameron to place the Number 10 policy unit under the leadership of a party political figure for the first time further reflects the changing dynamics of the coalition. In particular, it appears to signal a shift onto an electoral footing with separate Conservative and Liberal Democrat centres of power, a trend discussed in the Institute's report A Game of Two Halves. How Downing Street functions in this new political environment is a crucial question that we will follow over the coming two years.

Institute for Government, April 2013