

# Brexit: Organising Whitehall to deliver

Briefing paper

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# Summary

Preparing for, negotiating and implementing Britain's exit from the European Union will inevitably preoccupy Whitehall and government in the coming months and years. The next Prime Minister (PM) will need to organise Whitehall to get this job done.

- The PM must appoint a senior colleague to do much of the heavy lifting for them around Brexit. The arguments strongly point to this being a dedicated Brexit Cabinet Minister, rather than an individual who combines the role with that of Foreign Secretary or Chancellor.
- The PM will need to decide whether they want the 'Minister for Brexit' to focus on the preparation for, and negotiation of, Brexit, or whether they want them to take on wider responsibilities for policy areas like trade.
- If the Minister's responsibilities are focused on the negotiations, then the overwhelming case is for them to be supported by a Cabinet Office unit. The PM may wish to mitigate some of the downsides of this arrangement such as a Cabinet Office minister not being perceived as senior enough. For example, the Minister could become the Deputy Prime Minister, to underline the importance of the role.
- If the Minister has wider responsibilities for policy areas, then there is a stronger case for creating a fully-fledged Ministry for Brexit. However, there are serious operational drawbacks to this option – in particular the time, cost and distraction that would inevitably come from creating an entirely new organisation. These would have to be carefully weighed against any perceived benefits.
- This may imply the need for a staged approach – with the new ministry being housed within the Cabinet Office initially, and being established as an independent organisation later as attention moved from the negotiations to the implementation phase of Brexit.
- Whatever the institutional arrangements, excellent human resources processes and capability planning will be required, to make sure the right people are in the right roles at the right time to deliver Brexit.

# Introduction

The next Prime Minister will have to decide what organisational arrangements to put in place to enable Whitehall to deliver the UK's exit from the European Union (Brexit). This paper appraises the options.

After forty years of membership, which included the creation of the Single Market, the business of most Whitehall departments now has some EU angle, while for some departments the EU is absolutely core. The greater complexity of the UK's governance today as compared to the 1970s means many others have a stake in the outcome, including the governments of Scotland, Wales and Northern Ireland (as well as other affected territories like Gibraltar), the Mayor of London and potentially other big cities. And many groups will want to have a say in the process – business, employee and civil society organisations; sectoral interests like farming and research, to name but a few.

This paper starts by outlining the main phases of work involved in Brexit, looks at how ministerial oversight could be arranged, and at the pros and cons of possible organisational structures to support and drive the work. Finally, it considers how to make sure Whitehall has the right people to support Brexit.

## Main phases of Brexit

The process of implementing Brexit and managing its consequences, will involve a number of distinct phases. The key ones will be:

### Preparation

- analysis of options for the UK's future relationship with the EU
- discussion with other interested parties
- decisions on the Government's negotiating position.

### Negotiation

- agreement of arrangements for leaving the EU
- agreement of the UK's new relationship with EU
- agreement of new bilateral trade relationships.

### Implementation

- translation of the final exit deal into UK law;
- implementation of necessary changes in administrative or funding arrangements
- development of new policies in areas which were previously covered by EU-wide arrangements.

These phases are likely to overlap. For example, the UK may be implementing the final exit deal while, or even before, negotiating new bilateral trade relationships with non-EU countries.

At the moment, Whitehall is rightly preoccupied with the first of these phases, developing and analysing options, and thinking about the arrangements that can be put in place to involve other interested parties in the discussion. [This work is being led by the EU Unit in the Cabinet Office](#) (building on the European and Global Issues Secretariat – EGIS). The unit has a newly appointed head, Olly Robbins (former Second Permanent Secretary at the Home Office). It reports to the whole Cabinet with Oliver Letwin, the Minister for the Cabinet Office, overseeing its work. It is important that the new unit adopts a whole-of-government viewpoint, rather than just having seconded staff within it who represent the interests of their home department.

Subsequent phases of work will be determined by the next Prime Minister. One of their first decisions will be about what organisational arrangements to put in place to support these phases. Form should follow

function. If Whitehall is going to undertake this vital task properly, then this basic principle must drive a series of decisions: about the nature of ministerial oversight for Brexit; about the split of responsibilities between cabinet ministers; and about the new organisational structures that should be established. We explore these issues below.

## Ministerial oversight

The first decision for the next Prime Minister will be about the nature of ministerial oversight for Brexit.

Ultimately deals will be done between heads of government. This is the reason why many Prime Ministers find, on taking office, that foreign affairs eat into more of their time than they had expected. Negotiating Brexit will require a huge amount of Prime Ministerial time and effort.

The next PM will therefore need to decide whether they need a senior colleague to do much of the heavy lifting for them, as well as absorbing some of the responsibilities of reporting to Parliament. Given the nature of the tasks ahead, it seems essential that this happens. This senior colleague must be someone who can work closely with the PM – any major disagreements between them in the negotiation phase would be fatal – and command the support of Parliament, which for this purpose essentially means the Conservative backbenches.

The next decision is whether to combine the ministerial oversight for Brexit with another Cabinet role. There are two choices when considering where to put the lead Minister:

1. **A dedicated Brexit Cabinet Minister**, focused full-time on Brexit issues with enough seniority and clout to be able to knock heads together across Whitehall. This could be a beefed up version of Oliver Letwin's current role at the Cabinet Office. This was the model adopted for UK entry into the Common Market and the arrangement that Bernard Jenkin MP, Chair of the Public Administration and Constitutional Affairs Committee, recommended at [a recent Institute event](#). Alternatively Theresa May has suggested a dedicated minister heading up a new Brexit ministry.
2. **A Brexit Secretary of State based in another department, combining the role with other responsibilities**. This is the option that Michael Gove allegedly favoured when he was still supporting Boris Johnson's bid for Conservative Party leadership – wanting to combine the Brexit role with being Chancellor. It is also the option suggested by former leadership contender Liam Fox – though he suggested making Brexit the central task of a revamped Foreign Office.

There are two main considerations in deciding between these two options. The first is whether the 'Minister for Brexit' is a part-time or a full-time role. This consideration points strongly in one direction – that this must be a full-time role. It is difficult to see how delivering Brexit could be combined with the handling of an economic crisis or dealing with a serious international incident.

The second consideration is whether there would be synergies (or conflicts) between the Minister's Brexit responsibilities and any wider role. If the role is seen primarily as conducting international negotiations then there might appear to be synergies, with the Minister also being the Foreign Secretary. However, as the outcome of these negotiations will have huge domestic implications, in reality the actual synergies are fewer than they first appear. The FCO is not the natural place for coordination of a cross-Whitehall domestic policy response and has few established links to the devolved administrations.

The Treasury is by far the most powerful domestic department. Combining the Brexit role with that of Chancellor would certainly create a dominant political player. But that would raise a number of potential problems. The Treasury will have big departmental interests in the post-Brexit discussions and may not be seen as an honest broker. And this arrangement could only work if the relationship between the new Prime Minister and Chancellor was as close as it has been between David Cameron and George Osborne – otherwise it would risk conflict between No.10 and No.11.

Overall, the arguments strongly point to the PM appointing a dedicated Brexit Cabinet Minister.

## Responsibilities of the Minister for Brexit

The second set of choices for the Prime Minister will relate to the split of Brexit responsibilities between the Minister for Brexit and other Cabinet ministers. Some responsibilities will have to be centralised under the Brexit Ministry. Pulling together the analysis of options, developing a negotiating position, undertaking the negotiations themselves and passing some of the key legislation (e.g. repealing the European Communities Act, 1972) are all activities that must lie with the Minister for Brexit, working closely with the PM.

The real choice is whether the Minister for Brexit has responsibility for implementation in any of the major policy areas affected by the negotiations. Liam Fox has suggested that some additional responsibilities should be combined with the Brexit negotiations – in particular responsibility for developing and implementing the UK's new trade arrangements. It would be possible to go further than this, and for example move responsibility for new immigration policy from the Home Secretary to the Minister for Brexit. However, this would be a much more complex move, as it involves oversight of many operational issues, such as control of the border.

There may be attractions to bringing the most affected policy areas under control of the Brexit Minister, as they will be central to the negotiations. However, there would also be possible drawbacks. Additional responsibilities could dilute the Minister's focus on the negotiations, or lead to the perception that they were being prioritised over other policy areas.

The safest solution is probably to have a minister focusing on the negotiations, as this reduces the danger of tensions between the Minister and other members of the Cabinet, including the PM.

## Organisational choices

The scale of the Minister for Brexit's responsibilities will have a large bearing on the organisational structures that the PM puts in place around this post. There are three main options which we look at below – a Cabinet Office unit, a Brexit unit based in another government department, or a new 'Ministry for Brexit'.

### A Cabinet Office unit

This model builds most clearly on current arrangements – and is the most obvious if the Prime Minister wants the Minister for Brexit's responsibilities to be closely focused on the negotiations.

#### Form

This model would build on the way in which Whitehall has coordinated relationships with the EU in the past, both across departments and with the UK's Representation in Brussels (UKRep). The Brexit Minister would be based in the Cabinet Office, supported by a dedicated unit that also directly supported the Prime Minister. This could either be part of the existing European and Global Issues Secretariat (the part of Cabinet Office that currently coordinates the government's international business) or split off as a separate unit to ensure it was not diverted onto other problems. It would follow the normal Cabinet Office model of seconding in people from across Whitehall. It would need stronger analytic capacity than exists in most Cabinet Office secretariats, to pull together the analysis of options and provide challenge to other departments.

The Unit would also act as a secretariat to whatever cabinet committee(s) were created to oversee Brexit – but it would have a much more activist role (in developing options and ensuring departments offered ministers the best advice) than the traditional coordinating secretariats, which are largely confined to organising business and broker agreements (see [the Institute's previous work](#) on the centre of government).

### Precedents

- 1960s and 1970s Common Market negotiating team.
- The current European and Global Issues Secretariat (EGIS). EGIS regards its role as serving the Prime Minister first, and servicing the Cabinet second. It already undertakes the day-to-day coordination of UK positions in Europe as well as preparation for high profile Councils – and led on the negotiation of David Cameron’s deal.
- The National Economic Council secretariat established by Gordon Brown. This brought in people from the Treasury, No.10 and the CO to coordinate the government’s response to the economic crisis.

Table 1: Cabinet Office Unit: Advantages and disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Coordination is the traditional Cabinet Office (CO) role – it is the department best placed to broker deals because does not have its own departmental policy interest.</li> <li>• EGIS is already within Cabinet Office, and has existing contacts and relationships with UKRep in Brussels.</li> <li>• It could get up and running quickly, building on the recently created EU Unit.</li> <li>• The Unit could provide direct support to the PM as well as the Minister for Brexit, reducing the risk of dangerous splits between the two.</li> <li>• It would benefit from proximity to the Cabinet Secretary and other key CO teams (National Security, Economic and Domestic Secretariat and the UK Governance Group, who deal with the devolved administrations).</li> <li>• It would be able to draw on existing CO infrastructure for administrative support services (HR, IT, Finance).</li> </ul>	<ul style="list-style-type: none"> <li>• A Cabinet Office minister might not be perceived as senior enough to broker deals, so too much could end up with the Prime Minister.</li> <li>• The power of CO units waxes and wanes depending on Prime Ministerial interest. This is likely to be high in the preparation and negotiation phases, but may be harder to sustain in the longer implementation phase.</li> </ul>

### A Brexit unit in another department

This arrangement is most likely if the Ministerial lead is given to a secretary of state in another department.

#### Form

If a departmental minister is put in to lead on Brexit, they will still need to draw in and coordinate talent from across government. In this situation something akin to the EU Unit will need to be created in their department, presumably either the FCO or the Treasury.

### Precedents

- The [Government Olympic Executive](#) (GOE) – when the UK won the Olympic bid (to general surprise) there was a debate about whether the Department of Culture Media and Sport, Whitehall’s smallest department, was up to delivery on the scale required. The GOE was part of the answer; a big coordination capacity created alongside the core functions of a department, reporting to the Permanent Secretary and the Secretary of State.

- UKRep – the UK representation in Brussels consists of staff who technically work for the Foreign Office (as diplomats) but are drawn from across Whitehall and see their role as serving the Government as a whole. The head of UKRep has recently been a Treasury official rather than a diplomat.
- [The Office of Climate Change](#) – a small analytic unit in the Department for Environment, Food and Rural Affairs (Defra) which Labour’s David Miliband created after his initial bid to establish a unit in the Cabinet Office was rejected. It had cross-departmental governance but was eventually wound up after the creation of the Department of Energy and Climate Change (DECC).

Table 2: Departmental Brexit Unit: Advantages and disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• If in FCO, coordination of international negotiations is a traditional role.</li> <li>• If in FCO, could draw on existing links with EGIS, and UKRep is already formally part of FCO.</li> <li>• High status of lead minister, combining Brexit role with that of Foreign Secretary or Chancellor.</li> <li>• Departmental base would provide durable, long-term home if Minister for Brexit was responsible for major policy areas such as trade.</li> <li>• Would be able to draw on existing departmental infrastructure for administrative support services.</li> </ul>	<ul style="list-style-type: none"> <li>• If in HMT, coercion rather than coordination is the traditional strength of that department.</li> <li>• If in HMT, would have to establish close working links with EGIS and UKRep.</li> <li>• Slower to get off the ground, as the recently created EU Unit would have to transfer across to another department.</li> <li>• Would need to establish working links with key CO teams (National Security – easier if in FCO; Economic and Domestic Secretariat – easier if in HMT and the UK Governance Group).</li> <li>• Risk that the unit could be perceived to be serving departmental rather than collective interests.</li> <li>• Risk that the unit could be perceived to be serving the Secretary of State rather than the PM, and potential need for separate capability in No. 10/Cabinet Office to serve the PM.</li> </ul>

## A new ‘Ministry for Brexit’

This model would recognise Brexit as a task of such scale and duration that it will need its own separate department. It is most likely if the Minister for Brexit has wide responsibilities for policy areas affected by Brexit, so their role continues well into the implementation phase.

### Form

Theresa May has proposed a new Brexit ministry, headed by a senior secretary of state. The Ministry would be responsible for conducting the negotiations. It is not clear whether it would be intended to have more enduring policy roles. How many people would be involved would depend on the exact responsibilities of the Minister for Brexit.

## Precedents

Outside wartime, the UK has not created any single-purpose ministries charged with overseeing a specific task. We have seen the creation of new departments to signal the political priority of an issue, achieve better focus and solve a particular policy problem – but also for more overtly political reasons:

- Department for International Development – in 1997 the old Overseas Development Administration, which was headed up by an FCO Minister of State, was converted back into an independent department and given its own clear mission.
- Department for Energy and Climate Change – created in 2008, in the wake of the Climate Change Act, to internalise the then inter-departmental conflict between three policy objectives – meeting climate change objectives, ensuring energy security, and delivering affordable prices.
- Department of Environment, Food and Rural Affairs – created in 2001 in the wake of the foot and mouth crisis. This was originally intended to be a department of rural affairs, to take over from the discredited Ministry of Agriculture and signal a new focus on the wider rural economy. Environment was added to create a weightier portfolio for the incoming Secretary of State.

Table 3: Ministry for Brexit: Advantages and disadvantages

Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Departmental base would provide durable, long-term home if Minister for Brexit was also responsible for major policy areas such as trade.</li> <li>• Status of departmental Secretary of State may be seen as greater than that of a dedicated Cabinet Minister for Brexit within the Cabinet Office.</li> </ul>	<ul style="list-style-type: none"> <li>• New department would need to establish its ability to coordinate the different interests involved in Brexit negotiations.</li> <li>• New department would have to establish relationships with EGIS and UKRep.</li> <li>• Slower to get off the ground, as recently created EU Unit would have to transfer across to another department.</li> <li>• Risk that unit could be perceived to be serving Secretary of State rather than the PM, and potential need for separate capability in No 10 / Cabinet Office to serve the PM.</li> <li>• Would need to establish working links with key CO teams (National Security, Economic and Domestic Secretariat and the UK Governance Group).</li> <li>• Setting up new departments costs money, and takes time. New departments should only be created where there is an irrefutable business case that this is the best option and adequate <a href="#">advance planning has been undertaken</a>.</li> <li>• Staff may be reluctant to transfer to a new department that could have a limited shelf life.</li> </ul>

## Assessment of options

Ultimately the choice of organisational structure should be driven by the responsibilities of the Brexit Minister. If the Minister’s responsibilities are focused on the negotiations, then the overwhelming case is for them to be supported by a Cabinet Office unit. The PM may wish to mitigate some of the downsides of this arrangement such as a Cabinet Office minister not being perceived as senior enough. For example, the Minister could become the Deputy Prime Minister, to underline the importance of the role.

If the role of Brexit Minister is combined with that of the Foreign Secretary or Chancellor, then the only choice is to base a Brexit unit within their existing department. There would be more difficulties to overcome in basing the unit at the Treasury.



If the Minister is given wider responsibilities for Brexit policy areas, then there is a stronger case for creating a fully-fledged Ministry for Brexit. However, there are serious operational drawbacks to this option – in particular the time, cost and distraction that would inevitably come from creating an entirely new organisation. The new ministry will also have to perform tasks such as producing full departmental accounts, which would otherwise be taken on by the host department. These would have to be carefully weighed against any perceived benefits.

This may imply the need for a staged approach – with the new ministry essentially being housed within the Cabinet Office initially, and being established as an independent organisation later as attention moved from the negotiations to the implementation phase of Brexit. This could then be aligned with any wider reorganisation of government that was entailed by the outcome of the Brexit negotiations.

## Getting the right people

Whatever decision is made about the organisational arrangements, it is people who will make these structures work. On the logistical side, excellent HR processes and capability planning will be required. Processes will need to be able to cope both with moving people between departments (or departments and the centre) and with bringing people in from outside. The underpinning processes (IT, payroll, budgets) will need to work smoothly. Failures in processes and planning have proved a barrier to success in the past.

The civil service will need new forms of flexible contracts to enable people with the skills needed to be brought in quickly and for variable periods. The ability to retain people will also be crucial – the civil service generally, and the Cabinet Office in particular, suffer from high levels of churn.

Whitehall does not have a great track record when it comes to developing skills and expertise, and integrating them into the political decision making process. It is half a century since the Fulton Report pointed out fundamental weaknesses that still exist in areas like commercial and finance. Fortunately, in the last year or two the civil service has started to put in place serious plans to develop its professional capacity. It will need to build rapidly on these plans as it expands its skills and expertise to cope with Brexit.

Above all, supporting the Brexit process will require a collaborative spirit from Whitehall. At a recent IfG event, chair of the Civil Service People Board Melanie Dawes was clear that permanent secretaries would cooperate to release their “brightest and best” into the new EU Unit, putting collective need over departmental requirements. Such cooperation has not always been evident in the past. At the same time, the centre needs to take measures to minimise possible disruption to important areas of departmental policy created by key staff leaving.

## Conclusion

Forty years of membership, the creation of the Single Market and the role the European Union has played in international negotiations mean that the business of most Whitehall departments now has some EU angle, while for some departments the EU is absolutely core. Preparing for, negotiating and, finally, implementing Brexit will inevitably preoccupy Whitehall and government in the coming months and years.

The PM must appoint a senior colleague to do much of the heavy lifting for them around Brexit. The arguments strongly point to this being a dedicated Brexit Cabinet Minister. The PM will need to decide whether they want the Minister for Brexit to focus on the preparation for and negotiation of Brexit, or whether they want them to take on wider responsibilities for policy areas like trade.

If the Minister’s responsibilities are focused on the negotiations, then the overwhelming case is for them to be supported by a Cabinet Office unit. If the Minister has wider responsibilities for policy areas, then there is a stronger case for creating a fully-fledged Ministry for Brexit.

Finally, whatever the institutional arrangements, excellent HR processes and capability planning will be required, to make sure the right people are in the right roles at the right time to get the job done.

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Copies of this briefing paper are available alongside the Institute's other Brexit-related material at:

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