

# MAKING POLICY IN OPPOSITION

*Lessons for effective government*

# Making policy in opposition – lessons for effective government

Opposition is first and foremost about getting elected; plans for office mean nothing without getting into government. There is limited time, money and people to do all the jobs oppositions have to do. The demands of opposition to take positions and make hurried promises put great pressure on policy making. However, parties should also be thinking about what they actually want to achieve in office. Work done in opposition can have a big effect on the future cost and outcomes of policies, how the Government is perceived and the likelihood of getting re-elected. This makes for a constant challenge in balancing day-to-day tactics against longer-term strategy.

The Institute for Government has looked in the past at how opposition parties prepare themselves and their people for potential government and it has looked at ways to improve policy making in government.<sup>1</sup> It has also completed a number of case studies looking at how individual policies were developed in opposition and taken into government.<sup>2</sup> This paper is intended to draw out some of the lessons that policy makers in opposition might want to consider.

## 1. Be clear about aims and priorities

Whether it is about signals to the electorate or about maximising achievements in office, having clear priorities and focusing on them are important. In its previous research, the Institute for Government identified clarity on goals as being one of the fundamentals of good policy in government.<sup>3</sup> For oppositions, understanding what the policy is for can make a big difference to how resources are used, whether it is setting out a position or whether it is a detailed plan of action for government.

Another issue is that the focus of opposition policy making changes throughout the election cycle, which can affect how oppositions prioritise their time. Two of our new case studies

<sup>1</sup> Peter Riddell and Catherine Haddon, *Transitions: preparing for changes in government*, (London: Institute for Government, 2009); Michael Hallsworth and Jill Rutter, *Making Policy Better: improving Whitehall's core business* (London: Institute for Government, 2011)

<sup>2</sup> Jill Rutter, Sam Sims, Edward Marshall, *The S Factors: Lessons from IFG's policy success reunions* (London: Institute for Government, 2012); A longer version of this report, Catherine Haddon, *Making Policy in Opposition: lessons for effective government*, (Institute for Government, forthcoming) features case studies on the 1992-4 Commission on Social Justice, Universal Credit and Welfare to Work policies.

<sup>3</sup> Hallsworth and Rutter, *Making Policy Better*, p.14

examined different policy reviews on social justice policy undertaken by John Smith and David Cameron soon after they each became leader. However, both were notable for having been more influential in overall thinking, in affecting perceptions of the party and for developing broad ideas, rather than for specific policy commitments. More definite plans for office can take some years. Work on devolution and minimum wage policies in 1997 or on Universal Credit, welfare to work and NHS reform in 2010 (some of which were continuations of current government policies) all involved three or more years of work before the election.

Being clear about priorities is important in plans for office. New governments want to make an early impact, but there is a risk in trying to do too much on too many fronts. The Labour government of 1997 made an impact on issues they had prioritised in opposition including devolution for Scotland and Wales, the minimum wage and Bank of England independence. In 2010, the Coalition also made progress in areas they had ear-marked for early action including the creation of the Office of Budget Responsibility, free schools and the extension of academies, and, to some extent, NHS reforms.<sup>4</sup> But where plans had not been developed so comprehensively in opposition – or had been amended with the advent of coalition and as the impact of spending reductions took hold – decisions were taken in a whirlwind of early enthusiasm which then came unstuck.

## 2. Use the opportunity to engage outsiders and refresh ideas

Opposition can be a chance to bring in fresh ideas, hear critical voices and build up relationships. This is important to policy making more widely. External engagement was identified as one of the core fundamentals to good policy making in the Institute's earlier research. In our case studies on successful policies opening up policy making so that it is a 'much more porous and inclusive process... [was] an important part of the building of a new consensus'.<sup>5</sup>

An example of how oppositions attempt this is through policy commissions. As with John Smith's Commission on Social Justice in 1992 and David Cameron's Social Justice Policy Review (chaired by Iain Duncan Smith), policy commissions provide an opportunity to explore radical thinking at arm's length from the party and also make good use of limited resources. However, there are conflicting views about how successful such commissions were in achieving concrete policies. For instance, some felt that the 1992 Commission on Social Justice had little direct influence after Tony Blair became leader; others felt it was hugely important in changing Labour's approach to welfare issues.

There are also perils in the wider relationships that are developed in opposition. Interest groups, think tanks and consultancies can provide a very valuable resource, but a number of our interviewees talked about the task of managing them, knowing what their interests are and the danger of being 'captured' by any one group.

<sup>4</sup> See also Nick Timmins, *Never Again? The Story of the Health and Social Care Act: a study in coalition government and policy making* (London: The Kings Fund/ Institute for Government, 2012)

<sup>5</sup> Rutter et al, *The S Factors*, p.20

Another issue is whether people behave differently with oppositions than they later would in government. Considering critical voices in the early stages of policy design can be much more productive than waiting until you are implementing. Professor Simon Capewell, a member of Andrew Lansley's Public Health Commission before the 2010 election, admitted that criticisms he now had of Lansley's policies could have been more critically aired when he was on the Commission. But, Capewell acknowledged, 'I suppose I agreed because Labour were clearly on the way out and thought it was better to be inside the tent than outside.'<sup>6</sup>

### 3. Resources in opposition may seem scarce, but can be used wisely

Opposition is highly pressured, with a wide range of roles to fulfil. The kind of work confronting front-benchers ranges from the ability to understand the detail of bills and draft amendments, to being able to look strategically or politically at an issue, react rapidly and marshal thoughts coherently, let alone dealing with the media. Combining that with expertise in subject area and then the time to be able to go away and undertake detailed research in an extensive policy topic is a challenge.

However, though resources are limited compared to government, for one of our interviewees, a former minister, opposition can still provide a chance to do significant work:

A really hard truth for the civil service is how much policy a band of ten people did in the run up to 1997, and similarly a band of around twenty people (with some consultants) before 2010... this is something really important for the civil service to look at, about how hard they find different, systemic policy. It's nothing to do with the abilities of people.

There are a number of resources out there including the House of Commons Library, lobbyists and interest groups, and academia. Oppositions also often turn to external help in advising them on implementation issues. In 1997 the UCL's Constitution Unit worked on a range of constitutional changes that Labour were considering to ensure a speedy but measured implementation. Gordon Brown's team turned to Arthur Andersen, to barristers and to former parliamentary counsels for help in thinking through the tax, legal and legislative aspects of their planned windfall tax on utilities. Likewise, the Conservative implementation unit brought in various seconded management consultants in its work helping shadows think about what preparation they could do in advance of office.

One of the issues that all politicians struggle to address is improving their management of themselves and their teams. This can be shadows managing their own staff or how the

<sup>6</sup> Oliver Wright, 'Lansley has caved in to fast-food industry, says former adviser', *The Independent*, <http://www.independent.co.uk/news/uk/politics/lansley-has-caved-in-to-fastfood-industry-says-former-adviser-8082163.html>



party leadership manage the shadow cabinet, the limited amount of money they have and relationships with the wider party and external groups. As with many organisations, especially when some of the demands of the job involves crisis-management, taking the time out to get some of these basics right is difficult, but can pay dividends in the longer-term.

#### 4. Coherence in opposition policy can make a difference to coherence in government

Looking at the how governments start in office and how specific policies have been developed in opposition shows just how many policies are personal to a particular shadow. This is most obvious when those shadowing a particular department don't take up the position in government. In 2010, NHS reform, free schools, and the universal credit programme were all closely associated with the people who became Secretary of State. In the Home Office and the Ministry of Justice, there was much more of a blank slate or opportunity to think afresh in government. In the Institute's research on the lessons from 2010, it was clear that for those that took over posts they had never shadowed the idea that their predecessor might have briefed them about the party's policies or even just of ideas in the pipeline was met with bemusement.<sup>7</sup>

Linked to this is the issue of overall coherence of policies. Often leaders focus on whether there are conflicting policy statements or inconsistencies in the overall strategic positioning they want to make. Likewise, shadow chancellors think about how their parties' policies add up financially. But when first arriving in government inconsistencies between the detail of policies developed in isolation can become very apparent and disruptive.

In 2010, the role of the Conservative Implementation Unit under Nick Boles was important in thinking about how coherence could be improved and formalised. The unit had developed out of a desire to undertake due diligence about the departments new ministers might be taking over and also for thinking through the policies they wanted to implement. As the work developed, structural reform plans were drawn up for each department, in theory reflecting the totality of the policies to be introduced. Not all shadows participated as fully as others, but the process did mean that 'policy development was slightly more collective and less dependent on the views of individual shadows'.<sup>8</sup>

#### 5. The importance of understanding implementation

Probably one of the most complex questions facing oppositions is how much do they really know about government to be able to plan for it and how much do they *need* to know.

One aspect is the importance of leaving room for manoeuvre when the context of government becomes clear. In both our *Making Policy Better* and successful policy making reports we discussed the importance of being able to adapt policies in the face of changed

<sup>7</sup> Peter Riddell and Catherine Haddon, *Transitions: Lessons learned. Reflections on the 2010 UK General Election – and looking ahead to 2015* (London: Institute for Government, 2011) pp.46-7

<sup>8</sup> Ibid. p.18

circumstances.<sup>9</sup> Likewise, history provides many examples of when individuals or parties have made commitments they later come to regret or who have ruled out positions that, when conditions in government become clearer, constrain their ability to act. There are reasons to signal a strong direction and demonstrate credibility, but this should be tempered against the room for manoeuvre that might be needed in government.

Another issue is how far political parties can and should try to duplicate the processes of government and have policies ready to implement on entering government. Andrew Adonis also found his own prior experience and the thinking he had done hugely valuable:

In government, it is hard to reform successfully unless you have largely worked out your reform plan beforehand. Once in office, even as a special adviser, let alone a minister, there is precious little time and space to research and think through a subject. I didn't, alas, have a properly worked-out plan on starting at No.10, but my prior analysis had a crucial bearing on the reform plans I developed thereafter.<sup>10</sup>

Sometimes it is down to what is most appropriate to what the party is trying to achieve with their policy. Margaret Thatcher deliberately avoided detail, except in allowing dossiers to be prepared for her ministers on public spending. Tony Blair, perhaps more than any other leader, achieved the paradox of 'a credible policy platform' yet with 'few specific policy commitments and a set of rather vague aspirations'.<sup>11</sup> In fact though, ministers came into government in 1997 with many of their first year policies well worked up – whether on the New Deal, the windfall tax on utilities, on independence for the Bank of England or constitutional change including devolution. In 2010, the Conservatives, through one method or another, had undertaken extensive work developing plans for the welfare to work programme, universal credit and NHS reform, but still encountered many issues of implementation.

There are a number of reasons why oppositions should think carefully about what kind of policy they want to produce and how developed it should be. Expressing policy positions is as much about getting elected as about working out plans for office. It's about making the argument, where you want to be politically and how you want to convey that to the electorate. Government can be different because of the facts on the ground, particularly the fiscal environment, or issues that just don't figure in an election, but for which there have to be policies. The Department for Education legislated early on its flagship schools reform, but it struggled with the cancellation of the Building Schools for the Future programme, a topic on which the Conservatives had done no preparation in opposition.

<sup>9</sup> Hallsworth and Rutter, *Making Policy Better*, p.14; Rutter et al, *The S Factors*, pp.25-7

<sup>10</sup> Andrew Adonis, *Education, Education, Education: Reforming England's schools*, (London: Biteback, 2012), pp.11-12

<sup>11</sup> Stuart McAnulla, 'Tony Blair, 1994-7', in *Leaders of the Opposition: From Churchill to Cameron*, (London: Palgrave Macmillan, 2012) p.173

Likewise, there are many aspects of government that are not about new policies but about continuing administration, including the influence of the European Union.

One of the biggest difficulties is the transition itself. The immediate handover of the UK system places great emphasis on the transition period – the first few weeks and months of a new government. It is the first point the Civil Service can actually properly involve themselves in policy development, when the realities of office hit home for politicians, events change plans and the prominence of the Queen's Speech places great pressure on finalising proposals. One of the hardest things for a new government, and the Civil Service, is getting the balance right between legitimate critique of policy and preventing bureaucracy hindering implementation. And even then civil service advice may be tempered by the desire to build relationships with a new and potentially suspicious ministerial team. The culture shock for both sides can be considerable and it is not always clear-cut whether, for instance, new policies are radical and just need to be pushed through or whether they are fundamentally flawed and in need of remedy. This is difficult to prepare for, even for those experienced in government, but something that can be helped through good use of pre-election contacts and an awareness by both sides that it is likely to happen.

## 6. Looking to 2015

With fixed term parliaments, oppositions for the first time can plan on the realistic expectation of when the general election will be called (7 May 2015). This will mean a change to the process of allowing pre-election access contacts between civil servants and opposition spokespeople to discuss the machinery implications of important policy proposals.<sup>12</sup> In the past, not knowing when the election would be, these contacts often began up to 16 months before the election, meaning they would lose momentum and coherence. There is a much greater opportunity for these contacts to be more meaningful, better organised and more focused on ensuring an effective transition in the event of a change of government.

The Coalition will also mean a change in how the Civil Service prepares for the election. They 'will have to prepare an analysis of the policy proposals of both the governing parties in the same manner as they have been doing for the Opposition parties', meaning it will have to be much more formal to ensure all parties are treated in a comparable way.<sup>13</sup> Being aware of how the Civil Service will think through an opposition parties' policies can help that opposition think about how their policies might transfer into government. How the two forms of preparation meet can have a big effect on how quickly and effectively a new government gets going. Often, new governments have discovered that manifesto promises that were not real priorities had been interpreted as such by the Civil Service and other policies that were a priority, but not so publicly discussed, were not known about or were misinterpreted. Redressing those misconceptions can take up valuable time.

<sup>12</sup> *Transitions and Transitions: Lessons Learned*

<sup>13</sup> *Transitions: Lessons Learned*, p.69