

# The Unelected Lynchpin: Why Government Needs Special Advisers

*Giles Wilkes*



## ***Inside*OUT**

*A series of personal perspectives  
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10



# *Inside*OUT

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# Foreword

Giles Wilkes' InsideOUT should be read as complementary, rather than contradictory, to the broad defence of special advisers (spads) by Nick Hillman which the Institute for Government published in March this year. Both worked as special advisers in the same department; Giles for the Liberal Democrat Business Secretary, Vince Cable, and Nick for the Conservative Universities and Science Minister, David Willetts. Yet, while their political perspective is different, their analysis is similar and overlapping.

Giles Wilkes concentrates on one aspect of the special adviser's role: policymaking, and, in particular, the constant bargaining on behalf of busy ministers. He rightly argues that this is the part of the spad role least well understood, or observed, from the outside compared with the more familiar media adviser role. He gives two examples, the reform of executive pay and the Beecroft report on deregulation of the labour market. He concludes, 'The tedious processes of government can help you. Starting with a call for evidence and consultation can help you on both the technical and political side to find solutions that actually work and are politically acceptable'.

Like Nick Hillman, Giles Wilkes is critical of spads' choice and training 'in the absent minded, diffident way so typical of the British gentleman amateur tradition'. If this continues, 'we will have a semi-visible class of arbitrarily chosen political insiders exerting huge influence over policy, without the expertise to do the job really well.'

He has a number of realistic suggestions for improvements and offers some shrewd observations on the constraints which spads face in addressing what he rightly describes as the far more interesting challenges of 'small p' politics – of getting things done – as opposed to the 'Big P' politics of grand claims and demands.

The two InsideOUTs should be compulsory reading for anyone who wants to be an adviser in government after next May, whatever their party.

A handwritten signature in black ink that reads "PJR Riddell" with a horizontal line underneath.

**The Rt Hon Peter Riddell**

Director, Institute for Government

## About the author

Giles Wilkes currently works as a leader writer for the Financial Times. Before that he spent four years as special adviser to Vince Cable at the Department of Business, Innovation and Skills. An Oxford graduate, his previous career took in spells in think tanks, spread betting firms and publishing houses, with pauses to collect an MBA and a Masters in Global History from the LSE.

## About our InsideOUT series

There is little systematic attempt to capture the knowledge and insights of people who have worked closely with government and share them with a wider audience. The Institute for Government is keen to remedy that. Our InsideOUT series gives people with an interesting perspective on government effectiveness an opportunity to share their personal views on a topic that sheds light on one of the Institute's core themes. The Institute for Government is pleased to be able to provide a platform to contribute to public knowledge and debate, but the views expressed are those of the author.

# Preface

InsideOUT carried a great piece from Nick Hillman on the subject of special advisers.<sup>1</sup> Like him, I enjoyed the extraordinary privilege of working as a 'spad', with the extra privilege of doing so alongside Nick, who advised David Willetts while I was advising Vince Cable.

He is right that no two spads have an identical experience. The job can only be understood by examining it from multiple angles. Those in the centre (Downing Street and the Cabinet Office) have a quite distinct role from those in the departments. Media work has a very different rhythm to policy or strategy. Moreover, the world of politics is about reconciling wildly different interests. It should be no surprise that this is reflected in how special advisers work. It is not easy to generalise about a vocation that provides a microcosm of the controversies and tensions of the entire political system.

No wonder satirists are so drawn to it.

Nick Hillman's *In Defence of Special Advisers* is an excellent starting point for anyone curious about the role. But I see it as the ideal high level textbook for future spads – the sort of broad introduction to which everyone should turn first. Despite himself exemplifying the ideal 'policy wonk', the breadth of Nick's piece left him little space to dive into this specific role.

I wish to rectify that, by focusing closely on how special advisers actually drive through policy. In my short time in government, I saw quite astonishing examples of how this unelected division of the political class determines the course of policymaking. A few dozen largely untrained, unmanaged and unknown individuals are obscurely changing British politics.

To say this isn't to invite scandalised gasps of outrage from the reader or imply that our democracy is a sham. The other, parallel discovery I made was that the intrinsic dysfunction of government renders the role of the special adviser essential. Political decisions of enormous consequence are made in an atmosphere of partial understanding, by some of the busiest people in the country, subject to the tug of myriad different interests. Policy is more likely to go wrong from lack of oversight or ignorance as from political ill will. When spads do their job well, they ease the way for good policy and block the way for bad. And, regrettably, there are plenty of examples of how the very opposite can happen. You will read about both in this pamphlet.

It is time the role was taken seriously.

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1 Hillman, N., *Inside Out: In Defence of Special Advisers*, Institute for Government, London, 2014. Retrieved 16 October 2014 from <http://www.instituteforgovernment.org.uk/publications/insideout-defence-special-advisers>

## Why do spads exist at all?

The role of special adviser was created decades ago when ministers complained that the Civil Service denied them the political advice and support they needed. From this genesis arose the mythology of the special adviser as a creature invented to struggle with the Civil Service. This was given a dramatic depiction in the very first episode of *Yes Minister*, where the special adviser fought to have a desk anywhere near his political master.

In *The Thick of It* Armando Iannucci updated this to the New Labour era, showing spads operating alongside officials and their harried bosses, wrestling with chaos in a world dominated by media blunders. Insofar as policy is mentioned at all, it is a matter of insulting triviality: policies are thrown out to deal with a daily crisis, usually to fend off the fury of the Prime Minister's alpha spad, Malcolm Tucker.

No doubt each of these portrayals works for some of the advisers some of the time. A few are notorious for spending all their time at war with their department, as if their period in opposition had been entirely spent gnashing their teeth and muttering 'Just you wait till I get in.' Their early days are spent scouring the office for what they see as the pointless extravagance of public servants.

Others devote their energies to fighting communications directorates into better advertising the excellence of their new master and the wickedness of the departed administration – wrestling an official machine that spent the previous 13 years doing the exact opposite.

And since many journalists only learn about the government via the confidential briefings of the special adviser, it is no wonder that advisers weave a narrative in which their – excellent – plans are only ever thwarted by 'scheming mandarins'. All of this activity feeds the myth of special advisers as the force simply trying to put political direction into a recalcitrant Civil Service.

The truth of the policy role is far more complex and interesting. At the Department for Business Innovation and Skills (BIS) at least, the civil servants are loyal, and want their minister to be effective, powerful, and understood as such in the media. They need little encouragement to share his aims, although there are plenty of sharp disagreements about the means of achieving them.

No doubt this isn't typical. Other spad colleagues of mine found more disloyalty and incompetence in the Civil Service. But it was seldom the normal state of affairs that polemic and satire have led us to believe.

At BIS I found that far from resenting our existence the officials welcomed the presence of special advisers with sometimes too much enthusiasm. One of my regular laments concerned their belief in the 'magic spad' theory of government, which holds that anything that has become intractable should be easily soluble if only our spad could talk to their spad. Far from having to shake down the officials to find out what was going on, the real challenge was dealing with a continuous tidal surge of information and requests for help, which was at times quite overwhelming.



If the job were only about fighting officials in the service of obviously brilliant policies, it would be a simple and depressing one. Fortunately, it is about far more. It sits squarely within a world of opaque policy aims and multiple loyalties, where none of what you want to achieve, who you are meant to be doing it for, or how you are meant to achieve it, is ever obvious. This is what has made being a spad the most interesting job in politics.

## Loyalties are multiple

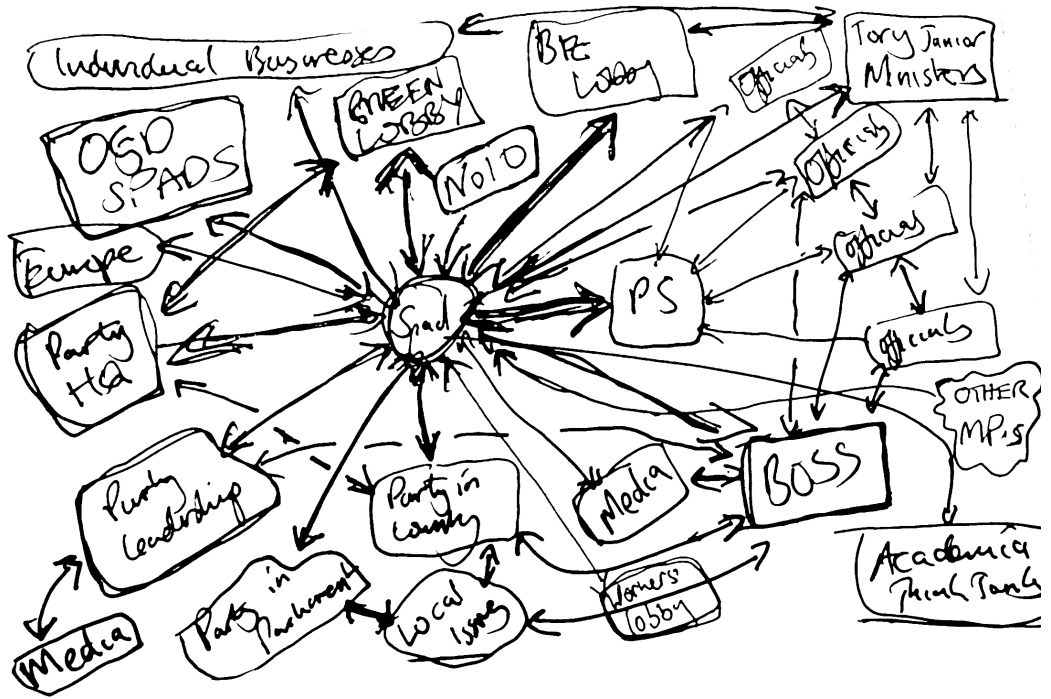
A good example of this messier reality comes from examining the bond of personal loyalty to the minister, which Nick Hillman says is what makes spads unique. Nick was a particularly loyal adviser to David Willetts, having worked with him for over a decade. But even for people appointed specifically to help a cabinet minister, loyalty is necessarily multi-faceted.

Spads have to respect the interests of a wide range of people and organisations, each of whom will feel they have their special claim on the individual. Since 2010 they needed to honour obligations across the government if the process of coalition bargaining was to be effective. As the *Ministerial Code* makes clear, 'All special advisers must uphold their responsibility to the Government as a whole, not just their appointing minister.'

This is a wise provision; if it were simply a matter of cleaving closely to one minister and fighting hard for whatever he or she holds dear, the job would be much more straightforward (and the process of government far more dysfunctional).

Even someone as powerful as the Prime Minister needs advisers attuned to the interests of lesser politicians and lowlier interests. Outside Whitehall there is also an entire constellation of organisations with a relationship to your minister, department or party, which now expects to have its voice heard.

I found in my first two years that the number and variety of people who thought they had a right to ask something of me was innumerable. Halfway through my time as special adviser I found myself, in a fit of irritation, trying to make a note of them all.



For those who can't read my scrawl I listed:

- officials from at least four important directorates
- the junior ministers
- the party in the country
- the party leadership in Whitehall
- party HQ
- the party in Parliament
- other MPs
- Europe (all of it)
- the media in its many guises
- Number 10
- the Deputy Prime Minister's (DPM's) office
- the green lobby
- the workers' lobby
- individual businesses
- the business lobby
- other government departmental special advisers
- and of course 'the Boss'.

Anything that the minister wants to achieve – from a fellow MP’s complaint to a grand new policy direction – needs the spad to intermediate these varied interests. The work ranges from simply forwarding an email or arranging a short visit, to organising an entire coalition of like-minded people to lobby elsewhere in government to some end. This can often mean a day entirely swallowed by petty administration: chasing queries, answering emails, endlessly forwarding information.

I was fortunate that in Vince Cable I had a boss whose political priorities are those that drew me into politics. Believing your boss to be on the right side of the big questions is essential for morale. But you can do little for him if you don’t also pursue the interests of innumerable others, including his sometime political antagonists.

## The subject matter is legion

Nick Hillman defines the job of the policy wonk as ‘to focus on ensuring the government is delivering workable initiatives that do not embarrass the minister because they are impossible to implement successfully or are out of tune with the government’s overall mission’.<sup>2</sup>

This definition is beautifully succinct, but also disguises as much as it reveals. Above all, the implication that the special adviser is usually the initiator of policy understates how much is forced into your in-tray, the majority of which even the most devoted and imaginative ‘wonk’ will never have thought of before.

Coming into government, Vince had carved out a large space for himself where his views were known and respected, and the policies implied were expected to be brought to fruition. Top of the list were: making the banks both safer and more willing to lend; dealing with the excesses of corporate Britain; and a firm belief in Keynesian measures for when the economy was weak, allied with a wintry acknowledgement of the need for longer-term fiscal retrenchment. The challenge of setting up a credible banking commission, reforming student finance (a burden Vince surely never expected to bear) and dealing with unprecedented austerity would be enough work for any politician.

But Vince had also enjoyed a long and varied career in economics and politics, while the Liberal Democrats had spent 70 years striving to be back in power. Over these years MPs and party had together developed an impossibly wide range of policy positions. As BIS was the biggest department the Liberal Democrats had ever got their hands on, it was a major vehicle for delivering these aspirations. Views on everything from defence sales and intellectual property protection to further education, deregulation and the protection of wild bees would somehow have to be transmitted.

On top of this, merely occupying a post in the department makes one a target for lobbying on any of the thousands of matters it has to administer. Within months I would have to learn about everything from copyright law to regional politics, Treasury budget rules to the

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<sup>2</sup> Hillman, N., *Inside Out: In Defence of Special Advisers*, Institute for Government, London, 2014. Retrieved 16 October 2014 from <http://www.instituteforgovernment.org.uk/publications/insideout-defence-special-advisers>

regulation of flammable furniture, the tax treatment of venture capital to the governance of UK Export Finance. Each of these might have their own peculiar political economy, their own set of non-governmental organisations and expert lobbyists. Often the job felt like cramming for a pub quiz, albeit with the intention of fully forgetting everything once the topic had passed on.

Much political heat stems from people not feeling fully briefed on what the government is up to, hearing baleful rumours of policies going the wrong way, or not feeling their voice is heard. Just keeping people informed about what is really going on is a valuable political role. The perennial risk worrying spads of every stripe is that their minister 'does a Grayling' – asked about a political appointment, in 2009 the then Shadow Home Secretary began to condemn as a gimmick an idea that turned out to have come from his own side.

It would have been interesting to focus obsessively on just one topic, and some spads do get to do this, out of a conscious political choice. But the work of a spad more often amounts to being the centre of a giant information exchange.

## The spad in political bargaining

For me what really defines the spad role is the constant bargaining. It is also the angle of the job least well observed from outside. Journalists tend to know best the other two types of spad. First there is the media adviser, on the phone constantly to fight for their minister, getting them the credit for the good stuff and letting them sidle away from the bad.<sup>3</sup>

Second, there is the political strategist, who grandly sets out the political strategy of the whole party, writes the speeches full of high-flown language about vision and values, and claims great insight into the disposition of the voting public. Equally grand opinion formers can be seen dotted around Westminster having coffee with this type, informing their insightful columns.

But where spads make the greatest difference to the actual conduct of government is in the constant bargaining process around policy. Under the Coalition government this has become ever more important.

This side really came to the fore in the months around the Budget of 2012, which was easily the most interesting of my time in BIS. The settled pattern of government had shifted over the previous months. Chris Huhne's departure from the Cabinet had brought a swift reshuffle. The European crisis and consequent economic slowdown were at its worst and Keynesian ideas were bubbling up into economic conversation.<sup>4</sup> As the Coalition geared up for a crucial budget, serious rows were brewing about green policies and constitutional reform, following an early bust-up about the NHS Bill. Even the location of the Green Investment Bank – a

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3 This role is certainly important. Avoiding stupid gaffes is important. Who can remember the last time a politician suffered from having bad policies to a degree at all comparable to the damage from a bad expense claim, unwise tweet or off-the-cuff statement about jerry cans?

4 I have somewhere filed documents with ominous titles such as 'Break In Case of Emergency'.

matter of where 30 people might sit – became a topic for dispute. The Leveson Enquiry was gaining momentum. A letter Vince wrote to the PM to set out his ambitions for industrial policy was leaked to the Opposition, sending Royal Bank of Scotland into a tizzy as it seemed to suggest tearing it to pieces.

The Liberal Democrat Spring Conference became a forum for disquiet at the rumoured shape of the Budget, public arguments about what the ‘tycoon tax’ amounted to, and the NHS Bill. The Budget itself became the focal point for huge bargains – we narrowly missed exchanging a mansion tax for the elimination of the 50p rate<sup>5</sup> – and later frayed into a notorious ragbag of unanticipated mishaps. While the political chiefs were striking the big deals, I recall frequent chats with worried party members to reassure them that the Coalition had not lost its senses, and to stop them going public with their concerns. (Re-examining my diary of the time, I realise now how much better Vince’s political instincts were than mine: my comments were full of frustration at his reservations about the Budget, which turned out to be precisely correct).

At a time like this, policy development occupies a fascinating intersection between technical arguments and brute political bargaining. You can’t be sure whether a position will be settled on its merits or through a battle of wills. This is where spads are essential. An official is often best qualified to determine the best technical shape for a policy, what second- or third-best outcomes are acceptable, and the strengths and weaknesses of each position. What they can’t do is bargain against straight political objections. This needs politicians, but politicians seldom meet to argue directly. The rudest, most direct arguments require the spads.

The logic of coalition can push the government in contrary directions. Hence from mid-2011 BIS started to develop policy to deal with unjustifiable executive pay while also fending off badly-thought-through suggestions to make it easier to fire workers. The political fights hit a crescendo in 2012. These two policy processes together demonstrate the contrast between good and inept policymaking. The first is our successful reform of the structures of executive pay (see case study below).

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5 Staff, ‘Vince Cable confirms ‘negotiations’ over axing 50p tax rate’, *BBC News Online*, 6 March 2012. Retrieved 16 October 2014 from <http://www.bbc.co.uk/news/uk-politics-17260348>

## Good policy – reforming executive pay

Vince started preparing the ground for reform of executive pay as far back as his notorious conference speech of autumn 2010, where he promised 'to cast a harsh light onto the murky world of corporate behaviour'. The over-excitement language was my fault.

The thoughtful 'call for evidence' launched afterwards was more the work of the department.<sup>6</sup> *A Long-term Focus for Corporate Britain* included a short section on rising executive remuneration, which laid out clear evidence that it had been rising far above any useful comparator, be that the earnings of FTSE companies, or the pay of everyone else.

In September 2011 Vince was able to go further and indicate what a solution would look like: more transparency and more power to shareholders voting against overblown rewards.<sup>7</sup> In effect all he did in this next conference speech was announce a consultation – a classic instrument in policymaking, ensuring that government isn't simply announcing in advance what it thinks is the answer.<sup>8</sup> But even doing this meant delicate negotiation with Downing Street as there were elements of the Coalition that were concerned that a longed-for business-led recovery would be undermined by any language criticising business.

Following the chaotically-received speech the year before (commentators divided on whether he was a radical follower of Karl Marx or Adam Smith) the spads this time made sure that the main business lobbies were not surprised by what they heard. Such preparation was critical for handling Number 10 and the Treasury.

Over the next few months the consultation took place against a backdrop of growing public interest, including the work of the High Pay Commission led by Deborah Hargreaves, with whom we stayed in close contact. Vince also received gratifying support from the Institute of Directors (IoD), who used the consultation to argue that excessive pay was damaging the legitimacy of British business, and even to suggest radical ideas like greater engagement with employees on remuneration policy.

The next stage was the official response to the consultation – an opportunity for the government to debate with itself what a proportionate response to the evidence might be. Cabinet government means a wide range of different voices being able to have their views heard. Nick Clegg weighed in, saying publicly in

- 6 BIS, *A Long-term Focus for Corporate Britain*, Crown Copyright, October 2010. Retrieved 16 October 2014 from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31563/10-1225-long-term-focus-corporate-britain.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31563/10-1225-long-term-focus-corporate-britain.pdf)
- 7 Vince Cable said, 'I am separately consulting on how best to tackle the escalation of executive pay which, in many cases, has lost any connection with the value of shares, let alone average employee pay. It is hard to explain why shareholders can vote to cut top pay but the managers can ignore the vote. And surely pay should be transparent; not hidden from shareholders, and the public.'
- 8 The consequence of a poor or non-existent consultation is usually the threat of judicial review.

early December 2011, 'What I abhor is people getting paid bucket loads of cash in difficult times for failure.'

The process of getting wider government support for action was going well and was given a huge boost when the Prime Minister himself used an interview in early 2012 to give his approval for binding shareholder votes on pay.<sup>9</sup> This was so out of the blue that my diary recorded the annoyance of a colleague at the PM 'nicking' this announcement. However, there is a regular trade-off between your own minister getting all the air-time on an issue, and other politicians being bound into the policy by speaking in its favour. In this case, it was worth it.

The following months saw the stately dance of further consultation, discussion, response, speech, parliamentary statement and so on drawing closer to a conclusion. Every politician seemed to be making a speech on responsible capitalism.<sup>10</sup> There were occasional losses of nerve as the business lobbies started to feel cornered. Vince was brought to Parliament to explain his position, and found himself in the gratifying position of being attacked on both sides, a sure sign of being in the right place.<sup>11</sup> As the basic shape of the policy took form there were still details to be fought over and continuous arguments about the wording of further consultations. How large a majority should shareholders achieve to have a binding result? How often would the votes be held? Was it onerous to ask firms to report on how or whether they had consulted their workforce?

To some the very idea that the state was debating this essentially private matter was disquieting, which led to tense arguments right up to the end. We had to be closely aware of how bodies like the Confederation of British Industry (CBI) might be making their concerns felt to the top politicians in Whitehall. The last bargaining session I can recall was as late as 19 June 2012, at which point I was still worried that the whole matter might be rejected by another fresh set of eyes taking issue with the entire agenda. My diary recorded 'Need Nick [Clegg] to ride in', which indicated a looming Quad discussion. I hurriedly wrote a chronology of the whole affair for the DPM's team so that they could, in good faith, let the other members of the Quad know how Vince Cable had played the whole game by the book.

Because of all the evidence and due process, he was rewarded with a result. The Enterprise and Regulatory Reform Bill in June 2012 contained the requisite clauses on executive pay. While the process of further consultation and response on the details continued for some months, the deal was done.

9 In the past, shareholders could only provide an – embarrassing – advisory vote on the remuneration report.

10 Chuka Umuna, 'We need a more responsible capitalism', January 2012; Ed Miliband, speech on responsible capitalism, 19 January 2012; Nick Clegg, 'Another week, another speech about the evils of capitalism', 16 January 2012.

11 Cable, V., *Written Ministerial Statement on Executive Pay*, BIS, 24 January 2012. Retrieved 16 October 2014 from <http://www.parliament.uk/documents/commons-vote-office/1.BIS-Executive-Pay.pdf> and Cable, V., *Written Ministerial Statement on Executive Pay: Consultation on enhanced shareholder voting rights*, BIS, 11 March 2012. Retrieved 16 October 2014 from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/31373/12-667-written-statement-consultation-enhanced-shareholder-voting-rights.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/31373/12-667-written-statement-consultation-enhanced-shareholder-voting-rights.pdf)

What lessons did we take from the modest success of our executive remuneration reforms? From a distance, our actions look much more strategic than they felt at the time. Perhaps the officials were aware of a longer timescale, but from the political side we saw a series of short-term hurdles. This forced us to build a case carefully. The constant question was 'What do we need to convince the other side to let us go one stage further?'

At times we were rewarded with luck: the quick approval of the Chancellor to the concept of a binding vote; the support of the High Pay Commission and the IoD; the encouragement of a particular journalist from a conservative paper; the way the media discovered a 'Shareholder Spring' in 2012 as investors rose up against the overpaid bosses. But seizing on moments of fortune is the essence of effective political manoeuvring.

All of this bargaining took place at spad and official level, until almost the end. For every dozen political cartoons showing politicians fighting together, they may actually sit down in a room once or twice and otherwise barely address each other directly. The actual arguments happened lower down the food chain, which is where the intensive probing and sparring, quashing of exaggerations, moderating of more hard-line ideas can happen. The political principals would receive regular updates from the front and order the red lines to be re-drawn, but the fighting would be conducted by the soldiers, not the generals.

However, despite all this spad action it was Vince who accurately sniffed the political wind on this topic. During several early meetings with various interested parties (the fund managers, insurers, remuneration consultants and so on) we were often pleasantly surprised at how they eagerly addressed the topic. (It was only the remuneration consultants who appeared utterly opposed to addressing the issue.) Vince also kept us from compromising too far – my diary records his constant concern that the reforms would not be bold enough. He kept a good watching brief over the course of the policy.

The political team at BIS and beyond (this also involved three different spads, at least two different employment ministers, the DPM's team) proceeded carefully, not through some fantastic instinct about how to do good policy, but more from steady awareness of the constraints. Executive remuneration was never top of a Coalition agenda – it brewed up at a time when the weakness of the economy, the 'Omnishmables Budget', rows about the constitution and green policy would all have taken a higher billing. A second-tier policy like this was not worth having a huge fight about. Political force majeure was never available and so we had to have objective reality on our side. We had to observe the constraints, which built better policy.

As luck would have it, at this time another dispute was providing a very good example of how *not* to do policy.



## How not to do it – the Beecroft Report

By 2011, employment law was already a key topic within the Coalition. Ed Davey as Employment Minister had launched a parliament-long review of this vast area in his first months in the job. By January 2011 he had announced an increase from one to two years in the qualifying period for taking an unfair dismissal case to tribunal. This technical-sounding step was a big deal, getting cheers from the *Daily Mail* and *The Telegraph*, and real consternation from Ed's Liberal Democrat colleagues.

Employment law is complex. The labour market is easily the biggest market in any economy – wages are 60% of GDP – and it is covered by a myriad of rules, from those determining maternity rights and workplace safety to the consultation period for a large-scale redundancy, and many more. The right to claim for unfair dismissal had been introduced decades before under Conservative administrations, who had noticed (and hastened) the evolution from collective to individual rights in the workplace. Further individual rights, such as the Right to Request Time to Train, were introduced under Labour. The whole area is complicated by how the economic unit – the worker – has *rights* and *incentives*. It is not like making rules for the treatment of chemical waste or the trading of shares. Workers are also vital economic units who respond to incentives.

However, some Number 10 advisers were keen to push the agenda faster and harder. Their motivation apparently stemmed from urgent complaints made by entrepreneurs and small business groups who claimed that it was almost impossible to dismiss underperforming staff, tying them up in risk and red tape; the best thing we could ever do for the economy was to loosen the rules. The slower, evidence-based approach of BIS at that time was a source of great frustration.

To deal with this frustration, in the summer of 2011 Ed Davey and BIS were presented with an offer they couldn't refuse. Number 10 wanted to volunteer the help of an experienced investor called Adrian Beecroft to help us deregulate the labour market.

Adrian Beecroft was and is an impressive man: a distinguished scientist, philanthropist and venture capitalist, who behaved very decently to BIS throughout his time there. But there was no evidence that he had any specific expertise in employment law, apart from his own distant experience of difficulties removing a staff member.<sup>12</sup> Given the complexity of employment law, with all its moving parts, this was a problem. For the report he wanted to write, he had one overriding view: that the right to protection from unfair dismissal was an impediment to getting rid of underperforming staff. So there needed to be something called 'Compensated No Fault Dismissal', which would enable firms to sack workers with basic redundancy pay and notice, with no need to explain the reason for their dismissal.

BIS officials worked to produce the relatively short report, and helped add to it various other useful suggestions. But given its basic thrust it could have included 'No labour market economist was disturbed during the framing of this report' in small print.

12 Carty, M., 'Beecroft report inspired by "hopeless HR director", says Telegraph' Xpert HR Employment Intelligence website, 23 May 2012. Retrieved 16 October 2014 from <http://www.xperthr.co.uk/blogs/employment-intelligence/2012/05/beecroft-report-was-inspired-b/>

The central claim that Britain's employment laws are 'terrible' was given only anecdotal support. As crowds of better informed commentators lined up to say, when the report was leaked in October 2011, Britain scored very highly on any index of labour market flexibility. Flows in and out of work are very high. The fast growing BRIC countries have more employment protection than the UK, and the relationship between employment protection and the incentive to innovate is not straightforward.<sup>13</sup> That business people respond to surveys asking that their obligations to their staff be lightened is not an impressive data point. Given that the report looked to alter the rules governing the entire labour market, it was surprising that more attention was not paid to how a labour market subject to 'terrible' laws had in fact performed astonishingly well in generating jobs. It continues to do so.

I felt strongly about supporting the economic evidence because I had been a manager in a growing company myself, where I had needed to dismiss people. It was difficult, but I felt it needed to be difficult. There is an imbalance in power between the boss and the worker. Good managers know how to handle staff.

In technical terms the decision to base policy on what was really the opinion of one man was poor. In political terms it was a slow motion car crash (and special advisers are meant to have some sort of political antennae). 'Compensated No Fault Dismissal' was swiftly replaced in the media with 'Fire at Will'.

Early versions of the report were rumoured to contain toxic suggestions to water down maternity rights, leading to claims of Number 10 'doctoring' the report to remove them. Political common sense only entered the story once the Prime Minister himself started to think about it, after the leak.<sup>14</sup> I cannot recall whether any thought had been given to how the Opposition might make mischief with the Coalition appearing to do the bidding of a wealthy party donor urging the removal of workers' rights.

The Liberal Democrat position moved from cautious criticism to outright opposition, and they enjoyed having the evidence and argument on their side. The newspapers reported how senior civil servants were now forced to broker a political compromise. Precious political goodwill was squandered.

The Beecroft proposals staggered on in diminished form. Eventually there was a deal that BIS should consult on the dismissal proposal only for very small firms.<sup>15</sup> The fighting leaked into the media, with opposing briefings spreading further ill will. One side accused the other of 'killing off sensible deregulation ideas', while being

13 FlipChartRick, 'Britain has less employment protection than the BRICS', *Flip Chart Fairy Tales Blog*, 28 May 2012. Retrieved 16 October 2014 from <http://flipchartfairytales.wordpress.com/2012/05/28/britain-has-less-employment-protection-than-the-brics/>

14 A gossipy story in the *Financial Times* reported how the top two Conservatives were 'aware that they risk "retoxifying" the Conservative brand if they preside over the removal of basic workers' rights'. Parker, G., and Rigby, E., 'Cameron's anger at claim of Osborne rift', *Financial Times*, 8 November 2011. Retrieved 16 October 2014 from <http://www.ft.com/cms/s/0/308fccbe-0a3b-11e1-92b5-00144feabdc0.html>

15 BIS, *Dealing with Dismissal and 'Compensated No Fault Dismissal' for micro businesses: Call for evidence*, Crown Copyright, 2012. Retrieved 16 October 2014 from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/32137/12-626-dismissal-for-micro-businesses-call.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32137/12-626-dismissal-for-micro-businesses-call.pdf)

accused in turn of being heartless towards vulnerable workers. The responses to the consultation were underwhelming.<sup>16</sup> Despite the Chancellor using a speech to the EEF, the manufacturers' organisation, to urge companies to come forward with their support, the EEF responded saying 'the idea commanded little support from industry, its benefits would be limited and it would make little or no difference to recruitment plans'.

The government argued internally about how to respond to this. The major goal became avoiding further damaging fights. As it happened, the great majority of the sensible ideas in the report that had bubbled up from BIS officials were accepted.<sup>17</sup> But given the combination of political opposition and lack of policy merit, the core idea of Compensated No Fault Dismissal had to be rejected. By this time the word 'Beecroft' had become, unfairly but predictably, linked with pre-Victorian views on workers' rights.<sup>18</sup>

The saga wound on in other forms continuing to absorb unnecessary attention and political capital on all sides. Adrian Beecroft took to the press to take a swipe at Vince Cable, calling him a socialist and accusing the government of spurning an opportunity to add £50 billion to the value of the economy.<sup>19</sup>

There remained a fading enthusiasm for further employment deregulation, unhappily ending in a new form of employment contract called the Shareholder Employee. 'Shares for Rights' as it is better known deserves a case study all of its own. I have yet to meet a civil servant, lobbyist or journalist who didn't see the idea as extremely misconceived. Its passage through the Lords was extremely difficult, with figures as credible as Lords O'Donnell, Deben, Lawson and Forsyth speaking against it.

There are enough lessons from the Beecroft saga to fill a decent pamphlet. Most obviously, it makes sense to prepare from below when launching into an area as complicated and longstanding as employment law, starting with a thorough economic analysis of the current state of play. Anecdotal evidence has its place, but not for setting the entire policy direction. Number 10 appeared to lack crucial economic resource when it embarked on this course. More generally, any economic reform in a country as large and venerable as Britain will involve unforeseen consequences, and encourage caution towards ideas for violent reform. This is surely a classic tenet of conservatism. If you think you have just learned what the 'obvious' policy is from some special interest, no matter how passionate, you – and they – are probably wrong.

16 Groom, B., Business groups reject easy firing plan, *Financial Times*, 6 June 2012. Retrieved 16 October 2014 from <http://www.ft.com/cms/s/0/9a128ff6-ae5e-11e1-b842-00144feabdc0.html>

17 Ahmed, K., 'Whisper it, Vince Cable supports a lot of Beecroft', *The Telegraph*, 26 May 2012. Retrieved 16 October 2014 from <http://www.telegraph.co.uk/finance/comment/kamal-ahmed/9292043/Whisper-it-Vince-Cable-supports-a-lot-of-Beecroft.html>

18 Lambert, R., 'A proposal for the philosopher Beecroft', *Financial Times*, 25 May 2012. Retrieved 16 October 2014 from <http://www.ft.com/cms/s/0/6fb41070-a4bf-11e1-9a94-00144feabdc0.html>

19 Winnet, R., "'Socialist' Vince Cable not fit for office, says Adrian Beecroft", *The Telegraph*, 22 May 2012. Retrieved 16 October 2014 from <http://www.telegraph.co.uk/news/politics/9283748/Socialist-Vince-Cable-not-fit-for-office-says-Adrian-Beecroft.html>

Another lesson is that the tedious processes of government can help you. Starting with a call for evidence and consultation can help you on both the technical and political side to find solutions that actually work and are politically acceptable. Writing an op-ed about your favourite idea, and forcing your political master to stake credibility on it being achieved, is high risk and usually a bad idea. At the very least, you need to get the support of other key people in government, no matter how mighty your boss is. If you think the Treasury is going to have a view, finding out what it is first makes a lot of sense. 'I took great comfort from how clearly uncertain both great houses of Downing Street were on the right line to take, which was widely reported in the press.'<sup>20</sup>

Policy spads need to do more than just find an idea they like and aggressively push it through. They need to work out what everyone else might think about it, including their political antagonists. They cannot regard the views of experts as a mere bureaucratic obstacle. Their ability to cow civil servants does not imply a similar ability to bend reality.

## Learning the constraints

Nick Hillman's description, 'workable initiative',<sup>21</sup> contains within it a host of unasked questions. Policies range from the superficially-attractive but wildly-unlikely, to the dull and achievable. To be 'workable' they have to navigate carefully between innumerable constraints imposed by everything from money, administrative time and legal precedent to the intractability of the general public, the European Union and the laws of physics. I hope the case studies illustrate this.

With all policies there is a tension between what the minister might find most attractive or popular and what will be practically achievable. Sadly, what tends most to please the media or general public is often impossible, trivial, or ineffective.<sup>22</sup>

No matter how political a subject may be, it is still vital for the special adviser to understand what is possible, and make sure that the minister doesn't waste capital striving for what isn't. Over the years the volume of constraints on government has grown. The risk of judicial review, the constant challenge of the Treasury, the limits imposed by European State Aid rules and the demands of the Better Regulation system all prevent purely capricious policy taking flight.

Any liberal nervous about the behaviour of unconstrained governments ought to be pleased. But in the light of this, the worst outcome is to allow a minister to sink time and effort into persuading colleagues to accept proposals that the public, private sector or judiciary will

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20 Pickard, J., 'The battle inside 10 Downing Street over unfair dismissal laws', *Financial Times blog*, 9 November 2011. Retrieved 16 October 2014 from <http://blogs.ft.com/westminster/2011/11/the-battle-inside-10-downing-street-over-unfair-dismissal-laws/>

21 Hillman, N., *Inside Out: In Defence of Special Advisers*, Institute for Government, London, 2014. Retrieved 16 October 2014 from <http://www.instituteforgovernment.org.uk/publications/insideout-defence-special-advisers>

22 The officials have the task of delivering these truths, which is why the special advisers least capable of initiating credible policy ideas will also be those most prone to calling a journalist to whinge about the scheming mandarins supposedly responsible for their demise.

in any case reject. This is why spads can neither delegate policy expertise entirely to the Civil Service, nor just insist that whatever is in the manifesto or, in our case, the Coalition Agreement should just be made to happen. Worst of all is to insist on something happening just because the spad is set on it.

This doesn't mean terrible policy can't be driven through if the politician is determined. But it comes at an unacceptable political cost. Currently, truly-awful policy is most likely to get through when ordered by a member of the ruling Quad (or one of his advisers). For everyone else, it makes sense for the special adviser to work out where the objective constraints lie.

But I don't mean to imply that policy spads just care about technical limits. Within this space of realistic policies there is a tension between what the various politicians will allow. This means that special advisers need to be adept at manoeuvring up and down the political hierarchy, all way to the Quad – the Prime Minister, Deputy Prime Minister, Chancellor and Chief Secretary – occasionally augmented by others.

## Raising a dispute to a level of greater indifference

Under coalition, the longer a disagreement lasts, the more likely it needs to be resolved at the Quad. I had barely any direct experience of this mysterious constitutional innovation, so can only give my impressions from outside. From what I saw, it takes to an extreme an unavoidable feature of policymaking – that political disputes can only be resolved by raising them to the level of greater indifference.

This ostensibly insulting principle is an intrinsic feature of policymaking at every level. It is in no way meant to be a slight on the Quad. Before Quad-government came sofa-government and the dysfunctional bargaining between Blair and Brown. These probably worked even more badly.

The principle of raising a controversy to the level of greater indifference captures two perennial features of political decision-making. The first is that the more difficult a dispute, the higher it will need to be elevated. If two Cabinet ministers can't get on, they can't send the issue downwards to their officials to find an answer. The officials, being more expert, often more attached to a position and less bothered by a deadlock, will be even less compromising. Instead, it needs to be weighed up by more senior politicians. The second feature is that the higher the position in government, the wider the range of issues that need to be addressed, and hence the more thinly spread will be the depth of concern and the attention that can be given.

By the time a policy reaches the private office of a politician, and therefore an adviser, it may well have enjoyed years of attention from officials, but it will be jostling for attention with over a dozen other such calls on his or her time and energy. The minister may be on

one of many frequent trips out of the office, or even abroad. None of this means they are actually indifferent to the matter itself. The minister may be the very reason it is being discussed at all, as was the case with executive pay and Vince Cable. But on any one day a minister has very many irons in the fire, and priorities will be scattered in a way that may not match the importance of the issues to the department.

When an issue reaches the Quad via such a path it can scarcely compete with the other claims on their attention. I doubt that even the most pressing BIS controversies ever took top place on the Quad agenda. More likely they fell just ahead of a new appointment in MoD and marginally behind the threatened collapse of a hospital or the resolution of an impending revolt in the Commons. In the case of our twin struggles on executive pay and 'fire at will', their conclusion must have happened when the Quad was more concerned with a dramatic economic slowdown, constitutional reform and the impending Olympics. There is no way that either quarrel could have absorbed significant political capital. Therefore the side with the best technical arguments and solid stakeholder support was going to win. That was us.

Nevertheless, such relative indifference in the higher reaches of politics must be devastating to the officials concerned. At every stage of policymaking – including for all the mundane issues managed within a department – the attention paid higher up is a fraction of that below. But this indifference is actually essential to getting things moving at all. Relative indifference is a solvent of sorts. It enables the decision maker to put the problem into wider context; to bargain it against other entirely unrelated squabbles; to choose the expedient second best and make progress.

## The confidence grows as the expertise shrinks

The contrast between an issue's importance and the amount of informed political attention it receives should be a matter of constant amazement. This flaw is magnified by how, as you climb the hierarchy, diminishing knowledge usually encounters growing self-confidence.

There are not many senior politicians who achieved their position by humbly repeating 'I don't know' to the urgent questions of the day. Instead they are members of a class self-selected to be among the most self-confident people on earth. I have often seen a minister in a room full of his colleagues pick up an unfamiliar briefing paper and instantly opine with total confidence on the first thing he's just read. I know another who felt himself capable of speed-reading a decades-old Act of Parliament and straight away asking whether the entire panoply of rights and obligations that it contained were necessary.

Several years of evidence-gathering can be blown away with breezy certainty by a minister impressed by views read in a morning column. Often spending decisions risk being settled on the principle of 'if I haven't heard of this spending line, it can't be all that important'. Some of my most vital work was to explain that a particular few hundred million pounds was actually of vital importance to a cherished cause of the same minister trying to cut it.

Alongside the risk that your boss has not had the time to be properly briefed lies another risk just as dangerous: that the decision is dominated by confident people in possession of one or two slivers of knowledge, which is quite enough to swerve the policy in entirely the wrong direction.

So no matter how thorough the work that has gone into bringing a policy to maturity, any need to have it elevated to ever more senior politicians runs the risk of it suffering a chaotic end. Within an afternoon meeting, an entire suite of legislative business might be ticked or crossed, and with it dashed the hopes of a swarm of officials desperate to amend some law or other.

## The art of focusing attention is crucial

The environment of haphazard understanding and rushed judgements within which political bargains are struck makes great material for farce, but it is also what gives the special adviser real potency. They allow the small actions of a well-briefed spad to have enormous consequence, in particular by placing a huge premium on focusing attention into the right place at the right time.

Spads have a special ability to direct attention where it may be most effectively deployed. They can re-order their minister's box or have vital corridor conversations with officials to clarify what matters. They can choose when to prompt their minister in that key bilateral with the Chancellor, when to correct them and when not to. They can summarise in punchy language what a 16-page submission is really about. They have access to their minister at weekends. If a matter is to go to the Quad, the departmental spad can gain the ear of a senior colleague and urge them to concentrate on one particular, vital issue. All of these things mean that in a roomful of poorly-briefed but decisive individuals, your boss can have that extra understanding of the topic needed to be the one who swings the decision.

## Are spads a blight on democratic politics?

From what I describe, there is little doubt that vast swathes of policy happen – or are prevented – because of the work of the spads. So what is one to make of the quote from Sir George Young, that it is 'ministers who make policy, not special advisers'?

Sir George's statement simplifies the true state of affairs, but contains an important underlying insight. In legal fact, nearly everything that happens in a department is the action of a minister. For centuries they have been putting their name to a quantity of decisions and orders, letters and quotes that far exceed the possible output of any one person. We are a long way from the world where Pitt the Younger could literally write a Budget all by himself, fuelled by bottles of port, before presenting it to Parliament. The sheer volume of detail would overwhelm any one human being. It would also take someone opinionated to a quite superhuman degree to care enough to push all of the various initiatives through. Delegation has to occur.

The messy reality has long been that policy emerges from a complex interaction between officials, stakeholders, ministers, other politicians, the general public through the process of consultation, and many others. At the end of this process, there is indeed a minister and the usual panoply of press releases, news briefings and TV appearances that greets the happy birth of a new 'workable initiative'. He or she is also the person held accountable for its success, but the policy is always a child of multiple parenthood. The active special adviser is often vital to the conception and birth – but so too are the department and hordes of unknown officials, and few suggest that the very existence of the Civil Service damages democracy.

Nevertheless, the amount of formal and informal delegation to the special adviser raises another question: how can anyone tell whether they are exceeding their authority? Can the general public be confident that whatever comes out of government represents an outcome of democracy, and not the private ambition of the special adviser?

The straight answer is that they cannot. The world I have struggled to describe is one full of uncertain causality. Spad management barely takes place. Ministerial accountability as set out in the Code is one task too many for a busy minister. But spads cannot run amok for the same reasons that departments cannot either. Around the process of policy development there is such a high degree of information flow and repetition that any spad setting their own direction without the support of their minister would soon be discovered and embarrassed. Anything interesting or controversial may hit a blockage that needs a minister's political force to clear. It would take extraordinary deviousness and determination for an adviser to press home a policy without sighting the minister, and it would involve risks that few sane individuals would contemplate.



## Spad management

The Civil Service is a very closely-managed working environment. From my vantage point the quantity of training and appraisal bordered on the extreme, if it can be measured by the time spent away from desks.

The contrast with the special adviser world was striking. As far as I could tell, there was one management-minded adviser on the Liberal Democrat side of the Coalition – Jonny Oates – who somehow had the energy to arrange 360-degree appraisals halfway through 2012.<sup>23</sup> I am told that no more was achieved on the other side of the Coalition. Apart from this, people just got on with the job. While the *Model Contract for Special Advisers* sets out that ‘your performance will be subject to regular review, with an opportunity to discuss that performance with [your minister]’, I never heard of this happening to any formal degree.<sup>24</sup> And while the *Ministerial Code* is very clear that accountability for the conduct of the special adviser is the responsibility of the minister, asking the busiest people in politics to engage in personnel management is optimistic.

The structures within which spads interact with each other have been taken from the world of opposition media management. There were dozens of circular emails, full of lines to take on the controversies of the day. Regular meetings took place to discuss the Number 10 Grid, so that everyone might be aware of what was coming up. People were invited to say what their department might be up to. At the beginning of the Coalition these took place on a cross-party basis. Insofar as policy was ever discussed, it was generally to reiterate how excellent our already-settled programme was going to be. I distinctly remember that the incredibly controversial reforms to health and welfare were presented in exactly this way. The point was never to talk about how these policies were going to work, but to learn the lines to take when our misguided opponents might attack them. I noticed that the very grandest spads seldom put in an appearance.

Later on it dawned that the parties were better off going into conclave apart. I thought the regular meetings improved, and people relaxed more. It is easier to tell a joke when the butt of your humour isn’t in the room. In a job that could feel pretty lonely it was good to meet up with the home team, swap anecdotes and hear what was really going on. There would also be useful presentations from the strategists, largely based on some fascinating polling exercise. For people trapped in the small world of their departmental obsessions, or spending all week just championing one minister, this was a refreshing change of perspective. But from the point of view of a policy spad, they were not much use. Mostly people wanted to talk about only the next week. At best they were a good excuse for the sort of hurried meetings needed to dissolve interdepartmental squabbles – quick bilateral bargaining sessions with the Department of Energy and Climate Change say, or a valuable 10 minutes with the priceless Treasury spad.

23 It is no secret that his opposite number at the outset, Andy Coulson, was generally well respected for his clear management nous, and he, Ed Llewellyn and Jonny Oates conducted cross-government spad meetings with a degree of confidence and bonhomie that dissipated with time.

24 Cabinet Office, *Model Contract for Special Advisers*, Gov.UK website, 2010. Retrieved 16 October 2014 from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/62452/special-advisers-model-contract\\_0.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62452/special-advisers-model-contract_0.pdf)

## Patches of unaccountable power

The only exception to the rule that spads are never the real authors of policy is in the centre. The PM, Chancellor and DPM need large teams to handle the policies thrown up by the entire government. Within those teams are the most powerful advisers, necessarily operating with considerable autonomy, and with political masters so elevated that an independent check on their detailed views is very difficult.

From outside, one cannot monitor whether they really reflect the wishes of their master, or instead drive some policy direction for their own private reasons. Much of the time they have to be making an educated guess. And since that adviser might be the only relevant source of information to the politician in question, that minister may have few ways of being able to judge their performance. If that adviser was creating a series of mishaps and unnecessary political fights (see Beecroft case study) their boss may only find out too late.

The centre is also the place where the last-minute bargains are struck during the crucial moments of the year: Budget, Autumn Statement, conference season, and the occasional spending review. These moments account for a disproportionate amount of the bad policy of every government through time.

Number 10 responds to very different demands to any other place in government. The PM gets more attention than the rest of the government put together. His need for policy solutions is frequently urgent, often to respond to something that arose just the day before. The people around him have to be active, can-do types. They are not likely to enlarge on the risks of policymaking on the hoof, or warn bleakly of the many constraints thrown around the government. With less official resource than any other place in Whitehall, they need somehow to create the appearance of having an answer to the problems of the day.

Over the years, Number 10 and the Treasury have incubated special advisers of such political consequence that they genuinely stand above most Cabinet ministers. Few characters within New Labour were as powerful as Ed Balls when he advised Gordon Brown. In his memoirs, Tony Blair's advisers – David Miliband, Jonathan Powell and Alastair Campbell – clearly play a key role in the chapter on Kosovo. The Foreign Secretary Robin Cook doesn't appear.

In the early days of the Coalition, the loosely-organised Number 10 operation – having over the years lost the manpower it once enjoyed under Blair – became a veritable factory of spasmodic, impressionistic policies too fast-moving to receive a sense check. Some of this must have stemmed from long experience in opposition, where saying and having a policy are close equivalents. I am not the first to notice that much of the Big Society agenda was half-baked and eventually destined to face an uncomfortable collision with reality.<sup>25</sup> But much of it comes from a swiftly-assumed familiarity with unconstrained power.

The lack of check on the Downing Street operation meant that ideas would spring into a prime ministerial speech before they could be rendered into workable initiatives. Once

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<sup>25</sup> Keegan, W., 'Big society or no, don't let yourself be distracted at the cash machine', *The Observer*, 2 January 2011. Retrieved 16 October 2014 from <http://www.theguardian.com/business/2011/jan/02/big-society-cash-machine>

something had been said by the PM, it became an immovable fact (this was often the intention). Most of the time, the results were inconsequential or just a little embarrassing, and simply represented the overhyping of standard promotional ideas. Good examples of these were 'Start Up Britain' and 'Every Business Commits', which cost tiny sums by government standards, implied no solid policy and could draw some useful attention to photogenic aspects of UK business. Often there was the germ of a good idea, but with the adviser having no patience for policy delivery and an instinctive distrust of officials, the idea would flower in the media but wither and die as a policy. This could also happen with senior deputy prime ministerial advisers in the early years of the Coalition.

At their best the ideas were genuinely promising, the Prime Minister cognisant of them, and they were placed into the hands of a department to generate a stream of real workable initiatives. With the heft of the PM behind it and the exposure and 'convening power' of Downing Street, good policy could progress that would otherwise get stuck. The work of the Hargreaves Review into Intellectual Property is a good example. At their worst the strong personal prejudice of a Number 10 spad could threaten the very existence of an important quango, as I saw happening with the Technology Strategy Board or even UK Trade and Investment. This would create a nightmare for the officials, who would have to work out whether the vitriol represented a settled prime ministerial view or just the fury of an under managed spad. Often it was the latter. So one of the first rules for a departmental spad should be 'Don't believe it when a Number 10 spad says "the PM wants ..." especially on a small issue that couldn't possibly bother him one way or another'.<sup>26</sup> This rule goes back to the Blair era.

Over time, the initial over-excitement dissipated. As the team was refreshed, the Number 10 operation generally ceased to act like it was a source of great and urgently needed ideas, and became more focused on providing the political advice needed to settle the disputes brought to it. Placing strong MPs within the policy board has helped a lot. Having someone within those walls who cares for your particular policy area and can bring to it the PM is hugely helpful. The very best resource is a policy expert in Downing Street who has learned the departmental ropes and can tell the most powerful person in the land what needs to be done. For example, in the area of housing policy, I can name at least three people who have exactly what is needed to invigorate that sector, and enjoy the confidence of the PM.

The role of special adviser to the Prime Minister is too important to be taken as lightly as it has been in the past. It ought to attract some of the brightest people ever to come near the world of politics. Most occupants of Downing Street learn this in due course, but arguably a little too late.

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26 This leads to officials having the questionable incentive of impressing spads rather than doing their jobs.

# The problem with the Treasury isn't incompetence, it's power

The issue with Treasury advisers needs another pamphlet altogether that would be as much about the power of the Treasury itself. Holding the purse strings and playing the challenge function to the rest of government, even a Treasury run by a weak politician would be a formidable adversary. When ruled by the government's foremost tactician, its power was greater still. During a time of austerity and still enjoying the after effects of Gordon Brown's long dominance of domestic policy, the Treasury has probably never been more powerful than it has been under the Coalition.

The Treasury always has some of the very brightest advisers working within its walls. From the earliest days of the Coalition I felt that the biggest imbalance in government was between the raw microeconomic quality found in the adjacent houses in Downing Street. One or two advisers from Number 11 could swat aside anything from the team next door without breaking a sweat.

But good policy usually stems from a balance of power and constant challenge. No matter how brilliant the advisers, a great deal of bad policy was allowed out the Treasury because of the absence of effective challenge, and the rushed fiscal moments that were its main focus.

The Brown era left it with an expectation that it could announce policies invading the territory of any other department, but with none of the hefty administrative resource that Brown enjoyed. My non-exhaustive list of questionable ideas would include: the odd decision to recreate Enterprise Zones, the bizarre proposal that people bargain their employment rights for shares, the rushed manner in which the Carbon Price Floor launched, and a badly-calibrated National Insurance tax break for employing new staff.<sup>27</sup> More controversially, having no one able to challenge the fiscal or macroeconomic approach of the Treasury represented a real gamble, albeit one that the Coalition consciously chose from the very beginning.

## Exceptions to everything

I have presented a quite specific view of the special adviser and the environment he or she occupies. It is one where the officials are trying to do the right thing, and are competent. The advisers, no matter how well chosen, are not the experts and have to spread their attention widely. The politicians are similarly harried and reactive, and are made to bargain within a structure where there is a worrying mismatch between power and understanding. It is a world where the media is an irritating distraction, and is often best ignored rather than obsessively courted. Indeed, this essay could be seen as one long plea for proper respect to be paid to solid, evidence-based policymaking.

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<sup>27</sup> While most people would offer up the Omnishambles Budget as Exhibit 1, I think this may be more about how budgets are made, and how coalitions negotiate together, than Treasury power.

Every part of my argument might be challenged, of course; the Institute for Government could easily commission a work from any number of spads saying the opposite. There are incompetent officials, and advisers with far greater understanding. After a decade of working for the other side, there is clearly a need in some departments for a ferocious dismissal of the previous policy stance. The incumbent officials in certain departments would not be human if they didn't have serious attachment to the status quo.

There are politicians and spads who concentrate their attentions closely on just one overriding aim, and understand it brilliantly. The way Andrew Adonis, as adviser to Blair, drove through the initial Academies programme is a clear example of this. Above all, the majority of all special advisers are indeed obsessed with the media – for very good reasons – and their daily dealings are all about trying to get the right story told. Their account is barely represented here.

Nevertheless, I think an opportunity is being missed. The politicians need someone like a special adviser to cut through the ignorance and inertia that impedes good policy. If they didn't exist, they would soon be invented again.

But if we continue to insist on choosing and training them in the absent-minded, diffident way so typical of the British gentleman amateur tradition, we will suffer all the disadvantages with too few of the potential advantages. We will have a semi-visible class of arbitrarily chosen political insiders exerting huge influence over policy, without the expertise to do the job really well.

## How are special advisers appointed, and can it be improved?

Nick Hillman included a section in his piece about how spads leave the job, but little about how they get there in the first place.<sup>28</sup> This is understandable: there simply isn't a method for choosing special advisers. The *Ministerial Code* and *Code of Conduct for Special Advisers* are extremely brief on this point. They famously refer to how spads 'are exempt from the general requirement that civil servants should be appointed on merit and behave with impartiality and objectivity', but otherwise give little guidance as to how they should be chosen.<sup>29</sup>

They are often the people who happen to have been within the party machine at the time of the election, or were slaving away in a parliamentary office. Given how politicians prize loyalty, they naturally expect to find it in those they already trust. Think-tanks, public affairs consultancies and the media itself also provide a number of spads.

A frequent charge against modern politics is that the professional politician has never done anything else. The way advisers are chosen adds weight to this complaint, particularly as so many of them end up becoming MPs. The very speed of advancement is bewildering,

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28 Hillman, N., *Inside Out: In Defence of Special Advisers*, Institute for Government, London, 2014. Retrieved 16 October 2014 from <http://www.instituteforgovernment.org.uk/publications/insideout-defence-special-advisers>

29 Cabinet Office, *Ministerial Code*, Gov.UK website, 2010. Retrieved 16 October 2014 from [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/61402/ministerial-code-may-2010.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61402/ministerial-code-may-2010.pdf)

particularly compared to other routes to power. To have real sway over a policy area a civil servant will usually have to jump the high hurdle of the fast-stream system, and then toil within government in any number of roles for many years. An aspiring MP has to find a seat, win it, hope to be in the winning party, hope for the privilege of being a minister, and only then might sit in a department with some chance of influencing policy. In the process, the experience of real life gained is far greater than the stereotype suggests. In contrast, a raw twenty-something with a degree in politics who happens to wander into the right political office can be appointed special adviser and be close to the centre of power within a couple of years.

No matter how well qualified, the special adviser is the most over-promoted individual in politics. I didn't realise it at first, but my position within the Department for Business, Innovation and Skills gave me one of the key roles in business policy in the UK. In terms of actual influence it stood somewhere above the level of a senior CBI staff members, no lower than that of a senior director in BIS, and certainly above a professor in a top business school. Yet any actual qualification I had for the role – my 10 years in business, MBA and minor economics degrees – were purely accidental. Within economic policy more generally, I remain astonished that perhaps half a dozen advisers (and no higher number of cabinet ministers) were qualified to any high degree in economics, at a time when the big questions on the economy had never been more important.

If it were better known, the position of adviser to the Secretary of State of BIS would attract competition from the finest business and economics minds in the country. I may not have stood a chance. Just as in the United States future Nobel Prize winners jostle with former deans of Harvard to advise the President, a fully meritocratic process might see the Secretary of State surrounded by senior academics or successful entrepreneurs. A question I wrestled with throughout my time at BIS was: is the UK missing a trick in not having a better-qualified adviser class?

We have a system which pretends that spads are not that important. They are not treated as accountable to anyone but their boss, despite having to satisfy a huge range of stakeholders. They are interviewed in a haphazard way, recruited from a narrow pool of insiders, despite the great advantage of having wider experience. Their views are seldom publicly aired, and their salaries and numbers are capped, as if they are some sort of luxury item. Few outside a narrow circle of cognoscenti discuss their doings, and in general it is only the activity of the more media driven that gets more widely known. They are generally managed within a system designed for opposition advisers and moving to the quicker rhythm of media work.

But after much thought I don't think there is a straightforward reform to be pursued here. We already have experience of what happens when we have nothing but people chosen on their technical merit – it is the Civil Service – and we also know that it is not enough. Politicians surely have the right to choose who they would like within their very tightest circle. Given that the role of the adviser includes reflecting party policy in government, a wholesale change of the guard on election day would be a poor idea. Nor is it a good idea to be ageist in the selection of spads; while I was surprised that I was among the oldest spads at the tender age of 40, I think some of the very best that I met were the crop of

twenty-something LibDems that entered government halfway through, were parachuted deep 'behind enemy lines' into massive Conservative-run departments, and took to the job immediately.

The role of spad may be a giant over-promotion, but that is the nature of democratic politics. It thrusts ordinary people into positions of power, and hopefully always will. So we need a careful balance that boosts the ability of the adviser class while retaining the advantages of the current system: that it generally recruits people with the right political loyalties and motivation to do a really tough job.

The most basic suggestion is that spads should be paid more; this is how every other profession deals with issues of quality. However, it is difficult to imagine the political circumstances that would allow this to happen in a systematic way. So instead my observations and ideas for reform are more evolution than wholesale revolution.

## The media spad role is working fine

Politicians get a rough deal in the media, and they need the ability to fight back. People who think the preponderance of media advisers leads to superficial policymaking are missing a subtle point: if they want politicians that pursue solid policy, they need protection from the daily buffeting from the press, and that is what such advisers are for.<sup>30</sup>

## The numbers cap makes no sense

It is easy to understand why pledging a cap on special advisers looked like an easy political decision in 2010. The Conservative commentator Tim Montgomerie immediately argued that this was 'penny wise, pound foolish'.<sup>31</sup> The Constitution Unit has shown that the spad-minister ratio in the UK is, at three-to-one, a small fraction of that in Canada (19:1) or Australia (11:1).

As Nick Hillman observed in his paper *In Defence of Special Advisers*, the folly of this policy was quickly shown in the way more advisers were hired despite the pledge to reduce their number. Having more advisers around is likely to produce more balance – more different people to challenge one another, and a greater ability to sift and sort policy.

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30 I see this as solving one of the paradoxes of Tony Blair. Blair was clearly interested in long-term policy: he initiated deep structural reforms to public services – for example by introducing academy schools and tuition fees – and pursued other extremely long-term agendas, such as the Northern Ireland Peace Process and, less happily, his other overseas policies. His zealous focus on spin arguably gave him the space to do this. When you are losing the media war, your policies have to become short-term in response.

31 Barker, A., 'Salary of PM's spin doctor exceeds Clegg's', *Financial Times*, 11 June 2010. Retrieved 16 October 2014 from <http://www.ft.com/cms/s/0/42923cb0-74f2-11df-aed7-00144feabdc0.html?siteedition=uk#axzz31WTcVLxS>

## The parties need to fixate less on a party loyalty as the essential quality

The classic characterisation of the spad as someone driving through party policy despite the wishes of officials needs updating. If a policy is so bad that only someone who bleeds red, blue or yellow could argue for it, the policy needs to be revisited. Coming into government should be a chance to improve party policy, not set it in aspic. And most politicians have the charisma to win the loyalty of a previously neutral outsider.

## Government could learn from how MBAs are taught

My MBA was dominated by case studies and visits to unfamiliar workplaces. By the time I graduated I had deeply examined dozens of scenarios from across the corporate world. It would be hugely helpful for policy case studies to be collected and used to educate raw spads, and useful if they could rotate from time to time into different environments.

## Policy spad roles could be advertised widely

The best way to improve anything in an open economy is to have more competition. There needs to be far more awareness of the job, and how brilliant it is, and a fierce contest to have the privilege of doing it. Every effort should be made to make it easier for academics and business people to take a break from their main vocation to work as advisers, without the risk of torpedoing their career.

## Spads should be allowed to have their own opinions

Many of the best advisers will have a strong position in a field of expertise before becoming an adviser. After their time as spad they will advertise their opinions again. The vow of Trappist silence in the meantime is inconvenient at best, and impedes them developing their views. It may put off good candidates.

Spads are not meant to be clones of their minister, and they should have the common sense to be able to handle problems that emerge from having differentiated views.



## Spads at the centre could do with having worked in departments

Clearly this will not always be possible, particularly for new governments, and nor is it always necessary. But actual experience of having to deliver policy (and live with its consequences) rather than simply orate about it or demand it would improve the process no end.

## The weaker party will have better incentives to make better policy

As a LibDem spad I naturally think their ideas were always better, but I think they had little choice. The weaker party doesn't have the political force to take on and defeat both the larger party and the objective constraints of reality. This is one reason coalitions may remain a source of good government for a while.

## Downing Street scored a real hit by bringing excellent MPs onto the Policy Board

What Downing Street needs above all is political nous, not an ill-resourced ideas factory. In the likes of Jo Johnson, Margot James and others, they gained it, and quite possibly gave valuable training to stars of the future. This is a really great use of an undertapped resource – the restless backbench government MP.

## Conclusion: In praise of constraints

Most of the advice handed to new advisers has tended to be about 'how to get around the Civil Service'. My view is radically different. My four years in government told me that constraints on government have built up for a good reason and are often valuable to a political class that rails against them. The best training that a new special adviser could ask for is a crash course in the constraints they will end up facing. Most do not have a political face, and being ignorant about them doesn't make them go away.

Alexander Dumas said, 'Rogues are preferable to imbeciles because sometimes they take a rest'. Similarly, stupid policy is a far more doughty and unrelenting political opponent than Her Majesty's Opposition in its most roguish form. Reality inevitably catches up, as anyone reading King and Crewe *The Blunders of our Governments* can tell.<sup>32</sup> Having good objective arguments on your side easily doubles your political power.

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32 King, A., and Crewe, I., *The Blunders of our Governments*, Oneworld Publications, London, 2013.

Most leading politicians define themselves by their principles, and assemble a 'Big P' Politics around them. This is the politics you find in newspaper columns, with pious demands that this should happen or that should be stopped. It is the politics of the NGO, set up with monomaniacal clarity around a single great aim, and also the politics of think-tank world, obsessed with discovering the technically correct policy. Its methods are the charisma of the advocates, the force of argument and evidence, the ability to assemble groups of like-minded others around this object. It brooks little compromise, shows little sympathy with conflicting positions and frequently tries to cock a snook at reality itself.

Underneath this 'Big P' politics is the politics of the special adviser: the art of actually getting things done, finding a workable deal, and hopefully gaining some credit for it on behalf of the minister. It is all about compromise, finding the zone of the possible.

In my view this 'small p' politics is far more interesting. Anyone can say they believe in tackling climate change; it takes a unique kind of genius to do something about it against the objections of the Treasury, British industry, and every MP with a decent view of the countryside. Special advisers strive to be the geniuses of the world of 'small p' politics. Far from being a guilty secret of the political world, they are what it is really all about.



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