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Edited by: Anthony Seldon and Mike Finn & Ilias Thoms

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DAVID CAMERON AS PRIME MINISTER, 2010–2015

The verdict of history

ANTHONY SELDON



Morten Morland for The Times / News Syndication

The historic significance

Win or lose the election in 2015, this government will be remembered as one of the most historically significant and unusual since the end of the

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Second World War. The first coalition government for sixty-five years, it was also the first coalition in peacetime since the 1930s. Conventional wisdom has always had it that coalition governments – rendered unlikely because of the simple majority voting system – would not survive long if ever one came into existence. The government defied the sceptics, and endured.

The fact of coalition is not the only reason why this government will be of exceptional interest to historians. The scale of the economic recession, unseen since the 1930s, makes it equally so. The economic crisis that erupted in 2008 was still being played out across the Eurozone as the coalition government was being formed in May 2010. Against the backdrop of violent protests in Portugal and Greece, the advice from Whitehall officials was that the national interest demanded stable government. Governing in association with the Liberal Democrats, as well as the economic constraints, significantly affected what David Cameron and the Conservatives were able to achieve.

Many counterfactual questions cry out to be asked. How might a Gordon Brown government have been different if he had formed a partnership with Nick Clegg in May 2010? What might the Conservatives have done had Cameron won an outright majority? What would they have done indeed had there been no recession? What might a government headed by Cameron's principal lieutenant and strategist, George Osborne, have done differently? To what extent indeed was this a joint leadership, akin to Blair–Brown in 1997–2007?

Phases of the Cameron premiership

As the noise subsides, one can see that the government went through four distinct phases, each associated with a dominant and forceful figure.

Phase one: 'Full pelt' (May 2010–March 2012)

Gus O'Donnell, the Cabinet Secretary until December 2011, believes that Cameron's team had been avidly imbibing Blair's memoir, *A Journey*, which contains a stark message – do not squander precious time in the first term when political capital is highest, but arrive in office ready to execute a clear and activist plan. Detailed preparation was

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undertaken in opposition in two centres: a Treasury team overseen by George Osborne, and a policy unit team headed by Oliver Letwin with manifesto and policy unit chief James O'Shaughnessy, his principal lieutenant. Watching over it all, albeit from California until the final months, was Steve Hilton (Cameron's chief strategist, close friend and mentor). All domestic departments were to hit the ground running, each with a 'business plan' mapping out what they needed to do once in power. Michael Gove, the feisty new Education Secretary, was thus able to move quickly and introduce his first Bill before the summer recess, which became the Academies Act 2010. Governing in coalition resulted in momentum being lost because portfolios needed to be given to Lib Dems, and some Conservative shadow ministers were given posts for which they had not prepared.

The fragile parliamentary position heightened the Conservatives' sense that they might have only one term in office and that there was not a moment to lose. Frenzied activity took place in those opening months in health, welfare, public sector reform and open government. Osborne introduced his Emergency Budget on 22 June, only six weeks after becoming Chancellor. That November, his Autumn Statement spoke of the UK economy recovering from 'the biggest financial crisis in generations'. It announced significant spending reductions, albeit not in 'protected areas' – the NHS, schools and international development. The aim, Osborne said, was to eliminate the deficit within the lifetime of the Parliament. The pace of reform was frenetic. Hilton was ubiquitous, driving his 'Big Society' (comprising localism, public sector reform and social altruism), transparency and family policy agendas forward like a man possessed. In his latter phase, he became a dyspeptic warrior for liberal Thatcherite policies, as on the labour market, which challenged Cameron head on. Inevitably, he increasingly fell out with some ministers, civil servants and – fatally – key figures within the Prime Minister's inner circle, which culminated in his departure in early 2012. With him went a highly creative if disruptive force at the heart of government.

Phase two: 'Momentum lost'
(March 2012–March 2013)

In March 2012, the Prime Minister and Chancellor went on a high-profile visit to Washington to see President Obama. Two years into the government, Cameron and Osborne were beginning to feel some sense

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of relief at the progress, and at the impression of competence that the government was projecting nationally and internationally. Osborne returned from the trip – judged a great success – to deliver his 2012 ‘omnishambles’ Budget. It was to be the least successful of his five by a distance, upsetting many in the business community, the Conservative Party and commentariat. At a stroke, it shattered the impression that he had carefully cultivated that ‘we’re all in this together’. His reduction of the top rate of income tax from 50 to 45 pence at a time of recession, and a series of gauche lesser measures that had been hurriedly put together, rebounded catastrophically, unleashing criticisms long simmering below the surface. Elements in the press, notably the *Telegraph* and *Mail* Groups, had never forgiven Cameron for setting up the Leveson Inquiry in July 2011 into the culture, practices and ethics of the press, following the News International phone-hacking scandal. Here was payback time. The whole cogency of the government’s strategy and aura of competence since 2010 began to unravel. The NHS reforms, initiated by Health Secretary Andrew Lansley, ran into major opposition, there appeared no end in sight to the economic woes, and the partnership with the forlorn Lib Dems appeared increasingly fragile. Furthermore, the polls had dipped sharply. Suddenly, Labour under leader Ed Miliband and Shadow Chancellor Ed Balls began to be treated with seriousness as a government in waiting.

For Osborne personally, the nadir was being booed at the Paralympic Games in London’s East End in September 2012. The press attacks rained down not only on Osborne but on Cameron. The question ‘what does he stand for – if anything?’ came sharply to the fore. Many Conservative backbenchers, long simmering with anger towards him, now became openly critical. Some hostility dated back to his compliant response to the expenses scandal in 2009, which left them out of pocket. Many more blamed him for the Conservatives’ failure to win an outright majority at the 2010 election, which they attributed to lack of clarity in the message he delivered, and its lack of resonance with core Tory voters. Coalition with the Lib Dems was further anathema to many, who were rankled by the (not wholly incorrect) suspicion that Cameron was happier in a *de jure* coalition with the Lib Dems than he would have been in a *de facto* coalition with his own right-wing backbenchers.

Jeremy Heywood, who succeeded O’Donnell as Cabinet Secretary on 1 January 2012, was a dominant figure during this period.

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He was the supreme civil servant of the first fifteen years of the new century, and had been a major steadying hand and guide during the Blair and Brown premierships. For Cameron's first year and a half, he was Cameron's Permanent Secretary at Number 10, and after becoming Cabinet Secretary, he remained intensely involved in Downing Street, helping to beef up Number 10 with a larger policy unit. He helped Number 10 get a grip upon difficult policy areas including the health reforms and restored order to the centre. At a time when many in Downing Street came under fire, Cameron placed considerable trust in Heywood's intellect, legendary work rate and judgement.

Regaining clarity on policy was aided by Andrew Cooper, a long-standing strategist and modernizer in the party, who had joined Downing Street in 2011 as director of political strategy. He had become concerned by the lack of any clear strategy beyond Osborne's economic 'Plan A', a gap that the departure of Hilton highlighted still further. Cooper's beloved tool of polling led him to conclude that Cameron's and the Tory message needed to be better refined around two key positive themes, which were unveiled at the October 2012 party conference in Birmingham. They were the need for Britain to compete in the 'global race', and the building of an 'aspiration nation' which offered equality of opportunity and which celebrated honest endeavour and hard work. Cameron's advisers had been telling him throughout 2012 that he needed to make a clear statement about his own beliefs and why he had entered politics, given the cacophony of questions about him. Never comfortable speaking about himself, he nevertheless consented to deliver a personal 'credo' at the conference, notably in the passage of his leader's speech in which he talked about his father. It equalled 2014 as the most important and impressive of his five party conference speeches as Prime Minister.

The 2012 speech began to steady Conservative nerves. Together with Boris Johnson's re-election as Mayor of London in May 2012 (a loss would have been a massive blow to Cameron), the beginnings of better economic news and Cameron's Bloomberg speech in January 2013 (offering a renegotiation of British membership and an in-out referendum on Britain remaining in the EU in 2017), a new sense of purpose was in the air. The government departed itself more confidently through the mid-term waters. The impact, though, was yet to translate into more favourable polls.

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Phase three: ‘Initiative regained’**(February 2013–April 2014)**

This transitional period was the least defined of the four and witnessed turbulence continuing on many fronts. Cameron himself suffered a series of defeats at the hands of backbenchers, most notably in August 2013 over his proposal to intervene against the Assad regime in Syria after its alleged use of chemical weapons, a historic reversal for a Prime Minister on a major foreign policy initiative abroad. The coalition’s very survival had come under severe strain. Earlier, it had sustained severe damage after the Lib Dems lost the referendum to introduce the Alternative Vote (AV) and the Conservatives were defeated on all-important boundary changes. Backbenchers and members of both parties became increasingly critical of the coalition. The personal chemistry between Cameron and Clegg, and between Osborne and Chief Secretary Danny Alexander, held the coalition together at this volatile time, as did the electoral logic that it was not in the interests of either leadership to see it break up. On the Lib Dem side, the lack of a credible anti-coalition alternative to Clegg was a powerful factor. Clegg had very carefully bound his party into the coalition, and ensured that his party would support it. It was the only option in town.

This third period started with some very bleak moments, notably the loss of Britain’s triple-A credit status in February 2013. Two months later, Oliver Blanchard, the IMF chief economist, famously opined that Osborne was ‘playing with fire’ if he continued upon the course of austerity, while the Office of National Statistics (ONS) simultaneously talked of the risk of a ‘triple-dip’ recession. This anxious period continued until April 2014 when the IMF went volte-face, admitted that it had underestimated the UK economy and predicted that it was likely to grow quicker than any other advanced economy. Osborne and his team had been through an utterly torrid time since the 2012 Budget and now took the credit for the new optimism.

This better economic news was the key factor reviving confidence and regaining the support of the press. Cameron’s January 2013 EU referendum announcement had given Eurosceptics some of what they sought, which further tipped the press in his favour, as did the dawning realization that, with the 2015 general election rapidly approaching, an unreconstructed Ed Miliband might be the next Prime Minister. However, it was not until the spring of 2014, notably with

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Osborne's Budget in March with its pensions announcement giving savers extra freedoms, that momentum was fully established.

Phase four: 'Full steam ahead to the election'
(April 2014–May 2015)

The departure of Hilton in early 2012 had left a strategic gap in Cameron's camp, the focus upon aspiration and the global race from that autumn notwithstanding. In 2013, Australian pollster Lynton Crosby, who had advised the Conservatives in the 2005 general election and Boris Johnson during his 2008 election and 2012 re-election as Mayor of London, was brought into Number 10 as chief election strategist. His core communication strategy was famously and accurately summed up in his advice to Cameron to 'get the barnacles off the boat'. Its analysis was that the government was uncertain what it was saying and undisciplined in saying it. The precise message he began to persuade Cameron and his team to adopt was encapsulated in just four words: 'long-term economic plan', in contrast to Labour which offered a continuation of their pre-2010 economic policies that had done so much damage – Miliband even forgot to talk about the deficit in his 2014 party conference speech.

A strong party conference in the autumn of 2014, with powerful speeches from Cameron and Osborne contrasted starkly with Labour's tentative conference, enhancing the Conservatives' confidence. This new sense of purpose was rapidly damaged, however, by the defections to UKIP by Douglas Carswell, who won the Clacton by-election in October, and Mark Reckless, who won the by-election in Rochester and Strood in November. Some momentum was recovered by Cameron's immigration speech in late November and Osborne's Autumn Statement in early December, offering tax cuts and more money for the north and the NHS. The Conservatives entered 2015 in a nervous state, with the unpredictability of the economy and the UKIP vote, as well as a volatile position in Scotland, making it one of the hardest general elections to call in decades.

If Hilton was responsible for defining the government during its first eighteen months, Crosby held sway over its final eighteen. He exacted a high price for leading an election campaign he always knew would be a major challenge: an agreement that his advice would be followed at all costs, and that he would deal with Cameron and

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Osborne alone rather than with senior aides or officials, and certainly not with Hilton, who continued as an influential if periodic influence from his home in California. A measure of Crosby's influence was the departure of Gove as Education Secretary in the July 2014 reshuffle. Gove's failure to keep on message and his alienation of teachers, the support of whom was deemed to be critical if the 2015 election was to be won, were factors in his departure, but so too was the need for a strong Chief Whip to hold the party together, and the diplomatic pugilism of Gove was felt to be ideal for the post. How different the Conservative vote would have been in 2015 without Crosby is unknowable, but his impact will surely have been profound – even if the party was polling at 32 per cent in early 2015, as it had been in early 2013 when he joined.

The beginnings of a fifth phase, with Cameron himself the dominant figure, were discernible from late 2014. As the general election approached, he became increasingly restless with the constraints that domestic politics and Europe were placing upon him. In the final months, he found a new sense of self-assurance that he had been either unwilling or unable to exert earlier in his premiership.

Phases of the Lib Dems in the coalition

We cannot understand the coalition by looking at the Conservatives alone, but need to comprehend the evolution of the Liberal Democrats in the coalition over the five years. The first phase lasted from the general election to the spring of 2011. Although the Lib Dems had their own difficulties, especially over university top-up fees, the first year was nevertheless a honeymoon period with the Conservatives. They shared the same rooms in Downing Street and co-operated extensively on policies. Some insiders spoke about a new era for British politics with a permanent realignment on the centre-right. The second phase opened in the spring of 2011 with the anguish of the AV referendum being lost, which was the principal *raison d'être* for entering the coalition. Cameron's team and Conservatives in Cabinet rallied to the wounded Clegg and in support of the Lib Dems, helping where they could in the Budget and Autumn Statements of that year to accommodate Lib Dem wishes. Clegg personally fell into a deep depression, while his Cabinet colleague

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Chris Huhne (the Energy Secretary) was rucking and clearly wanted to steal the leadership from him.

The third phase began in autumn 2011 and lasted a year. It could be called ‘businesslike’. Huhne’s departure from politics after the furore over his avoidance of a speeding ticket gave Clegg more space; though many remained deeply critical of him in his party, the lack of an obvious successor helped him to rediscover his stride. It became equally clear, however, that the Lib Dems had lost considerable support across the country. Work took place between Clegg’s and Cameron’s teams on the mid-term policy review, with fundamental divisions evident. By then, 344 of the 399 objectives of the Coalition Agreement were claimed to be met; this new review listed 212 commitments, 75 per cent achieved by early 2015.

By the autumn of 2012, it was apparent that there was little consensus on the mid-term review and the Lib Dems entered the fourth phase of coalition, which can be described as ‘realism’. Neither party had any love left for the other, or desire to achieve a common agenda. Vince Cable, the Business Secretary, flexed his muscles and challenged Osborne increasingly on economic policy, while talking up a possible Lib-Lab coalition after 2015. The ‘Quad’, the body that bound the coalition together at the top, was becoming decreasingly effective, and the balance of the government tilted to implementation rather than new policy. The Conservatives found little need to score points off the Lib Dems, concentrating much more on how to outwit Miliband and Labour. The coalition had become a marriage of convenience.

The fifth and final phase began in the summer of 2014. There was to be no divorce from this marriage, but it now went into an effective separation. The Quad lost the ability to control its supporters. On the Lib Dem side, Cable was becoming increasingly a one-man band, as was Ed Davey (Huhne’s replacement as Energy Secretary). On the Conservative side, Theresa May at the Home Office and Michael Gove at Education were operating as independent powers until some order was re-established with the reshuffle in July 2014. Lib Dem Norman Baker’s fiery resignation in November as a junior minister at the Home Office epitomized the extent of the dysfunctionality of the once-proud marriage. It was only the fast-approaching general election that brought some order and discipline back to the coalition leadership.

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Cameron's style as Prime Minister

For the first few weeks in office, officials could not conceal their delight at having a Prime Minister who was calm, polite and orderly, in contrast to the chaotic Gordon Brown. Indeed, the civil service love affair with Cameron never entirely died. He possesses many of the complex of qualities that modern Prime Ministers need. Intellectually very bright, he is hard-working (despite the media's perception that he is 'chillaxed') and measured. In general, he runs tight meetings, controls the agenda without alienating attenders and sums up succinctly. He is an impressive – and periodically a great – public speaker, with an exceptional ability to master a brief quickly and to speak off the cuff. He is slick and effective at processing papers in his boxes, which a PM needs to do if he is to cut through the torrent of work and gain the respect of officials and special advisers. On foreign policy, a largely unknown skill before he became Prime Minister, he proved gifted at forging relationships with overseas leaders. He may have been less close to President Obama than many Prime Ministers are with US Presidents (recently, notably Thatcher and Ronald Reagan, and Blair with Bill Clinton and George W. Bush). Obama is not, however, a leader given to such intimacy. They have a functional and effective, if not warm, relationship. Cameron did forge a particularly close working relationship with German Chancellor Angela Merkel, albeit strained in the final months, and with a series of leaders across Europe and the world beyond. His innate charm and gift for friendship suited him well in his job abroad as head of government.

Intensely loyal, Cameron liked to listen to those he had known for a very long time. His Number 10 was thus unusually stable, with Ed Llewellyn his chief of staff, Kate Fall his 'gatekeeper-in-chief', and George Osborne his most senior Downing Street advisers throughout the five years. Almost as significant was *éminence grise* Oliver Letwin, a core figure both on the policy agenda and in oiling the coalition wheels at the highest levels throughout the life of the government. The changes to his inner team that did occur were forced upon him: Hilton's departure was preceded the year before by the departure of Andy Coulson, director of communications, who had joined Cameron's inner circle in 2007. Cameron had grown dependent upon Coulson for his authentic ear on 'ordinary people', for whom he lacked the intuitive 'feel' of his two predecessor Tory PMs, Thatcher and Major. Cameron tried