

GOVERNMENT RESHUFFLE

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10 June 2009

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GOVERNMENT RESHUFFLE 2009 POLITICAL BRIEFING

This week the prime minister held the first meeting of his new Cabinet at Downing Street and completed his ministerial reshuffle. In doing so, Gordon Brown announced that he will chair three ministerial councils which will now report weekly to the Cabinet. This forms the cornerstone of the prime minister's attempt to regain the policy and political agenda. Critics will question whether these changes will result in clearer policy or whether this is more process in a government that is wedded to committees and reviews.

The National Economic Council, created last October, will continue to co-ordinate economic policies across government. This is a full Cabinet committee which meets to frame the government's policy responses to ongoing economic challenges, developments in the financial and commodity markets, the UK's skills and employment needs, and issues related to energy, housing and planning. In his press conference on Friday, the prime minister indicated that the government would be outlining future plans for jobs, especially green jobs, a new infrastructure plan for the country and more action on housing and on the digital economy.

The Democratic Renewal Council will frame the government's constitutional agenda and its response to the expenses scandal. The prime minister indicated that the government will introduce legislation in the next few weeks for a new independent regulator for MPs and a Code of Conduct for MPs, and that every expense claim made by MPs over the last four years will be scrutinised by an independent audit panel. The response of the Opposition parties to this initiative will be crucial.

The Domestic Policy Council meets for the first time this week, and the prime minister announced that it will publish later this month a "prospectus for Britain's future." Gordon Brown indicated that this will include the next stage of reform in public services, putting power in the hands of patients and parents. The government is expected to outline new plans for education, health and policing in the next few days. The absence of a strong, forward policy agenda in health, education and tackling crime and anti-social behaviour has been a criticism in recent months, and any new policy will be closely scrutinised to see whether the reality matches the rhetoric.

The clear winner of the reshuffle was Peter Mandelson, who was given the rather grand title of first secretary of state, secretary of state for business, innovation and skills, and lord president of the council. The reality is that he is now deputy prime minister in all but name.

The abolition of the Department for Innovation, Universities and Skills, created by Gordon Brown just two years ago, and its merger into the Department of Business has increased Lord Mandelson's departmental responsibilities. The stated objective of the new department is to build Britain's capabilities to compete in the global economy by creating a regulatory environment that encourages enterprise, skilled people, innovation and world-class science and research. Although there will be questions about whether the department is too large or unwieldy, few will doubt Lord Mandelson's ability to make it a success. Since his return to government, Lord Mandelson has won plaudits from his business, media commentators, civil servants and ministers alike.

Peter Mandelson's pivotal role can further be seen in the way the prime minister has come to depend on him. This was demonstrated throughout the reshuffle, whether he was by the side of the prime minister advising him on appointments, telephoning wavering Cabinet ministers to urge them

to row in behind the prime minister or in undertaking media appearances. He is now the PM's right-hand man, the power behind the throne.

Yet on one issue, partial privatisation of the post office, Lord Mandelson may be forced to retreat, with questions over whether the government has the majority to carry its legislation through the House of Commons. The Chief Whip, Nick Brown, has for some weeks been warning the prime minister of opposition amongst Labour MPs. With echoes of the past, Nick Brown has somewhat surprisingly suggested that any legislation must be able to command the support of the "whole Labour movement" – code for trade unions and the party in the country as well as MPs.

One option may be for the government to decide not to bring the legislation on to the floor of the Commons until after the summer recess declaring that market conditions are not right. It can then review the situation in the autumn with the option to defer further. Should the government decide to take such a route, it would speak volumes about its ability (or lack of it) to get its way on controversial legislation. Should the government decide to press ahead, as the secretary of state is a peer, responsibility for piloting the bill will fall to his talented Minister of State Pat McFadden.

At the Treasury, Alistair Darling survives as chancellor of the exchequer, despite the prime minister's wish to appoint Ed Balls to the job. As a result, the relationship between Gordon Brown and his chancellor is said to be businesslike rather than warm as it once was. An indication that the chancellor is increasingly his own man can be seen in candid media interviews that he has given in recent months, much to the annoyance of No.10. In yesterday's *Guardian*, the chancellor admitted that people are feeling disillusioned with Labour at the moment and that the party needs to do more to articulate a vision to voters. Although the Treasury under Alistair Darling is unlikely to have the influence on domestic policy that it did when Gordon Brown was chancellor, one can expect it and Mr. Darling to become more assertive in the relationship with the neighbour next door.

Liam Byrne has been promoted to the post of chief secretary to the treasury. A former management consultant, he will have responsibility for reigning in public spending and will need to show real mettle in dealing with colleagues in spending departments.

David Miliband remains as foreign secretary, a job that he enjoys. He will continue to focus very much on foreign policy, but will make forays into the domestic arena when the occasion demands. Although he is personally in a strong position in the Cabinet, some commentators feel that he missed his chance to go for the top job when he choose to remain, rather than follow his friend James Purnell who resigned last week.

Caroline Flint's resignation as minister for Europe created a vacancy which the prime minister filled with the appointment of Glenys Kinnock. With a detailed understanding of European institutions and a profile within the Labour Party, she is likely to make a greater impact than some of the previous holders of the post. However, Glenys Kinnock may have a greater say in the day-to-day policy development and implementation than her predecessors, the key strategic decisions in relation to Europe will continue to be made by the prime minister and his foreign secretary.

The somewhat poisoned chalice of the post of home secretary was given to Alan Johnson. The myriad of challenges presented by this role is likely to keep this potential challenger to Gordon Brown very busy. Following his appointment there was some speculation that Mr. Johnson was privately sceptical or opposed to the government's ID card scheme. However, such suggestions were quashed following interviews given by the new home secretary. It is likely that Alan Johnson will continue to take a robust line on tackling crime and anti-social behaviour, but will do so with his trademark

relaxed style which may endear him to those who have traditionally been more critical of the Home Office.

The Department of Health sees not only a new secretary of state in Andy Burnham, but also wide-scale change in the junior ranks. Lord Darzi remains a constant and is likely to continue to exert an influence which has seen the Health Service Journal rank him as the most important individual in the NHS. Andy Burnham will focus closely on public health and has already signalled that he will be looking at new ways of meeting the challenges the country faces, such as subsidising gym memberships or swimming lessons. Mr. Burnham has developed a reputation for being a good minister, but not particularly radical, and observers will be looking closely at whether he grasps the nettle of NHS reform and produces policies which can meet the challenges of delivering world-class services within the constraints of a more difficult economic and budgetary situation.

Strongly criticised for his attitude toward women, one of the more interesting promotions the prime minister made was that of Yvette Cooper to the Department of Work and Pensions. She follows James Purnell who championed a set of challenging reforms in this area. Ms. Cooper's political track record suggests that she is unlikely to be as radical and that she is likely to shy away from some aspects of conditionality and involvement of the private and voluntary sector in helping the jobless find work which Mr. Purnell proposed.

The new secretary of state for communities and local government is to be John Denham. The housing minister within the department will be John Healey. His role will be important as the government seeks to deliver on its house-building pledges and seeks to meet criticism among some of its more traditional supporters in relation to affordable housing (or the lack of it).

A number of Cabinet ministers – Harriet Harman, Jack Straw, Ed Balls, Ed Miliband, Hilary Benn, Douglas Alexander, Shaun Woodward, Jim Murphy, Baroness Royall – remain in post. Tessa Jowell retains responsibility for the Olympics and becomes minister for the Cabinet office. This gives the government a degree of continuity, but means that there are relatively few new faces in the Cabinet.

One of the new faces is Ben Bradshaw, a former employee of the BBC who becomes secretary of state for culture, media and sport. An approachable minister with a good media manner, he is already being extensively used to promote the wider government message.

Lord Adonis – one of seven Cabinet ministers drawn from the upper house – is made secretary of state for transport. He brings with him to the post a real passion for this issue and a reputation as a genuine intellectual.

One of the more surprising appointments is that of Bob Ainsworth, replacing John Hutton as secretary of state for defence. Whilst some commentators have criticised his record as lacklustre, his elevation has reportedly been welcomed by senior ranks of the armed services.

Peter Hain returns as secretary of state for Wales. As a Cabinet veteran, expect him to be wheeled out by the No. 10 press office when the going gets tough.

The appointment of Sir Alan Sugar as Gordon Brown's enterprise tsar has captured the attention of the media, yet details of his exact role remain sketchy. Sir Alan himself seemed uncertain following his appointment about whether he would be taking the Labour Whip, whether he would be a working peer and how that would impact his business interests. Reaction to his appointment, including within

business circles, has been mixed, and some observers have questioned whether this is anything more than an attempt by the prime minister to grab the day's headlines.

One of the questions which commentators mulled over was whether David Cameron would respond to any government reshuffle with one of his own. He has, in fact, made a small number of relatively modest changes and has chosen not to directly respond to structural changes made by Gordon Brown, keeping David Willets in post as shadow minister for innovation, university and skills and giving him responsibility for family policy and social mobility.

In the end, Mr. Cameron appears to have decided to make a virtue of stability in his team, backing up his message that the Conservatives are ready for, and would welcome, an early general election.

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The Government (By Department)

Prime Minister, First Lord of the Treasury and Minister for the Civil Service – The Rt Hon Gordon Brown MP

Business, Innovation and Skills

- **First Secretary of State, Secretary of State for Business, Innovation and Skills and Lord President of the Council** – The Rt Hon Lord Mandelson
- **Minister of State (Business)** – The Rt Hon Pat McFadden MP
- **Minister of State (Science and Innovation)** – The Rt Hon Lord Drayson (jointly with the Ministry of Defence)
- **Minister of State** – The Rt Hon David Lammy MP
- **Minister of State (Regional Economic Development and Co-ordination)** – The Rt Hon Rosie Winterton MP (jointly with the Department for Communities, Local Government and the Regions)
- **Minister of State** – Lord Davies of Abersoch CBE (jointly with the Foreign and Commonwealth Office)
- **Minister of State** – Kevin Brennan MP (jointly with the Department for Children, Schools and Families)
- **Parliamentary Under Secretary of State** – Lord Carter of Barnes (jointly with the Department for Culture, Media and Sport)
- **Parliamentary Under Secretary of State** – Ian Lucas MP
- **Parliamentary Under Secretary of State** – Baroness Vadera (jointly with the Cabinet Office)
- **Parliamentary Under Secretary of State** – Lord Young of Norwood Green (and Lord-in-Waiting)

HM Treasury

- **Chancellor** – The Rt Hon Alistair Darling MP
- **Chief Secretary to the Treasury** – The Rt Hon Liam Byrne MP
- **Chief Whip (Parliamentary Secretary to the Treasury)** – The Rt Hon Nick Brown MP
- **Financial Secretary** – The Rt Hon Stephen Timms MP
- **Minister of State** – Phil Woolas MP (jointly with the Home Office)
- **Economic Secretary** – Ian Pearson MP
- **Exchequer Secretary** – Kitty Ussher MP
- **Financial Services Secretary** – Lord Myners CBE

Foreign and Commonwealth Office

- **Secretary of State** – The Rt Hon David Miliband MP
- **Minister of State (Foreign and Commonwealth Office)** – The Rt Hon Lord Malloch-Brown
- **Minister of State (Europe)** – Glenys Kinnock (to be elevated to a peerage)
- **Minister of State** – Lord Davies of Abersoch CBE (jointly with the Department for Business, Innovation and Skills)
- **Minister of State** – Ivan Lewis MP
- **Parliamentary Under Secretary of State** – Chris Bryant MP
- **Parliamentary Under Secretary of State** – Baroness Taylor of Bolton (jointly with the Ministry of Defence)

Cabinet Office

- **Minister for the Cabinet Office, and for the Olympics and Paymaster General** – The Rt Hon Tessa Jowell MP
- **Minister of State** – Angela Smith MP
- **Parliamentary Secretary** – Baroness Vadera (jointly with the Department for Business, Innovation and Skills)

Children, Schools and Families

- **Secretary of State** – The Rt Hon Ed Balls MP
- **Minister of State (Children)** – The Rt Hon Dawn Primarolo MP
- **Minister of State** – Vernon Coaker MP
- **Minister of State** – Kevin Brennan MP (jointly with the Department for Business, Innovation and Skills)
- **Parliamentary Under Secretary of State** – Iain Wright MP
- **Parliamentary Under Secretary of State** – Baroness Morgan of Drefelin
- **Parliamentary Under Secretary of State** – Diana Johnson MP (and Assistant Government Whip)

Communities and Local Government

- **Secretary of State** – The Rt Hon John Denham MP
- **Minister of State (Housing)** – The Rt Hon John Healey MP
- **Minister of State** – The Rt Hon Rosie Winterton MP (jointly with the Department for Business, Innovation and Skills)
- **Parliamentary Under Secretary of State** – Shahid Malik MP
- **Parliamentary Under Secretary of State** – Sarah McCarthy-Fry MP
- **Parliamentary Under Secretary of State** – Ian Austin MP

Culture, Media and Sport

- **Secretary of State** – Ben Bradshaw MP
- **Parliamentary Under Secretary of State** – Lord Carter of Barnes (jointly with the Department for Business, Innovation and Skills)
- **Parliamentary Under Secretary of State** – Barbara Follett MP
- **Parliamentary Under Secretary of State** – Gerry Sutcliffe MP
- **Parliamentary Under Secretary of State** – Siôn Simon MP

Defence

- **Secretary of State** – The Rt Hon Bob Ainsworth MP
- **Minister of State** – Bill Rammell MP
- **Minister of State** – The Rt Hon Lord Drayson (jointly with the Department for Business, Innovation and Skills)
- **Parliamentary Under Secretary of State** – Baroness Taylor of Bolton (jointly with the Foreign and Commonwealth Office)
- **Parliamentary Under Secretary of State** – Quentin Davies MP
- **Parliamentary Under Secretary of State** – Kevan Jones MP

Energy and Climate Change

- **Secretary of State** – The Rt Hon Ed Miliband MP
- **Minister of State** – Lord Hunt of Kings Heath OBE; and Deputy Leader of the House of Lords
- **Minister of State** – Joan Ruddock MP
- **Parliamentary Under Secretary of State** – David Kidney MP

Environment, Food and Rural Affairs

- **Secretary of State** – The Rt Hon Hilary Benn MP
- **Minister of State** – Jim Fitzpatrick MP
- **Parliamentary Under Secretary of State** – Huw Irranca-Davies MP
- **Parliamentary Under Secretary of State** – Dan Norris MP

Government Equalities Office

- **Leader of the House of Commons and Lord Privy Seal; Minister for Women and Equality (and deputising for the Prime Minister at PMQs)** – The Rt Hon Harriet Harman QC MP
- **Minister of State** – Maria Eagle MP (jointly with the Ministry of Justice)
- **Parliamentary Secretary** – Michael Foster MP (Hastings)

Health

- **Secretary of State** – The Rt Hon Andy Burnham MP
- **Minister of State** – Gillian Merron MP
- **Minister of State** – Mike O’Brien MP
- **Minister of State** – Phil Hope MP
- **Parliamentary Under Secretary of State** – Ann Keen MP
- **Parliamentary Under Secretary of State** – Professor Lord Darzi of Denham KBE

Home Office

- **Secretary of State** – The Rt Hon Alan Johnson MP
- **Minister of State** – The Rt Hon David Hanson MP
- **Minister of State** – Phil Woolas MP (jointly with HM Treasury)
- **Parliamentary Under Secretary of State** – Meg Hillier MP
- **Parliamentary Under Secretary of State** – Alan Campbell MP
- **Parliamentary Under Secretary of State** – Admiral Lord West of Spithead GCB DSC

International Development

- **Secretary of State** – The Rt Hon Douglas Alexander MP
- **Minister of State** – Gareth Thomas MP
- **Parliamentary Under Secretary of State** – Michael Foster MP (Worcester)

Justice

- **Secretary and Lord Chancellor** – The Rt Hon Jack Straw MP
- **Minister of State** – The Rt Hon Michael Wills MP
- **Minister of State** – Maria Eagle MP (jointly with the Government Equalities Office)
- **Parliamentary Under Secretary of State** – Lord Bach
- **Parliamentary Under Secretary of State** – Bridget Prentice MP
- **Parliamentary Under Secretary of State** – Claire Ward MP

Law Officers

- **Attorney General** – The Rt Hon Baroness Scotland of Asthal QC
- **Solicitor General** – Vera Baird QC MP
- **Advocate General for Scotland** – Lord Davidson of Glen Clova QC

Northern Ireland

- **Secretary of State** – The Rt Hon Shaun Woodward MP
- **Minister of State** – Paul Goggins MP

Office of the Leader of the House of Commons

- **Leader of the House of Commons and Lord Privy Seal; Minister for Women and Equality (and deputising for the Prime Minister at PMQs)** – The Rt Hon Harriet Harman QC MP
- **Parliamentary Secretary** – Barbara Keeley MP

Scotland

- **Secretary of State** – The Rt Hon Jim Murphy MP
- **Parliamentary Under Secretary of State** – Ann McKeichin MP

Transport

- **Secretary of State** – Lord Adonis
- **Minister of State** – Sadiq Khan MP
- **Parliamentary Under Secretary of State** – Paul Clark MP
- **Parliamentary Under Secretary of State** – Chris Mole MP

Wales

- **Secretary of State** – The Rt Hon Peter Hain MP
- **Parliamentary Under Secretary of State** – Wayne David MP

Work and Pensions

- **Secretary of State** – The Rt Hon Yvette Cooper MP
- **Minister of State (Employment)** – The Rt Hon Jim Knight MP
- **Minister of State** – Angela Eagle MP
- **Parliamentary Under Secretary of State** – Helen Goodman MP
- **Parliamentary Under Secretary of State** – Jonathan Shaw MP
- **Parliamentary Under Secretary of State** – Lord McKenzie of Luton

House of Lords

- **Leader of the House of Lords and Chancellor of the Duchy of Lancaster** – The Rt Hon Baroness Royall of Blaisdon