

How Is Power Used?



THIS CHAPTER ATTEMPTS TO BRING THE STRUCTURES OF BRITISH governance to life and to explain how actors and institutions produce public policies. It also demonstrates how the distinctive character of British government institutions affects the policies produced and how policies may differ from those emanating from other political systems, even those faced with similar policymaking problems. In particular, the majoritarian nature of British parliamentary democracy tends to produce somewhat stronger swings in policy than might be found in the consensual democracies, such as Germany, the Netherlands, and Sweden.

This discussion considers two broad kinds of policymaking that must go on in any government. The first is making new policies, which occurs when government institutions decide to pursue new activities in the public sector or undertake their current activities in significantly different ways. This type of policymaking typically takes the form of a legislative process, although administrative actors are certainly involved in the propagation of new policy ideas and again during their implementation. Meanwhile, the making of new policies tends to be more overtly politicized, with parties and interest groups directly involved in the process. Another possibility, however, might be for government institutions to take no action at all on an issue. This, too, may be highly politicized.

The second major form of policymaking is simply maintaining the existing government policies and programs. This kind of policymaking is frequently less political in a strictly partisan sense. Instead, discussions regarding existing programs may involve bargaining among ministers and the managers with their financial overseers (in Great Britain, primarily the Treasury), as well as overt or covert competition among the existing programs. For the most part, therefore, this policymaking activity is not legislative but involves executive and administrative actors. Furthermore, government tends to have less of an opportunity to exercise discretion in most decisions in this category of policymaking, because the existing commitments of government to citizens and organizations must be honored. This chapter will look at the British political system as it processes both kinds of policy decisions.

One important departure from the typical pattern of policymaking has been the greater emphasis given to reducing the size of the public sector. This emphasis means that very few programs have escaped serious scrutiny when coming up for funding or reconsideration. The economic crisis that began in 2007¹ emphasized the need for such scrutiny, and the Conservative–Liberal Democrat coalition has adopted stringent “austerity budgets” since their first 2010 “emergency budget.” Although the coalition has promised to maintain support for services such as the National Health Service (NHS), international aid, and some aspects of education, the reductions in public expenditures and, to a lesser degree, increases in taxation have been dramatic.

The Parliamentary Process and New Policies

To illustrate how new policies are made and then put into operation, this section follows a typical piece of legislation through the lawmaking process—from its birth as an issue placed on the agenda for consideration through its implementation. In reality, no piece of legislation is typical. Some bills are enacted in a matter of days (or even hours in an emergency) the first time they are proposed, but others must wait for years before being passed. In the summer of 1999, legislation implementing the Northern Ireland agreements was expected to pass through Parliament in one or two days. There were some delays, but still it passed in less than a week. Some policy ideas may never evolve into law, or they may have their intentions almost totally altered through implementation. Despite these differences, an underlying policymaking process is common to all proposals.

Agenda Setting and Policy Formulation

The first step in the adoption of legislation is its placement on the policymaking agenda, both in an informal sense in that the policy must be considered sufficiently important for the government to act on and in the more formal sense in that it must be placed before Parliament for consideration and possible adoption.² In an even more fundamental way, societal problems must be identified before they can be placed on a government agenda in the form of legislation.

Deciding which issues are public and require the consideration of government is a very diffuse and uncertain process in Great Britain, as it is in almost all countries. Political parties and the governments they form are the principal agents in placing issues on the agenda, but other actors are also involved. Individual members of Parliament (MPs) may have special interests and may strive—sometimes for years—to have an issue considered. Interest groups may attempt to dramatize the needs and desires of their members. For their part, the media are actively inserting issues into the consciousness of citizens and that of governing institutions. Finally, with membership in the European Union, issues arising in Brussels show up on the British government's agenda, if only to implement EU decisions.

In a formal sense, the easiest way for an issue to come before Parliament is its inclusion in the government's legislative program. Parliament's legislative time is limited, and the government must select those issues and bills it believes are most important. To make this selection, the government must make some difficult choices, because it introduces relatively few bills in any one year. During the Thatcher and Major years, governments introduced an average of just under fifty bills per session. The Blair and Brown governments, though more active, still introduced fewer than ninety bills each year. Because several of the bills involved annual budget and financial considerations and a large number of the remaining bills involved consolidation and clarification of existing legislation, few significant policy bills were introduced during each parliamentary session.³ In almost all cases, the policy bills that were passed were a part of the government's program, and the government can if it wishes (and it usually does) control the parliamentary agenda.

Bills and issues not part of the government's program may also come before Parliament. Backbenchers can introduce legislation, but it has little chance of being passed—only about 7 percent of all legislation passed in Parliament comes from MPs with no governmental responsibilities, or “private members.” Using the main route to introduce legislation,

a backbencher must first win a lottery to have the opportunity to actually introduce a bill, but even then consideration of the bill is limited to one of the ten to twelve Fridays—the only day on which private members’ bills are debated—during a session. Bills also can be introduced under the ten-minute rule, which allows ten minutes of debate, pro and con, followed immediately by a vote. Backbench legislation can raise issues the government may prefer to forget or issues of a moral nature on which the government does not wish to take a stand. Indeed, sometimes private members’ bills are submitted as a favor to a government that does not want to have to take a stand on a difficult issue such as divorce or abortion. In July 2013, for example, the Conservative Party had MP James Wharton introduce the bill calling for a referendum on EU membership as the bill was opposed by the Conservatives’ coalition partners, the Liberal Democrats, and had little chance of passage. Most private members’ bills are not, however, likely to generate political controversy. One restraint on this form of legislation is that backbenchers cannot introduce legislation involving the expenditure of public funds—only ministers can make those proposals.⁴

It is far easier for the nongovernmental parties and backbenchers in the majority party to bring issues up for discussion in Parliament than to achieve the passage of legislation. Question Time is an obvious opportunity for generating that discussion. Adjournment debates and early day motions⁵ by private members also allow individual MPs to air grievances; the last thirty minutes of each daily session are devoted to an adjournment debate on matters raised by backbenchers. On one day in October 2005, the issues raised ranged from the serious—European sugar subsidies—to the trivial—lauding the success of the Harry Potter books; the same would be true for most days. On average, backbenchers receive approximately 15 percent of all parliamentary time, an allocation made by the government, and much of that time is spent discussing specific constituency grievances rather than general issues. Because this allocation permits the average member relatively little opportunity to have an impact on major policy issues, MPs may decide to counteract some of this imbalance of power by specializing in particular policy topics, a strategy made easier by the creation of the select committees.⁶ Expanded use of social media gives MPs yet another chance to air their opinions and to have at least an indirect influence over policy.

The opposition receives parliamentary time to present its alternatives to the government program, largely during the extended debate on the Queen’s Speech (actually written for her by the government as a statement of its policy objectives for the session), which opens each session of Parliament, and the twenty “opposition days” scattered throughout the parliamentary session, which allow the leaders of the opposition parties to criticize the government by selecting the topics for debate. Again, however, although this debate may be useful for ventilating opinions, it usually has little real effect on policy choices, in part because the government has already established the agenda and all the opposition can do is to react to its propositions. Furthermore, if the government maintains its party discipline, the opposition can do little to prevent the government’s legislation from being adopted.

In addition to controlling the agenda and timetable, the government is heavily involved in formulating legislation. Most of the broad ideas for policy formulation come from the party’s election manifesto, but ministers also have their own ideas about good policy. The ministers receive advice on policy initiatives from their civil servants and from political

advisers in their departments. Within the cabinet, legislation is typically first considered by a cabinet committee composed of interested ministers (usually with some Treasury representation) before being considered by the entire cabinet.⁷ The shape of legislation to be introduced generally is decided by the full cabinet prior to formal proposal of the legislation to Parliament. In the full cabinet, the prime minister plays a significant role, not least because he or she summarizes the debate and says finally what was decided.

Parties and political leaders are not the only source of policy intentions and policy formulation—many policy ideas come from the departments themselves and their civil servants.⁸ And as is true in many industrialized democracies, the balance of power between elective and nonelective officials may have swung in favor of the unelected.⁹

No matter which set of actors is most powerful, the process of formulating policy is complex, involving the interaction of ministers with their civil servants and, in turn, consultation with the affected interests in society. The increased emphasis on managerialism in the British civil service has weakened its policy capacity, although the separation of many implementation functions from policymaking through the creation of agencies provides the remaining civil servants in departments with more time to deal exclusively with policy.

Policy Legitimation

Once the cabinet has agreed on a policy proposal, it is introduced into Parliament as a bill. All politically controversial legislation, by convention, goes first to the House of Commons. For a bill to become law, it must pass the House of Commons, pass the House of Lords (unless it is passed by three successive sessions of the Houses of Commons or is a money bill), and gain royal assent. But there are ways of shortcutting this process; therefore, a significant amount of lawmaking in Great Britain is done by the government itself, using orders in council and statutory instruments that do not require the approval of Parliament.¹⁰

When a bill is introduced into the House of Commons, it is given a formal first reading and then printed for distribution. After two or three weeks, the second reading takes place, which is the major political debate on the principles of the legislation. For noncontroversial legislation, however, the second reading may occur in committee. After the second reading, a bill typically goes to committee for detailed consideration and possible amendment—that is, after the Commons has agreed to the legislation in principle. Although committees are organized to mirror the partisan composition of Parliament, the government is generally more willing to accept amendments in committee than on the floor of the Commons, where acceptance might be taken as an admission of defeat. Finally, the bill is reported out of committee with any amendments, receives a third reading, and then is usually passed.

After passage in the Commons, a bill goes to the House of Lords for consideration and possible amendment. Any amendments made in the Lords must be later considered by the Commons. In the adversarial political system of the United Kingdom, the House of Lords can be an extremely useful institution. There, the government can accept amendments and negotiate improvements in legislation without appearing to back away from its policy proposals. The House of Lords also has chosen to specialize in several areas such as science policy that are less partisan than many others but for which some longer-term

considerations are paramount. A government can even accept defeat in Lords without serious damage to its prospects of retaining office. Although deadlocks between the two houses are possible, they are infrequent, and yet Lords can delay legislation for up to three years. In recent years, Lords was able to delay the passage of legislation banning fox hunting with dogs, as well as a bill establishing the Supreme Court for the United Kingdom.

After agreement is reached between the two houses, the bill is given to the monarch for royal assent, which is virtually automatic.

In reality, legislation does not necessarily move so easily through the policymaking system; therefore, some way is needed to regulate the flow and, particularly, to prevent the delay of important legislation. At the report stage, amendments may be reported out of committee, and the Speaker is given the power to decide which amendments should be debated and which would be repetitious of debates in committee. The government can also attempt to impose closure and the “guillotine” (allocation of time order). Cloture, a motion to end debate made by 100 or more MPs, is accepted only if the Speaker believes all relevant positions have been heard. When different points of dissent emerge and closure is ineffective, the guillotine is employed. An allocation of time order is voted by the House of Commons, and the government determines how much debate time will be devoted to each section of the bill. Once that time is exhausted, the Speaker must move the section to a vote. The use of the guillotine is often cited as contradictory to the interests of the House as a deliberative body, especially when it is imposed on major constitutional issues, such as the devolution debates during the Callaghan government in the 1970s. But the guillotine may be necessary if Parliament is to process the amount of legislation a contemporary democracy requires.

Although the factor of party discipline seems to foreordain much of the legislative activity of Parliament, that activity is still important. First, the legal and constitutional requirements for the passage of legislation must be fulfilled. Second, amendments must be considered and the amended legislation must be approved, both at the committee stage in Commons and in Lords. Finally, some legislation that seems perfectly reasonable to the majority of the cabinet may not appear so reasonable to backbenchers in the party; therefore, the legislation may never be passed. For instance, the coalition government had to abandon its attempts to reform the House of Lords when it became clear that a significant number of Conservative backbenchers would refuse to back the policy. Although the presence of disciplined majorities in the House of Commons is important, legislative action is never certain and may become even less certain with a coalition government in office.

The Scottish Parliament and Welsh assembly have adopted many of the same types of procedure used in Westminster. They have, however, attempted to loosen some of the domination of the majority party over the proceedings. The Scottish Parliament has created cross-party committees to consider legislation and to make suggestions without having to abide by strictly partisan considerations.

British democracy has long been representative democracy, but since the 1970s there have been several interesting uses of direct democracy as a means of legitimating policies. Of particular significance are two referendums on policy issues—in 1975 on whether Great Britain should remain in the Common Market and in 1979 on the devolution proposals in Scotland and Wales. The latter proposals were voted on only in Scotland and

Wales, but the principle was the same: the government and Parliament to some degree abdicated their decision-making powers to the people in an election. Although these referendums were not legally binding, they were declared binding by the major parties. Referendums in 1997 approved devolution for Scotland and Wales and were followed by the Scotland Act and Wales Act in 1998. Referendums represent a major departure from the traditional means of decision making in British government and have potential importance for major policy decisions, including questions of British membership in the Economic and Monetary Union (EMU) and adoption of a European constitution.

Policy Implementation

Perhaps the most difficult portion of the process of changing society through government action occurs after a bill is passed by Parliament. The implementation process involves taking the bare bones of parliamentary legislation and putting some meat on them by formulating both substantive policy declarations and the organizational structure to carry out the intent of Parliament, or, at times, to thwart that intent. Most legislation passed by Parliament is passed in a broad form, allowing a great deal of room for interpretation as the laws are put into effect.

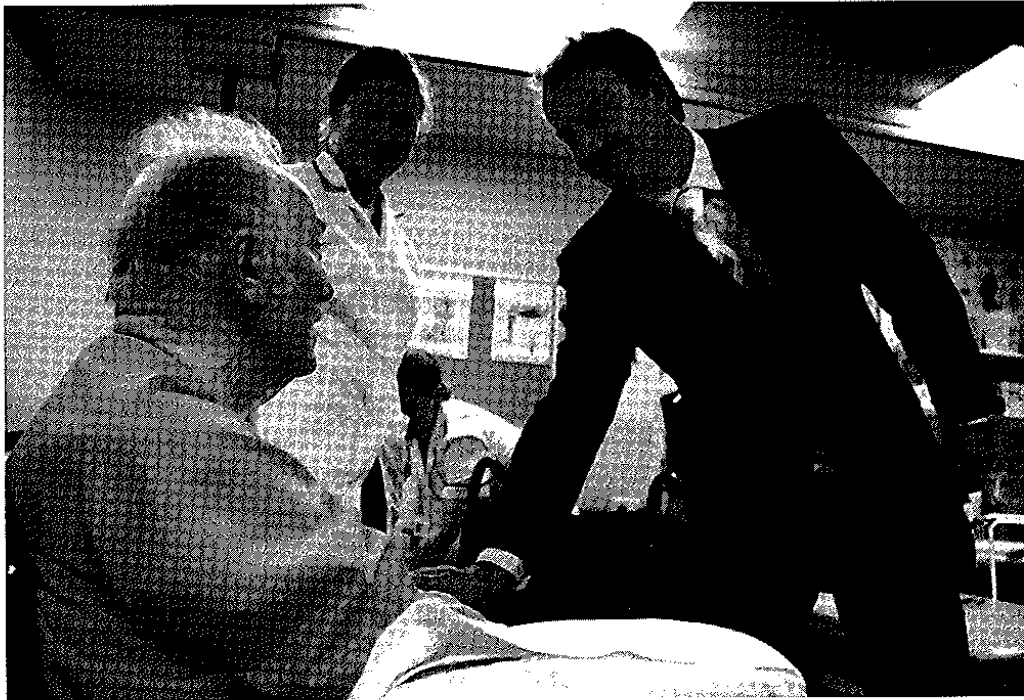
Public policies may be implemented several ways. Probably the most common is through departments of the central government. Most legislation coming from Parliament contains a broad mandate of power, but Parliament leaves it up to the ministry to make the regulations and engage in the activities needed for the intent of the legislation to come into being. A principal means by which the departments do this is through statutory instruments developed pursuant to acts of Parliament. Statutory instruments, which contain more detailed regulations than do acts, allow the executive to have a major impact on the nature of the policy actually implemented. Parliament exercises scrutiny over these instruments, but it cannot hope to master completely the volume or technical content of all such regulations. Even when the issuance of a statutory instrument is not required, the departments are heavily involved in shaping the meaning of policy and in making it work. Yet the departments also can serve as barriers to effective implementation, especially when the policy enacted by Parliament appears to run counter to their usual practices. In like manner, the regional and local offices of a ministry are frequently associated with varying patterns of implementation and, at times, great variations from the original intentions of Parliament in some parts of the country.

Policies of the central government are also implemented through local authorities. Unlike in a federal system, local authorities are creatures of the central government in Great Britain. The result is less differentiation between national and local policy than in the United States.¹¹ Although the major policy decisions in areas such as education, health, social services, and law enforcement are made by the central government, these services are actually delivered by local authorities, or by local units of national organizations such as the NHS. But these public services are not delivered uniformly; local authorities provide different quantities and qualities of service, albeit within centrally determined parameters and subject to inspection and control by the central government. This relationship between central policymaking and local administration does not, however, work without friction, especially when local and central governments are controlled by different parties. During its first term, Blair's Labour government placed greater pressures on local authorities to improve the

quality of service provision, thereby producing some conflicts even with Labour local councils that had their own views about how policies should be designed and implemented.¹²

In the devolved administrations, there has been much more evidence of policy divergence. In particular, there are quite fundamental differences in approach to the major issues of health and education. For instance, while policies for the NHS and schools in England have emphasized the importance of choice and competition, in Scotland and Wales there has been a greater emphasis on partnership and an aversion to what is perceived as the “privatization” of public services. In this context, it is no longer sensible to talk about a “British” Secretary of State for Education. Instead, at Westminster there is an English Education Secretary who has no control over education policy in Scotland and only to a very limited extent in Wales or Northern Ireland.

In return for the administration of national policies, the local authorities receive around half of their revenues from the central government. Some of the grants to local authorities are tied to the provision of specific services such as law enforcement, but the largest single grant—the revenue support grant—is a general grant. (The formula for computing the revenue support grant does, however, include weightings for the levels of service provided by a local authority.) If a local authority wishes to provide services not funded directly by



In September 2003 Prime Minister Tony Blair greeted a patient at King's College Hospital in London as part of his tour of the hospital's new Golden Jubilee Wing, a 60 million pound (\$99 million) private finance initiative (PFI) project funded by Hospital Partnership's Consortium.

Source: Peter Macdiarmid/AFP/Getty Images.

the revenue support grant or the categorical grants from central government, it must be willing to raise funds from local revenues, generally through the council tax system and taxes on local businesses.

Finally, policies may be implemented by private organizations. Although interest groups are often regarded as barriers to effective implementation, such groups may be important to effective implementation. At a minimum, an interest group can function as a watchdog on the implementation of a policy, replacing the army of public inspectors that might otherwise be required. Environmental groups have been particularly active in this monitoring role. In addition, a group may actually implement a policy for government, such as in agriculture when the Royal Society for the Prevention of Cruelty to Animals (RSPCA) applies general policies in enforcing animal welfare legislation. These activities would otherwise require huge amounts of time and public money and might not be performed as well. Finally, at times the government subsidizes an organization to provide a service that government supports as a matter of policy and that would have to be provided at public expense if the private organization were not willing to provide it. One example of such a service is the legal assistance the Law Society provides to the indigent.

The Blair government undertook an even more extreme version of involving private businesses in implementation. The PFI enables firms to build and operate what might normally be a public facility, such as a toll road, and to receive the revenues as the return on its investment. After that return has been achieved, the facility may become public.¹³ The coalition government formed in 2010 has continued and, in some cases such as education and the prison service, sought to expand the activities of the private sector in delivering public services.

Policy Evaluation

The last stage of policymaking—formal policy evaluation—occurs some time after the policy has been adopted or even implemented (informal evaluation begins almost at the time of passage). Policy evaluation is also closely related to policy continuation, the next major topic, because the annual decisions made during the budgetary process to continue policies and programs to some degree involve evaluation of the effectiveness and efficiency of those policies.

Parliament is assumed to conduct ongoing oversight of government policies, and some instruments for policy evaluation are housed within the government itself. The now-defunct Programme Analysis and Review (PAR) and the diminished Public Expenditure Survey Committee linked program evaluation directly with financial management. The select committees of the House of Commons are increasingly active in evaluating existing programs, and the few committees in the House of Lords are engaged in limited oversight. In particular, the House of Commons Public Accounts Committee has gained a fearsome reputation for grilling public servants on matters of public spending and accountability. A growing staff in the Prime Minister's Office also monitors policies on behalf of the executive, especially major programs such as health and education. Through the parliamentary commissioner, or ombudsman, Parliament maintains additional evaluative control over policy administration. This official can, if only at the request of an MP, investigate alleged malfeasance of public administration. Finally, the comptroller, auditor general, and the National Audit Office have become important watchdogs. Like auditing organizations in other

industrialized nations, these offices have added policy evaluation to their former duties as financial auditors. They monitor policy developments in both the central government and the local authorities.

Some mechanisms for policy evaluation exist outside the government. One of the most commonly used devices is the appointment of parliamentary or royal commissions to investigate particular fundamental policy concerns that merit outside advice. These commissions and their reports often constitute milestones in the evolution of policy and program management. Examples are the Fulton report on the civil service, the Plowden report on public expenditure control, and the Kilbrandon report on devolution. The commissions have no formal powers, however, and even excellent reports often go unheeded. More recently, a parliamentary commission composed of MPs and peers was tasked with providing recommendations about changes to the law covering banking in response to the discovery that some banks had been manipulating a key interest rate.¹⁴ In part because of her reliance on her own advisers and on a more ideological style of government, almost no royal commissions were convened during the Thatcher years. Since then, various public inquiries have been held on specific policy questions, some with substantial policy and political relevance such as nuclear power and the fire in the London Underground, and after some thirty-eight years the Saville Inquiry Report on violence in Northern Ireland was issued in 2010. Of the several commissions appointed by the Blair government, the most important was the Jenkins Commission on electoral reform.

In addition are the less official mechanisms for generating policy evaluation. One such mechanism is the news media, which exercise a considerable degree of self-censorship in their assessments of policy. The restrictions imposed by the Official Secrets Act and the public's lack of access to important information limit the capacity of public involvement in policy assessment. Passage of Great Britain's Freedom of Information Act in 2000 has opened up government to some degree, even though the law is more limited than similar acts in most other democracies. The number of policy think tanks also continues to increase, some of them representing clearly defined ideological positions, while others strive toward greater objectivity, and they use the information generated to help shape policy through their contacts with parties and through the media. Finally, research units of political parties and pressure groups also evaluate existing policies. Overall, then, a great deal of official and unofficial policy evaluation occurs, but tight government control of the parliamentary agenda ensures that many policy changes will likely not be scrutinized, unless it suits the purposes of the incumbent government.

Although policy evaluation ends one cycle of policymaking, it often begins the next.¹⁵ Governments rarely make perfect policies the first time they try, but often they know so little about the dynamics of the problem area into which they intervene that trial-and-error learning may be the only means available for improving conditions. Therefore, governments often have to modify existing policies based on their experience with those policies—that is, experience frequently reflected in the evaluation process. The social and economic conditions that are the objects of a particular policy may change as well, and government will have to modify its programs to meet those changing conditions. Although policymaking is depicted here as a delimited process, the end of the process may be just the start of another cycle. At times, the messages from the consumers of policies are very clear signals

that change is needed, as they were for the poll tax in 1991 and for railway safety in the 1990s and after.

Policy Continuation: Budgeting

Most policymaking is not about making new policies; rather, it is about reaffirming old policies or making marginal adjustments in those policies. In many ways, this form of policymaking is politically more sensitive than making new policies, because existing programs have existing employees, clients, and organizations, whereas new policies have no inertia pushing existing commitments forward. Although there may be some modifications or even threatened terminations, in most years the most important decisions for continuing policies are made in the budgetary process. That process involves financing the huge number of existing policy commitments, with their relative priorities determined in pounds and pence. (Here the reference to the budgetary process is in the US sense; in Great Britain the term *budget* usually refers to the government's revenue, not expenditure, proposals.)

Historically, control of the public purse has been central to the powers of the British Parliament, but the existence of disciplined partisan majorities, and the general uncertainty about economic growth, has transformed substantially the locus of effective budgetary powers. Even now, however, the British government appears to spend more time trying to get the machinery of financial allocation "right," when compared with most other parliamentary systems, and it has developed elaborate machinery for budget and financial management. Budgeting is best thought of as taking place in two stages. The first is an executive stage during which the spending ministries negotiate with the Treasury and with their colleagues in the cabinet over expenditure commitments. The second is the parliamentary stage during which these decisions are legitimated and only occasionally changed.

The Executive Stage

The Treasury is the central actor at the executive stage of budgeting. It is charged not only with making recommendations on macroeconomic policy but also with formulating detailed expenditure plans that fall within those economic constraints. Traditionally, the Treasury has been the most prestigious appointment for a civil servant, and those in the Treasury have adopted the "Treasury view" about the proper amount of public spending and who should spend the money. Since at least the days of William Gladstone, holders of that view have been skeptical about expenditures and concerned with saving "candle ends" as well as billions of pounds. This view does not always prevail, but it must always be considered.

The first round of bargaining over expenditures is typically at the level of civil servants—those from spending departments and those from the Treasury. This bargaining takes place with the knowledge of the relevant ministers, but it can be conducted more easily by officials who know both one another and the facts of the programs. Interpersonal trust and respect are important components of the success of any bargainer, especially when the spending departments must have their requests reviewed annually.¹⁶ Because the same Treasury civil servants may see the same departmental civil servants year after year, any attempts to manipulate or deceive may gain in the short run, but will surely lose in the long run. Also, civil servants tend to understand the technical aspects of their programs

better than ministers do. In addition to bargaining annually (or at times more frequently) for expenditures, departments must bargain for deviations from expenditure plans during the year, thereby giving the Treasury several opportunities to monitor and intervene in departmental policies.

The second stage of executive bargaining occurs among the spending ministers, the Treasury, and the cabinet as a whole. Budget decisions are manifestly political, and, if nothing else, they reflect the relative political powers and skills of the ministers involved. The task of the spending ministers is to fight for their programs and to try to get as much money as they can. The Treasury ministers (the chancellor of the exchequer and the chief secretary of the Treasury) are the guardians of the public purse and play the role of skeptic. They perform an important function in budgetary politics and are responsible for much of the nitty-gritty in day-to-day allocations and oversight. The prime minister must moderate any conflicts that arise, but knows that he or she can rarely go against the Treasury ministers if the government is to function smoothly. Also, in today's more conservative period, there is some political advantage to opposing expenditure increases.

The fight over the budget occurs on a one-to-one basis between spending ministers and the Treasury ministers in cabinet committees and finally in full cabinet meetings. Under the Thatcher government, a special cabinet committee referred to as PEX, for "public expenditure" (but popularly called the "Star Chamber"), was formed to review disputes between the Treasury and spending departments, and it usually sided with the Treasury. Faced with an immense public debt, Conservative chancellor George Osborne reinstated this procedure, using it in 2010 and 2013 to help persuade ministers to agree budget cuts.

The position of Treasury was enhanced after 1992, with the chancellor of the exchequer heading the cabinet committee reviewing expenditures. The Treasury is in a powerful position politically and enjoys the right of making the first presentation of expenditure figures in cabinet meetings, but after that the spending ministers tend to gang up against the Treasury. Because this process is political, a coalition can usually be formed to increase expenditures that enable all spending ministers to make their constituents happy and make them look good in the eyes of their departments. It takes a very strong chancellor, backed by an equally strong prime minister, to oppose that type of coalition.

Opposition to spending in government was very successful under Margaret Thatcher, but it appeared less cohesive under the less assertive and somewhat less conservative John Major. In keeping with his strategy to promote long-term fiscal policy and to loosen the supply side (which no longer was considered a demand management tool), Major introduced three-year expenditure plans to be discussed in the context of setting monetary policy. Major also introduced an "escalation clause" on fiscal taxes (i.e., taxes were to rise in percentage terms faster than inflation) and funding rulings for the NHS (i.e., spending was to rise to about 6 percent above inflation). After it formed a government in 1997, Labour stuck with the idea that current expenditures should not rise faster than growth, but investment expenditures were allowed to go beyond that. The idea was that current expenditures should not cause a deficit on the fiscal account, but investment expenditures could do so. Tony Blair and his chancellor, Gordon Brown, were not always in agreement on these policy issues, Brown being somewhat more willing than Blair to

spend on social issues.¹⁷ Despite any internal conflicts within government, until the global economic crisis the British public sector was closer to balance than most others in Europe, and the economy enjoyed a period of steady growth.¹⁸ This all ended during the financial crisis beginning in 2008 so that the public debt has risen to be one of the highest in Europe.

The Parliamentary Phase

After the civil servants and the cabinet prepare their expenditure plans (estimates), the plans are presented to Parliament for adoption. Although the emphasis on control has significantly modernized the budgeting process, much of the terminology and procedure used by Parliament when considering public expenditures dates from earlier periods in which the monarch and Parliament were engaged in more intense conflicts over power. The major debates on expenditures occur during the twenty-six “supply days” each session, although the topics selected by the opposition for debate on these days range far beyond expenditures. The civil estimates are introduced into Parliament by the chief secretary of the Treasury in February, and the minister of defense introduces defense estimates at about the same time. Parliament then has until July or early August to pass the Consolidated Fund Bill (Appropriations), authorizing the expenditure of funds. Because of the difficulties in forecasting expenditures, especially in uncertain economic circumstances, the government usually must also introduce supplemental estimates in December and March.

The budget is an important locus for parliamentary control over the executive. By standing order, Parliament cannot increase expenditures on its own; any increases must be recommended by a minister. Parliament can, however, recommend decreases. One means of expressing displeasure with the management of a ministry is to move for the reduction of the salary of the minister, frequently by a trivial amount such as £100. This gesture signals a debate not so much about the £100 as about the policies of the department in question. MPs may move for less trivial changes in expenditure plans as well, but all these are likely to be defeated by the majority party, lest it be seen to be losing confidence in the Commons.

Even if it is not able to alter expenditure plans directly, Parliament has become more effective at monitoring the spending decisions of government. Parliament as a whole is perhaps too large and disorganized to scrutinize expenditure programs effectively, and so it has developed a pair of committees to more closely examine the government estimates. The first is the Treasury Select Committee, a rather small committee composed of members of the House of Commons who are well versed in issues of public spending. Despite its expertise, this committee cannot cover the total range of the budget each year (it has almost no professional staff support), so it concentrates on particularly important spending issues. This committee has influenced the development of policy in Great Britain and aired important issues, sometimes to the discomfort of the government.

Another important parliamentary committee for controlling public expenditures is the Public Accounts Committee (PAC). Unlike most committees in Parliament, PAC is headed by a member of the opposition; it has the task of monitoring public expenditures after they have been made and after they have been audited by the National Audit Office. Out of the mass of public expenditures, PAC selects certain topics for consideration each year and

has the power to call civil servants before it to account for their actions. Other than calling attention to mismanagement or outright deception, however, PAC has few powers to improve the expenditure of funds.

In addition to the two principal committees examining expenditures, the select committees created during the late 1970s for monitoring activities of the executive departments may be a useful device for parliamentary control of expenditures. Indeed, it appears that these committees have been more successful than had been anticipated in exercising oversight. They have attracted the interest of many MPs and have demonstrated their ability to keep track of the huge volume of paper and decisions produced by the ministries. These committees primarily publicize any failures in the executive to the public and to Parliament, and that publicity can function as a useful restraint on the power of ministers and civil servants.¹⁹

To this point, this section has focused on the expenditure side of budgeting. On the revenue side, there is the same balance of power in favor of the cabinet and the Treasury. If anything, the balance of power resides even more in the hands of the executive, because Parliament has yet to develop a committee structure for monitoring revenue proposals. A small subcommittee of the Treasury and Civil Service Select Committee does examine revenue issues, but this is a minor role compared with the scrutiny of public expenditures. And within the executive, the balance appears to favor executive officials, because ministers do not push for increased taxation, only for increased expenditures. This is not to say that there are no political influences on taxation, and part of the debate on how to deal with the deficit in 2010 involves discussion of tax options. Those political influences were all too evident in the shift from direct taxation (income taxes) to indirect taxation (value-added tax, or VAT) in the first Thatcher budget and the launching of the poll tax in her third term.

Revenue recommendations are introduced each year around the first of April in the chancellor's budget message. Commons rapidly passes the necessary budget resolutions, allowing for the immediate collection of some or all of the proposed taxes. This immediate action is taken to prevent the legal avoidance of taxes by purchasing large quantities of alcoholic beverages, selling assets, paying off debts, and so on, under the preexisting tax laws. That action is followed by a period of debate leading to the formal introduction of the Finance Bill, which is usually passed sometime before Parliament takes its summer recess in August. Rarely has Parliament voted down new taxes or increased government expenditures. In 2000 a VAT increase on fuel was rescinded only after massive public protests in the fall of that year. In fact, because of hostility to taxes in and out of Parliament, until 2002 Parliament pursued few increases in visible taxes. Instead, it enacted many "stealth taxes" such as those on insurance premiums, air tickets, and most obviously on pension funds.

One of the common criticisms of the British budgetary process is similar to one leveled at the budgetary processes in many other nations: that there is little or no integration of revenue and expenditure decisions. Citizens and politicians alike tend to like expenditures and loathe taxation, which commonly results in the government's failure to collect enough revenues to meet expenditures, thereby creating a deficit budget. Changes to coordinate taxation with expenditures would require changing many historic procedures, but it might well improve the management of public sector finances.

Policymaking in Great Britain

Policymaking in Great Britain involves the interaction of cabinet, Parliament, and the civil service, to mention only the primary actors. In this interaction, the formal location of power and the actual location of decision making may be markedly different. The formal powers of decision making reside in Parliament, but the effect of strong party discipline has, in practice, made the cabinet the primary decision-making institution. Backed by a government majority, once the cabinet decides on a policy the dutiful members of the party will almost certainly ratify it on the floor of the House of Commons. In those few instances in which the backbenchers overtly or covertly oppose government policy, the cabinet rarely tries to run roughshod over its own party members. Policy toward the European Union is the one area in contemporary British politics in which this may happen. In most policy areas, however, if it is willing to push, the cabinet does have the ability to get most of what it wants passed into law without much real internal party opposition.

The powers of the cabinet are, however, restrained in other ways. First, ministers must contend with skillful and permanent civil servants. Especially within the budgetary process, the Treasury and its “mandarins” dominate decision making. Even in nonfinancial decisions, the expert knowledge of civil servants, when compared with the relative dearth of expertise held by their nominal political masters, places the permanent civil service in a powerful position to influence outcomes. The reforms of the structure of British government to separate executive agencies from policy advisers in the departments are designed to improve political control over implementation, but the civil service still holds power at the formulation stage.

Finally, some interests and organizations other than the cabinet, Parliament, and the civil service influence policy decisions. Interest groups not only attempt to influence policy as it is being formulated but also may directly implement policies for the government. The increased use in Great Britain of “quangos” and private sector organizations for policy formulation and implementation also reduces the degree of direct control over policy implementation by government. Because local governments administer and implement a significant share of the central government programs, the central government must attempt to co-opt and encourage local governments to implement the policy as it was intended. Local governments also are effective lobbyists for their interests and may help to shape as well as merely implement public policy. The coalition government faced massive protests from interest groups about its radical health reforms and was forced to compromise on a number of issues during the passage of the legislation.

NOTES

1. BBC News Online, “Timeline: Credit Crunch to Downturn,” at <http://news.bbc.co.uk/2/hi/business/7521250.stm>.
2. On agenda setting in British government, see Simon James, *British Government: A Reader in Policy-Making* (London: Routledge, 1997), 60–88.
3. These figures are drawn from Ivor Burton and Gavin Drewry, “Public Legislation,” *Parliamentary Affairs*, various years.
4. See House of Commons Information Office, “Factsheet L2 Legislation Series: Private Members’ Bills Procedure,” <http://www.parliament.uk/documents/commons-information-office/102.pdf>, revised June 2010.

5. According to the House of Commons Information Office, "Early day motion (EDM) is a colloquial term for a notice of motion given by a Member for which no date has been fixed for debate. EDMs exist to allow Members to put on record their opinion on a subject and canvass support for it from fellow Members. In effect, the primary function of an EDM is to form a kind of petition that MPs can sign and there is very little prospect of these motions being debated on the floor of the House." See House of Commons Information Office, "Factsheet P3 Procedure Series: Early Day Motions," <http://www.parliament.uk/documents/commons-information-office/p03.pdf>, revised June 2010.
6. David Judge, *Backbench Specialization in the House of Commons* (London: Heinemann, 1989).
7. David Richards, "Changing Patterns of Executive Governance" in *Developments in British Politics* 9th ed., ed. Philip Cowley et al. (Basingstoke: Palgrave Macmillan, 2011).
8. See Edward C. Page and Bill Jenkins, *Policy Bureaucracy: Government with a Cast of Thousands* (Oxford, UK: Oxford University Press, 2005).
9. Martin Smith, *The Core Executive in Britain* (Basingstoke, UK: Macmillan, 1999), 106–142.
10. See R. Baldwin, *Rules and Government* (Oxford: Oxford University Press, 1995). Parliament does, however, review the content of these instruments through a select committee.
11. R. A. W. Rhodes, *Beyond Westminster and Whitehall: The Sub-Central Governments of Britain* (London: Unwin Hyman, 1988).
12. George Boyne, "External Regulation and Best Value in Local Government," *Public Money and Management* 24 (2000): 11–18.
13. Stephen Glaister, "Past Abuses and Future Use of Private Finance and Public Private Partnerships," *Public Money and Management* 19 (1999): 29–36.
14. Parliamentary Commission on Banking Standards, *Fifth Report: Changing Banking for Good*, 2013, www.publications.parliament.uk/pa/jt201314/jtselect/jtpubs/27/2702.htm.
15. Brian W. Hogwood and B. Guy Peters, *Policy Dynamics* (Brighton, UK: Wheatsheaf, 1983).
16. Hugh Heclo and Aaron Wildavsky, *The Private Government of Public Money* (Berkeley: University of California Press, 1974), 76–128.
17. But see the comments from an "Old Labour" politician: Roy Hattersely, "The Secret Socialist at Number 11," *Guardian*, March 13, 2000.
18. HM Treasury, *Prudence for a Purpose: A Britain of Stability and Strength* (London: HM Treasury, 2004).
19. Keith Krehbiel, *Information and Legislative Organization* (Ann Arbor: University of Michigan Press, 1991).