HOUSE OF COMMONS

Public Administration and Constitutional Affairs Committee

Oral evidence: The role and status of the Prime Minister's Office, HC 835

Tuesday 13 October 2020

Ordered by the House of Commons to be published on 13 October 2020.

Watch the meeting

Members present: Mr William Wragg (Chair); Jackie Doyle-Price; Mr David Jones; Tom Randall; Karin Smyth; John Stevenson.

Questions 1 - 28

Witnesses

I: Dr Catherine Haddon, Senior Fellow, Institute for Government; Alex Thomas, Programme Director, Institute for Government; Dr Patrick Diamond, Senior Lecturer, Queen Mary University of London.

Examination of witnesses

Witnesses: Dr Catherine Haddon, Alex Thomas and Dr Patrick Diamond.

Q1 **Chair:** Good morning and welcome to a hybrid public meeting of the Public Administration and Constitutional Affairs Committee. I am here in a committee room of the Palace of Westminster with the small number of staff required to facilitate the meeting, obviously suitably socially distanced from one another. The witnesses and my colleagues are in their homes and offices across the country.

This evidence session is the first in our inquiry into the role of the office of the Prime Minister. I am grateful to all the witnesses who have given their time today. I will ask them to introduce themselves for the record, starting with Dr Catherine Haddon, please.

Dr Haddon: Thank you. Good morning. I am Dr Catherine Haddon. I am a Senior Fellow at the Institute for Government.

Alex Thomas: Good morning. Thanks for having me. I am Alex Thomas. I am the Programme Director at the Institute for Government and before that I was a civil servant for 17 years.

Dr Diamond: Good morning. My name is Patrick Diamond. I am a senior lecturer in public policy at Queen Mary University of London. I should also add, Chair, that I was a special adviser in the Prime Minister's Office between 2000 and 2005 and 2009 and 2010 before I became an academic. Thank you for inviting me to give evidence today.

Q2 **Chair:** Thank you. Dr Haddon, the role of the Prime Minister has evolved somewhat to be more prominent than the traditional "first among equals". How far have mechanisms to hold them to account developed to reflect this?

Dr Haddon: You need to separate out the mechanisms to hold the Prime Minister personally to account and the mechanisms that allow us to understand the role of No. 10 and the support that the Prime Minister has. It is true that our system has had a more prominent Prime Minister and that has increased the remit and power of No. 10, although if you go back into history enough you do have some very prominent Prime Ministers, even going back to Robert Walpole, the first of them.

Certainly in the post-war period we have seen this increasing prominence of the Prime Minister on the world stage politically, in terms of the media and so forth and that has changed their accountability. Since the early 1980s when they were called the Liaison Committee, since 1961 Prime Minister's Questions, both of those are quite a substantial way in which to hold the Prime Minister regularly to account.

Obviously the problems are about the way in which those performance mechanisms work. Prime Minister's Questions has been criticised repeatedly for the way in which it can be a bit of a shouting match. The politics of it become more dominant than perhaps a forensic analysis of what the Prime Minister does and what the office is able to do.

The difficulty is more about the role of No. 10 and what we are going to talk about today, its relationship with the Cabinet Office. A lot of our problems are about understanding effectively what surrounds the Prime Minister. You can question the individual, but it is very difficult to know how they are supported apart from the media reports that get out the small amount of data that we receive. Understanding how No. 10 is structured, understanding the people that surround them, how we are using them and what that means for the competent running of Government, these are all hugely important questions for anyone observing Government, but it is very difficult unless the Prime Minister offers answers and unless Parliament is able to get information out of the Government to understand what is going on inside No. 10 at any one time.

That is the biggest question there, both how he is supported, but also how much you can separate the politics of the way in which the Prime Minister is held to account with a more forensic understanding of that role, sitting at the top of Government.

Chair: Thank you. Alex Thomas, any reflections on that particular topic?

Alex Thomas: Cath has covered it pretty comprehensively. There are only a couple of reflections. One is that part of the difficulty that Cath alludes to in terms of the support structure within No. 10 and Cabinet Office structures is that they are almost by design pretty shape-shifting. They reflect the personality and preferences of the Prime Minister at the time. I am sure we will get into this over the course of the session, but there is this box called the Cabinet Office and there is this thing inside it or alongside it called No. 10. Within that, the nature of the structures very much flow according to both the preferences of the Prime Minister and their style and the power flows that sit in the centre of government and who has influence.

One of the strengths and arguably one of the weaknesses of the Cabinet Office in particular is that it shape-shifts to reflect those circumstances. The only other point I would note in terms of the political accountability of the Prime Minister is there is a waxing and waning trend perhaps for Prime Ministers to have marathon sessions in the House of Commons being held to account by parliamentarians and that, I would observe, reflects the political circumstances of the time. In some of the difficult periods around Brexit or at the moment with the pandemic or reaching back into the Blair Government around the Iraq war, those are the moments when Prime Ministers almost willingly expose themselves to that political scrutiny in the Commons. I think that is an important outlet for our system of accountability.

Chair: Thank you. Dr Diamond, from your experience and study thereafter perhaps your thoughts?

Dr Diamond: To build on what was said by Alex and Cath, the key issue about No. 10 and the Cabinet Office is obviously that there is enormous flexibility around how it is structured. That has huge advantages because it means that the incoming Prime Minister and their team can in effect shape No. 10 and in practice different components of the Cabinet Office to suit the priorities that the Prime Minister of the day is pursuing.

The difficulty though with that convention is that the very flexibility of No. 10 and the Cabinet Office can create problems. One issue is that of course different Prime Ministers come in and overhaul No. 10, change the units, alter the institutions, change the staff mix and so on without necessarily learning the lessons of what happened before and then find that they have to recreate structures that they disbanded only a couple of years ago.

I think that there is a characteristic here, Chair, which is more broadly shared across British Government, which is of hyper-innovation. By hyper-innovation I mean a tendency to constantly alter and change structures because of the very flexibility of the system. I do not mean in any way to decry the flexibility of the system, but there is a danger that we are constantly changing and overhauling things without learning the lessons of the past. I think that would be an important aspect of any investigation into how the Cabinet Office and No. 10 work.

Chair: Thank you very much. A slight reordering of the questions. If I could go to David Jones next, please.

Q3 **Mr David Jones:** Mr Thomas, what are the principal functions carried out by No. 10?

Alex Thomas: Mr Jones, you have pointed something out, building on what Dr Diamond was just saying, that the structures might change, but the functions broadly stay the same. I would say the overarching function to support the Prime Minister and No. 10 is, as you would expect, extremely focused on supporting the Prime Minister. To break that down a little bit, I would highlight the Private Office is absolutely at the beating heart of No. 10. Everything that goes into the Prime Minister and comes out of the Prime Minister broadly goes through officially at least the Private Office. That is led, as is the whole of No. 10, by the Principal Private Secretary to the Prime Minister, an absolutely key Civil Service figure. That is right at the heart of it and sits alongside the Chief of Staff, the Principal Adviser, call them what you want, but the political head of the No. 10 unit. Again, we will get into some of this with moves to the Cabinet Office, but they will tend to sit together right outside the Prime Minister's Office. The Private Office is absolutely the heart of it and the key.

Then sitting still very close to the Prime Minister but slightly distant is the Policy Unit, traditionally a well-established part of No. 10, which in my experience has always sat inside No. 10, a place to support the Prime Minister, to generate ideas and also to reach into Departments to understand what is going on there and to try to ensure that the Prime Minister's priorities are reflected in departmental priorities.

Then there is a communications function, again slightly differently reflected in different makeups of No. 10, but a hugely important part of the organisation, the Prime Minister's official spokesperson on the Civil Service side and then a political media person on the political side.

Then finally the whole panoply of administrative personal, practical support for the Prime Minister and the units that I have just mentioned take up a pretty small proportion of No. 10 in terms of the headcount. The vast majority of it is taken up with all of that personal, practical, logistical visits and advance planning support.

Those are the main functions. At different times—and again, we may get into this—there have been particular units sitting in No. 10, but more often in the Cabinet Office, to reflect particular priorities of different Prime Ministers: efficiency, social exclusion and behavioural insights. The list goes on.

Mr David Jones: Thank you for a very comprehensive answer. Dr Haddon, have you anything to add to that?

Dr Haddon: Yes. The one thing I would say is that the role of No. 10 reflects the difficulty of the role of the Prime Minister at the top of Government. The Prime Minister on the one hand has to be across

everything, so you need a Department that is somehow skilled enough to be able to have sight of what is going on across Departments, to understand some aspect of the detail of policy, how things are being delivered, keep a lookout for problems on the horizon, think about long-term strategy, all of those roles that the Prime Minister is keen to play at the top of Government.

At the same time it is not a Department that delivers things itself, so it has to do all of that in a way that is about co-ordination, sometimes control, sometimes about encouraging better co-operation between Departments, sometimes about fixing problems, sometimes about demanding progress, but all the tools that it has at its disposal are about that strategic oversight of it, not about delivering the policies itself. It goes to the heart of what we will be discussing here today. It has to find the means to work with Departments or to force Departments or encourage Departments to take the action that the top of Government has decided needed to happen. Because it is small, because it does not have very powerful formal levers at its control, it is all dependent on the power of the Prime Minister, their personality, their position within the party, their relationship to their wider Cabinet, the people that it has there and the way in which it organises them is so important for being able to fulfil what is a quite difficult job.

Mr David Jones: Thank you. Dr Diamond, have you anything to add to that?

Dr Diamond: I would add one point, which is that I think we are used to seeing No. 10 characterised as being a highly political part of Government and of course that follows from the press coverage of the way that No. 10 operates, the prominence of the special advisers who operate there and so on. To emphasise a point that Alex alluded to, No. 10 in many ways is a very Civil Service-led building in the sense that No. 10 at any one time will be employing between 175 to 200 staff. It varies obviously historically, but that is the broad headcount in No. 10 itself. Of those, around 30 to 40—again, there is some variance over time—will be special advisers who are politically appointed by the Prime Minister. The majority of staff who are working in No. 10 are civil servants and the Private Office that works for the Prime Minister is clearly the beating heart of the building because it is where much of the work particularly on policy but also logistics is co-ordinated from.

As a starting point, I would say let us not get too carried away with the idea that we sometimes see, particularly in the press coverage, that all No. 10 is about is politics and Machiavellian special advisers. There may be some of that, but civil servants are fundamental to the successful operation of No. 10 Downing Street.

Q4 **Mr David Jones:** Thank you. Dr Diamond, over the years Prime Ministers have established special units to focus on policy, strategy, delivery and—recently and eye-catchingly—data science. Are these units No. 10 bodies or are they Cabinet Office bodies?

Dr Diamond: That is an excellent question, because there is some ambiguity around that. Obviously historically you would see a slightly different pattern according to the Prime Minister of the day. It can be often the case that units are effectively operating across both No. 10 and the Cabinet Office and I mean by that in particular the physical location of the units, so the staff themselves may be considered to be No. 10 advisers or staff who are working very closely with No. 10 Downing Street, but their physical base, their office, is located at the Cabinet Office. Of course that is partly because No. 10 itself as a space is very small. There are limits to how many staff can operate there. The offices themselves are not particularly well-suited to what you might describe as a modern style of public administration.

The Cabinet Office is often used as a physical base where advisers are located even if they are in fact de facto operating in practice as advisers to the Prime Minister. The other issue that the question alludes to is what are these units doing? This comes back to a point that was made in the previous section. Is the purpose of these units to drive the Prime Minister's priorities through Whitehall, so to pursue what it is the Prime Minister wants and to ensure that the Prime Minister's writ on policy goes through the whole of the Whitehall system or is the function of these units to work in a somewhat more co-operative way to try to broker agreement, co-ordination and shared understanding of policy between different Whitehall Departments? I would say that generally the Policy Unit in No. 10 would be regarded as the unit that is responsible for driving through Whitehall what it is that the Prime Minister wants to do. The Delivery Unit, certainly when I was working in Downing Street, also shared some of those characteristics.

The Strategy Unit though, which was again a unit that was in place when I worked in No. 10—and that has resurfaced in various guises—always regarded itself as a much more co-operative unit that was designed to try to develop policy in partnership and co-operation with Departments. It was very much based in the Cabinet Office and it saw itself as playing this strategic co-ordinating role, very different from the Policy Unit, as I have described it.

The important point to emphasise is that although these units might be described as Prime Minister's units, they are doing very different things. Some of them are driving the Prime Minister's priorities, but others are focused on making Government across Whitehall work more effectively.

Alex Thomas: To build on something in the first part of Patrick's answer there very briefly, I would not get too hung up on whether the badge on the unit is No. 10 or the Cabinet Office. It is the political attention that senior advisers, senior civil servants and the Prime Minister gives to the unit that matters. For example, the Race Disparity Unit that Theresa May set up had strong political and official backing from No. 10. It was located in the Cabinet Office, but that did not make any difference to its authority in one way or another, because the distinction is quite fungible and the

system is quite cute in picking up on where political attention lies. It is that flexibility in the Cabinet Office that I would emphasise.

Q5 **Mr David Jones:** Where one of these units, specifically the Policy Unit, for example, becomes involved with other Departments, where does the responsibility lie? Does it lie with the individual Departments or has that been abdicated to the No. 10 unit that has intervened?

Alex Thomas: It is an exceptionally good question, because it is not always clear. Constitutionally you would say that the policy responsibility lies with the Department and the Secretary of State for that Department. The most effective relationships that I have seen between someone in the Policy Unit and the Department is that even where there are disagreements there is a sense that the objective is shared across No. 10 and the Department, as Patrick was saying. In practice a lot of it depends on the political and administrative attention and capital that is invested in it. If a policy is being driven from No. 10, a lot of the decisions will in the end be taken by the Prime Minister, advised by his or her advisers in No. 10. If it is lower down the political agenda and the priority list, then in practice it will sit more in the Department. This is obviously the stuff of debate, the stuff of Cabinet Government, the way to hash it out. Whatever the status of specific advisers in a Policy Unit or elsewhere, in the end it is a conversation between the Secretary of State, the Department and the Prime Minister and the responsibility of Cabinet to hash it out.

Dr Haddon: To add to that, the important thing to remember is what it is that the Policy Unit is trying to do. Prime Ministers lack the large Department that most Secretaries of State have. A large function of certainly the Whitehall part of it is about creating policy, thinking through policy and so forth. The Policy Unit historically has been developed to counteract that to make sure that the Prime Minister is surrounded by some kind of policy-thinking resource. What they do, again going back to what Patrick and Alex said at the beginning, changes according to each Prime Minister.

Part of it is a monitoring of policy to make sure that when the Prime Minister gets submissions coming from Departments he is getting the best advice from good quality policy advisers around him, but sometimes it does have a more political purpose. We have seen in times past when a political head will be put at the top of it and that can be thinking through in the run-up to a general election about new policy areas. You have at times had a model that is a split between civil servants and special advisers servicing the Policy Unit and sometimes it has become more to one side or the other. It depends on what they are trying to do.

By and large, certainly since the early 2000s, the chasing of policy and the checking that things are being delivered has been towards a different function, the Delivery Unit, or in more recent years the Implementation Unit, although again there are differences between the way both of those units work. The Policy Unit by and large has been about that advice to the Prime Minister at the top and again spotting problems, spotting things in

policy that Departments are perhaps not thinking about. The nature of how it works and how it operates depends on the needs of the Prime Minister and how political they have made the Policy Unit.

Dr Diamond: I wanted to add that in terms of your question itself about where responsibility lies, I think there is no question, as Alex said, that constitutionally responsibility for policy lies with the Department. I think all Prime Ministers would respect that. The relationship with their Secretary of State would become dysfunctional if the presumption was that a policy adviser in No. 10 could interfere in the policy or implementation practice of the Department. I think there is at least a strong informal understanding that it is with the Department where responsibility must chiefly lie.

To add to that, while that may be a nice convention that I think is generally respected in practice, it does depend also who the special adviser in the Policy Unit is. Some special advisers do develop a great deal of influence. Partly that comes from the fact that they seem to be politically very close to the Prime Minister of the day. It may also be because they themselves have been in post for a substantial period of time. When you have a large turnover of Ministers it can be the case that the special adviser in the Policy Unit knows considerably more about policy area than perhaps the Secretary of State and their special adviser team in the relevant Department. That gives them an asymmetry of knowledge and insight and information about particular policy issues that make them powerful.

To give you one specific example, if that is okay, Lord Andrew Adonis, who obviously now sits in the House of Lords, was Tony Blair's Education Adviser between 1997 and 2005 before becoming a Minister in the Department. Over eight years he gained clearly an enormous amount of knowledge, experience and understanding of education policy. While it would not be true to say that he was therefore able to go against the view of the Secretary of State of the time, he clearly had a lot of influence and power around education policy, as I think is generally well-known. I would emphasise that I think who the special adviser in the Policy Unit is also matters very considerably.

Alex Thomas: To build on that, it is to emphasise it is not just the behaviour and the approach of No. 10 that matters. It is also the behaviour and the approach of the Secretaries of State and the Department. In my experience, approaches vary wildly between hugging No. 10 very close, inviting them to key meetings, absolutely bringing them in, or keeping them at a distance and then presenting them with more fully developed policies to sign off. Individual Secretaries of State will lead their Department in very different ways in that respect.

Q6 **John Stevenson:** Dr Haddon, Dr Diamond has touched upon this, but do we know how many people are employed in No. 10?

Dr Haddon: A very good question. The short answer is right now, no. We have talked about this already, that constitutionally No. 10 can be seen as an adjunct of the Cabinet Office, but in terms of the data releases on it, we

do not tend to get very full material. You will have annual submissions to the *Civil Service Yearbook*. In times past we have had organograms that have provided us with the data and organisation of No. 10. We also get at the moment annual releases on special adviser numbers. The last release on those was December last year, at which point we know that the Prime Minister had 44 special advisers. We have no idea how the numbers have changed since then. That makes it very difficult and also because some of the civil servants who might work within No. 10 can be counted as part of the Cabinet Office in terms of their home Department, so again we do not know that. We do not know the numbers and we also do not know how they are organised.

That makes it, as I said at the start, very difficult to understand the accountability of the Department itself. Again, if you can find more information on that we would certainly be very grateful and certainly pressure on the Government to give more information, because that would help understand how the Prime Minister is supported and to understand the functioning of what is in reality a hugely important part of our Government. I would encourage you to find out more.

Q7 **John Stevenson:** Mr Thomas, given we do not know the exact numbers, I am guessing you would say that we should certainly get to know them. Given that we have a broad idea of how big it is, is it too big, too small or about the right size for a Prime Minister?

Alex Thomas: There is a question. As you imply, we do know the broad numbers. It is around 200, sometimes a bit more, sometimes a bit less in No. 10. To put that into context, that is a pretty small number compared to even the just over 8,000 civil servants in the whole Cabinet Office family. No. 10 is a small part of the Cabinet Office centre, the functions for which vary widely. Is it too small or is it too big? It depends on what you want it to do. I think you could say that it is broadly functional as things stand for what it has historically done. There is a risk that if it became too much bigger without a different conception of how the centre of government works, a big No. 10, there is a risk of overlapping responsibilities and lack of clarity. You need very clear chains of command in the centre of government otherwise things get very messy. By international standards it is on the small side, although that direct and immediate personal support for the Prime Minister is comparable with other countries.

I would say that it is suitable for the functions that are being asked of it at the moment. What it is not though, which goes to something that Cath said, is a means of owning and being responsible for policy and implementation in and of itself. As a small, strategic brain that can help co-ordinate across Departments, I would say it is functional, effective and an appropriate size. What it is not is the engine that can sit at the centre of government and run this stuff. If you have a very different conception of what the Prime Minister and their team should do it would need to be very considerably bigger, but that in turn would denude some of the

responsibilities and accountabilities that sit with the Departments that we were just talking about.

Q8 **John Stevenson:** That is helpful. Dr Diamond, we have estimated there are around 200 staff in No. 10 and indications that 44 are political appointments, so that is 20%, 25%. Is there a clear difference in the type of roles that political appointees and the civil servants play within No. 10? In your experience, how well do they work together?

Dr Diamond: On the first part of the question, there is a clear distinction between the roles of civil servants in No. 10 Downing Street and politically appointed special advisers. It does depend on the function that those staff are serving within the Downing Street operation. Clearly a civil servant who is employed within the Private Office will be fulfilling a set of functions that you would associate with a Civil Service Private Office in any Department of Government in terms of working alongside the Minister, in this case the Prime Minister, overseeing the business of the day, making sure that the logistical side of the Prime Minister's life is being dealt with adequately and so on. Also, crucially, clearly serving as an anchor point in terms of policy issues that need to be resolved or brokered across Departments.

Special advisers working in the Prime Minister's Policy Unit would clearly be playing a different type of role. They will be working very directly with the Prime Minister on speeches or preparing very specific pieces of advice, working on correspondence. They may also act as a bridge with Departments, particularly on matters of political sensitivity. They will provide a connection point with the outside world. They might meet NGOs or charities or think tanks that have a particular concern about an aspect of Government policy or something that No. 10 is doing. Another crucial function of a special adviser in No. 10, particularly in the Policy Unit, is to be doing long-term thinking, not just getting bogged down in the day-to-day firefighting issues or crisis management, but also thinking in the longer term about policy as well as perhaps having to be involved in crisis management at particular times.

There are some clear distinctions. Do the staff work together? Yes, predominantly they do. I think that partly reflects the fact that in the recruitment and selection practices you will tend to bring people into No. 10, both political advisers and also civil servants, who have credentials or experience of working co-operatively with other staff, be they civil servants or special advisers. You do not generally want people in the No. 10 operation who are going to cause a great deal of difficulty, although clearly from time to time it does happen.

I will finish very quickly, if you do not mind, on the numbers question.

Q9 **John Stevenson:** I was going to come to that. Given your experience in No. 10 do you think the numbers are about right? Too small? Too big?

Dr Diamond: On the overall size? Again, it does come back to what Alex was saying, what is No. 10 trying to achieve? I think the sensitivity around

the size of No. 10 clearly relates to the fact that the British system remains prime ministerial rather than a presidential system. I think the concern is that if you start dramatically increasing the size of No. 10 then you are changing the nature of the system in a fundamental way that has perhaps not received the scrutiny or the agreement that it needs and you are making ad hoc changes by expanding No. 10 that cause other problems.

An issue about the size of No. 10, which comes back to the point about what it is trying to achieve, is that a larger No. 10 is not necessarily a more effective No. 10. If I can just reflect here on my own experience. During the time that I was in 10 Downing Street the operation did grow considerably larger. Partly that was core staff operating at No. 10, also units expanding through the Cabinet Office, but the general apparatus of Government at the centre became larger. That created its own problems. I could use the phrase "a more congested centre" to characterise the fact that there were just more advisers, more units, more staff trying to operate from the centre of government.

The very obvious problem that created, as you can imagine, is that Departments who were often on the receiving end of instructions or requests that were coming out of No. 10 Downing Street became increasingly confused and I think in some cases a bit annoyed that they were being constantly asked for information or to co-operate on projects or to get involved in particular policy issues and they often did not feel like they knew where the instructions were coming from. The centre looked very large, very crowded, very congested and it was difficult at times to know exactly what was going on. I think there is a case for having a more efficient, slimmer No. 10 that is very much working closely with the Prime Minister and their priorities and not perhaps crowding too much or causing disruption for Departments.

To finish, it is the case—and I think Alex alluded to this—that if we look internationally at countries like Australia or Germany, obviously very different political systems, it is the case that in both instances the centre that is operating around the head of Government is considerably larger than is the case in the UK. I think there has been a concern historically when Prime Ministers have come into No. 10 that they have felt very underpowered. They felt that there is very little apparatus that is working for and with them. There has been a perennial concern but, as I say, if you just expand No. 10 too quickly without clearly thinking through how you are going to co-ordinate the centre I think it will create its own problems.

John Stevenson: Dr Haddon, did you want to come back?

Dr Haddon: Yes. To continue what Patrick has just been saying, the size of No. 10 also goes to the personality and the ways of working of any Prime Minister. Margaret Thatcher had a very slim No. 10 by any of our standards today, but that was because she knew what she wanted to do, she was across all of the paperwork, she was very much a details person and very much knew not only what she wanted to do, but also how to go about doing it. She very much focused on a smaller number of staff who could support

her in doing that and it was also about she liked people that she trusted and worked well with.

As Patrick has been saying, with Blair you had this much greater growth in the size of No. 10 and that partly reflected how he wanted to operate Government. It was certainly ideas about modernising Government. The Thatcher approach could be seen as very much earlier 20th century-style government, so it was about having more of those strategic functions. When in effect everything that No. 10 is doing is going to the Prime Minister and has to be funnelled through the Prime Minister, there is a danger of bottleneck if you end up with too many wheels spinning, where people are trying to do work to support the Prime Minister, but then need the sign-off of the Prime Minister. Having a more strategic hub can be helpful in terms of that overload problem and finding the right balance for that, as I said before, is very much about finding the right people doing the right jobs in terms of how you support that.

With Cameron we saw an initial slimming down of the size of No. 10, partly as a reaction to Blair and wanting to show that he was different and that he could work in a more strategic way, but also partly as both Patrick and Alex were talking about earlier, because of this tendency that we have in successive Governments to take a "not invented here" approach to their new No. 10, that they do not want to continue the units and functions of their predecessors and therefore failing to learn the lessons of them.

The numbers there are also partly reflective of the simple size of the building and this has been a perennial problem. I think we would not be having the same discussion had the original building changed in more recent decades and you had a larger amount of space available.

If I can touch on that point about the difference between SpAds, or special advisers, I think there is an interesting cultural difference as well. Patrick has talked about the differences in terms of their jobs, what special advisers are able to do, what they are not able to do in terms of managing other civil servants and similarly the civil servants avoiding the very political or party politics areas of what No. 10 is doing. There is also an additional cultural difference, which is that SpAds, especially those at No. 10, are all appointed by the Prime Minister. Their jobs are effectively dependent on the Prime Minister and many of them can be part of the party that they are serving, so will have a career development perspective that is partly about the political party as much as it is about the day-to-day working of No. 10. They look to not only the Prime Minister, but also the key top advisers in terms of who they respond to.

The civil servants of course are all there serving the Government of the day, the Prime Minister of the day, but they are managed separately so their boss is either the Permanent Secretary, the Cabinet Office or they will look to the Principal Private Secretary or to the Cabinet Secretary. Their careers will go beyond the Government in power at the time, potentially. They have a slightly different perspective in terms of who they are

responding to and that will cause issues only if you have say a major political problem or some kind of constitutional issue or something where those allegiances are torn. Obviously it is one of the goals of those at the top of the Civil Service to work with the Prime Minister and to avoid those kinds of conflicts, but those are the areas where that cultural difference can play an important role.

Q10 **Jackie Doyle-Price:** I want to look at it from the other direction, to tackle what the main functions are of the Cabinet Office and what those functions are as distinct from No. 10. Catherine Haddon.

Dr Haddon: The Cabinet Office is a bit of a mixed bag. If you go to its central function, it originated as the Cabinet secretariat, so its role is to manage the business of Cabinet, which is organising the papers and the meetings, writing up the minutes and making sure that the actions are taken thereafter. That has grown from a very small secretariat to something that involves some large secretariats with focus on particular areas. In the past we have had one focusing on economic and domestic. Since 2010 we have had a National Security Secretariat. That function continues, but it also plays a slightly wider role that we will get into about supporting the wider Cabinet and Cabinet Government.

Then there are a whole range of other functions that the Cabinet Office has developed over the years. Part of that is alongside the Treasury, about management of the Civil Service. For some years we had a Civil Service Department, but the functions of managing civil servants as a whole have tended to move, different parts of it, between the Cabinet Office and the Treasury and that split is still partly there, but certainly since the 2010s we have had a much greater role for the Cabinet Office in terms of managing reform of the Cabinet Office, various cross-cutting functions, things like major projects.

Then there is a bundle of things that also sit within the Cabinet Office and have done since the 1950s, for example, joint intelligence assessment, a Joint Intelligence Committee and again national security functions, and as we have been hearing a lot about this year, the civil contingency functions, so COBRA and the secretariat that supports that. Then you can end up just with things that end up in the Cabinet Office. Alex will correct me if I have forgotten important aspects of the Cabinet Office here, but you can end up with units that sit there because they do not sit anywhere else naturally. What often happens is you will get units that are developed at one time because they were driving forward a particular agenda at that time and then become supplemented by a later unit, either by that Government or a successive one, whose remit overlaps with them. Thus you get this ever-greater growth of various functions.

One in particular I remember looking into was in the late 1980s you had the Next Steps agencies developing greater executive agencies. There was a unit in the Cabinet Office that was to deal with that, then in the 1990s when John Major came in, he developed the Citizen's Charter Unit, which was also trying to drive forward reform in a different way, but with a fair

bit of overlap. The two units sat close to each other, but they had to work out and it was important for the Cabinet Secretary to work out how one would function with the other.

A similar problem in the 2000s, where you had a range of units dealing with strategy, dealing with public sector reform, all of which would have had a person in charge of them who was given a remit by the Prime Minister to go in and tackle and resolve an issue, who had to effectively create the space and almost battle with the others in the Cabinet Office. That is part of the reason why you get this ever-greater growth of different parts of the Cabinet Office, but I will let Alex tell you what I have missed.

Alex Thomas: You have not missed anything, Catherine. It is entirely comprehensive. I was going to say there are things that are in the Cabinet Office because they are of particular importance to any one Government. I would put the Social Exclusion Unit or the Race Disparity Unit or the Efficiency Unit in that category. I would also put the Brexit implementation that is sitting under Michael Gove at the moment in that category because that is there because it is important, it is absolutely essential to the Government's mission. There is a bucket of stuff that is there because it is close to the Prime Minister and the centre of government's heart and political priorities.

There is then a bucket of stuff that is there because it makes sense, and I would put the constitution group in that. That was not in the centre of government until 2010 and it moved when Nick Clegg became Deputy Prime Minister. I was working there at the time. It is a big part of the remit of this Committee, it makes sense to have something that is part of the fibre of the way Government works, the way the state works in the centre. You could have it somewhere else. It could be in the Home Office at one stage or the Ministry of Justice or elsewhere, but it makes sense for that to sit there because there is a logic to it.

Then there is the third bucket of stuff, which is where on earth else would you put them? I think that is where Cath talked about Civil Service, HR. We have not touched much on the functions and the functional agenda, but to have a space for commercial skills, data skills, where the Government Digital Service sits—I do not like the term, but the "back office" work—it is important corporate functions, you could hive them out, but under the current system they make sense to sit in the Cabinet Office. Then all of that alongside the core secretariat work that Cath talked about.

What it does mean is that it ends up with this multi-headed, fluid, shape-shifting organisation and it is very hard, even if they wanted to, to write an organogram of the Cabinet Office because you have bits that feed into and are under the control of the Permanent Secretary of the Cabinet Office, bits that might sit with the Chief Operating Officer and the Chief Executive, who happen to be the same person at the moment, bits that lean towards the Cabinet Secretary. That is just on the Civil Service administrative side

before you get into the panoply of Cabinet Office Ministers beyond even the Prime Minister and No. 10. That is the way I would categorise it.

Q11 **Jackie Doyle-Price:** That is interesting. It feels to me that we are at a point in evolution where the Cabinet Office started as a function of Cabinet Government. If we go back to it being the first among equals and as we move to a more prime ministerial system it has evolved, but not completely, so you have ended up with this policy being grafted on to it. I guess in terms of the corporate functions they have always been from the Treasury, but it is not that often you find a Chancellor of the Duchy of Lancaster who gets excited about them, probably not since Francis Maude, so it does lead to wither in the Cabinet Office, but that is a whole different discussion.

I want to probe a bit more. Coming back to the initial ethos behind the Cabinet Office and its support for Cabinet Government, what support does it give to Cabinet members and is it sufficient?

Alex Thomas: The first thing to say is despite some media reports to the contrary, in my experience the Cabinet Office does always lean towards the Prime Minister. The political weight and the nature of it is definitely in that direction. Even when there was a Prime Minister and a Deputy Prime Minister in the coalition, all the routes of power tended towards the Prime Minister, which was why Nick Clegg needed to create, working with Gus O'Donnell, Jeremy Heywood and others, a counterbalancing administrative centre for him, because the strength of prime ministerial influence is so strong.

The way I would categorise the support for other Cabinet Ministers is through that secretariat function. The secretariats and principally the Economics and Domestic Affairs Secretariat, as it used to be known, absolutely have relationships with each of the Departments that they are responsible for. It is divided into teams, the social policy team and the economic policy team, and individuals in those teams will have real relationships with senior officials and sometimes Ministers in the Department.

Their job is to explain what the Prime Minister wants, but also then to reflect what Secretaries of State want back to the Prime Minister and facilitate a brokering function. That all sounds quite abstract, but they will try to synthesise that. I do not see them as having a direct personal support responsibility to argue the case of individual Cabinet Ministers, but they absolutely sit in that, "We know that Secretary of State X wants this. We know the Prime Minister wants that. How can we help them find the space in between it?" That is the function that I think works.

I would also add very briefly to that I do think the Cabinet Secretary has a pretty unique role. While again they will always tend to lean towards the Prime Minister, the Cabinet Secretaries I have known and worked with took their responsibility to the whole of the Cabinet—both as Secretary to the

Cabinet and as adviser and broker for individual Secretaries of State—pretty seriously and that took up a fair bit of their time.

Q12 **Jackie Doyle-Price:** You talked about the fact that there are 8,000 civil servants in the Cabinet Office and although they lean to the Prime Minister and take their lead, the business of Government goes on day-to-day and whoever the Civil Service team is deal with that. To what extent do things develop a life of their own beyond Prime Ministers? We have had reference throughout this session to the Race Disparity Audit, which was very much a function of Theresa May's premiership, but has obviously stayed. Equally you have the whole equalities agenda, which currently sits in the Cabinet Office, which was from the previous Government. To what extent should we be giving challenge that these things do belong and should be continued or whether individual Prime Ministerial initiatives should die with them?

Alex Thomas: I would say it depends on the issue. Some things are perennial and will continue to be priorities for Government even if they are not top of the Prime Minister's initiative list or you might find a unit that carries on long beyond its usefulness. That just has to be a decision at the time. There is obviously a bureaucratic tendency for things that exist to continue to exist, so there is a responsibility on both Ministers and senior civil servants to say, "Hang on. Do we need this thing anymore?" but I am not sure you can apply a universal rule on it.

Picking up on the point you made about the 8,000 civil servants, I am plucking numbers out of the air, but there are 1,000, 1,200 civil servants who are focused on the secretariats and in No. 10 on the Prime Minister. The vast majority of those 8,000 civil servants are either acting almost as a sort of line department, because their function is not particularly close to No. 10 or the Prime Minister or they are doing that corporate cross-cutting stuff. In terms of the numbers, the vast majority of those numbers are getting on with their jobs and could almost be anywhere.

Q13 **Jackie Doyle-Price:** I would like to get Patrick Diamond's view on this and about things living beyond Prime Ministers when they cease to be part of the new incumbent's agenda.

Dr Diamond: Clearly there can be perhaps a danger of that in the sense that once a unit becomes established and becomes part of the bureaucracy, once it has an official status, a budget, staff allocated to it and so on, then perhaps it does develop a certain permanence or life of its own, although I think there is a lot of flexibility and fluidity, as has been alluded to. I think I am correct on the numbers, that although the Cabinet Office numbers are perhaps now in the range of 7,500 to 8,000, I think around 2015, 2016 the numbers were down to about 2,500 to 3,000. There has been a significant increase in staff numbers in the Cabinet Office in the last few years associated obviously with the development of certain functions, not least the unit overseeing Brexit and so on.

The staff numbers in the Cabinet Office did come down quite low only a few years ago, so I would not overstate the issue that you are alluding to

about units developing a life of their own, but there could always be a risk of that.

Q14 **Jackie Doyle-Price:** One final question to Alex first. How is No. 10's share of the budget determined?

Alex Thomas: It is part of the Cabinet Office's budget. The Cabinet Office Permanent Secretary, who at the moment is also the Chief Operating Officer for the Civil Service, Alex Chisholm, is the accounting officer for that money. The way No. 10's budget is determined is the same as any part of any Department formally, in that the Cabinet Office's overall budget would be determined and then within the Cabinet Office and No. 10 there would be a discussion about what money is needed for different parts of the Department. Obviously No. 10, given the Prime Minister, given its importance to the nature of Government, given some of the vagaries of what No. 10 needs to spend money on, a series of unexpected plane flights can bust a hole in the No. 10 budget, its leverage within the Cabinet Office is pretty strong, I would say. They tend to get the essential money that they need.

That is not to say it is everything in clover. As a number of you will know, No. 10 is not a luxurious building in that sense. There are not fripperies or money wasted, but those core operating costs do tend to get allocated and determined in a way that allows No. 10 to function. I think if you are the Finance Director or the Permanent Secretary of the Cabinet Office, one of the things you are not going to do is starve No. 10 of its core resources.

Jackie Doyle-Price: That is not wise. Catherine Haddon, do you have anything to add to that?

Dr Haddon: Not so much on the spend. On the numbers, it is worth remembering that we are not always talking about very senior staff. If you look at the size change in the last 10 years, which we have calculated about five times that it has grown, one of those changes was around 2017 when 1,400 Fast Streamers travelled over from HMRC to the Cabinet Office, so the numbers do not necessarily mean all very senior members of staff. It is about the total numbers.

Going back briefly to the earlier question about the Cabinet Office serving the Cabinet as a whole, it is worth remembering that this is part of the skillset of Secretaries of State and the politics of it, how they approach the system of Cabinet and decision-making there. Decisions in Government are not always through Cabinet. They can happen in bilateral meetings, they can happen through write-arounds. If they are not considered sufficiently important to go up to Cabinet they can just be made within the Department. Effectively the Prime Minister has the oversee of all of this, but some key issues are decided either in Cabinet or through the Cabinet process more widely, so maybe not in the meeting itself.

Having a relationship with Cabinet, with the Permanent Secretariat in terms of what papers get developed before a Cabinet can affect the debate in the

room. I remember a classic tale of Lawson trying to make sure that he wanted a particular option to be chosen, so making sure there were five, not six, options on the Cabinet Office paper in order that everyone would be drawn to option number three, which to him was the most sensible one. Doing things like that to make sure the debate goes the way that you want to, getting there before the Cabinet meeting, all of those things are quite important and so the Cabinet Secretariat is partly about being involved in that process and for the more savvy operators managing that process as well.

Q15 **Mr David Jones:** We have touched on this already. Mr Thomas, No. 10 is nominally part of the Cabinet Office, but could you expand on that relationship? To what extent does that nominal situation reflect the reality of the autonomy with which No. 10 works?

Alex Thomas: A good question because the bureaucracy, the formal side of it, absolutely No. 10 is a core part, a very important part, of the Cabinet Office and is part of that administrative unit. Culturally it is very distinct and that is the most important distinction I think of all the others we might make this morning. It has a very different feel. Staff there will refer to "the House" and there is a strong feeling of the House and the people in No. 10. The nature of the jobs in No. 10, if Cabinet Office is tilted towards the Prime Minister, No. 10 is absolutely core mission-focused on the Prime Minister and everything revolves around them.

Almost all the staff in No. 10 will feel, particularly for a long-lasting Prime Minister, a quite strong personal connection with that individual, so that creates a distinct and different culture through that door, whether or not it is open now or still closed. There is a distinction. I also think there is something about the nature of the job. Jobs in the Cabinet Office are important jobs but they are a bit more "normal" jobs. This picks up on something that Patrick was saying earlier. No. 10 really is the civil servants anyway—I cannot speak so much for the political side—the highest-performing civil servants who have a track record of working with Ministers, getting the confidence of Ministers and being able to deliver for them. There is definitely a sense of an elite, and I can say that because although I worked in the Cabinet Office a lot, I did not work in No. 10. It is culturally highly distinct, I would say.

Mr David Jones: Dr Diamond, do you have anything to add to that?

Dr Diamond: That is a very useful distinction. There is clearly a significant cultural difference between how No. 10 operates, which has this very particular ecology/ecosystem built around the fact that you are delivering every day, working very closely alongside the Prime Minister. As compared to the Cabinet Office—which this discussion has really brought out—that is a collection of different functions and offices and secretariats that do not necessarily join together particularly coherently.

I would add a couple of other points that are also significant in this context. I think proximity matters. There is an interesting discussion at the moment

and, as you will be aware, about where the current Policy Unit in No. 10 should be located. I gather from reports that the plan is obviously that it is being located in the Cabinet Office rather than physically in No. 10 Downing Street. That is interesting, not least because if you are an adviser working closely with the Prime Minister, one of the things you value is physical proximity. Going back to what Alex was saying, even if it means inhabiting a very uncomfortable and perhaps impractical office in 10 Downing Street, you might prefer to be there because you are physically close to where the Prime Minister is. You can interact with him on a more frequent basis.

You will bump into other senior members of staff, whereas when you are in the Cabinet Office, there is a danger that you could feel perhaps somewhat isolated from the core operations around the Prime Minister and what the Prime Minister of the day is doing. The proximity and the physical organisation of these offices—although we might dismiss it as a somewhat trivial issue—is important and significant. It does come back to your very good question about this distinction between the Cabinet Office and No. 10 and why the distinction also matches.

Another point I would add very quickly is that the risk in all of this is that if you create a very large centre of government, whether it is in the Cabinet Office or in No. 10, collectively fusing them together, it can create something of an illusion that somehow it is possible to manage the policy agenda of Government, implement policies and deliver successfully from the centre. All the experience shows that effective policy and good delivery has to be driven through Departments, so whatever we are doing at the centre we have to be very careful that we are not creating something of an illusion, that just because you have a big or powerful centre it means you can do everything out of the centre of government. That is a very big mistake to make.

Dr Haddon: Yes, just to expand. Patrick's point about proximity is hugely important, not only the geography of the buildings—we touched on it—but possessing the pass through the door between the Cabinet Office and No. 10 is going to what Alex was saying earlier about being the elite of the elite. Proximity in terms of the buildings is very important.

It is worth remembering that for a lot of this we seem to be focusing on Whitehall. There are a large number of Cabinet Office staff who work elsewhere, particularly in 1 Horse Guards in the Treasury building. For them, they will feel much more removed from No. 10 and will not at all consider that their role is related to No. 10 or that there is a crossover somewhere between it.

The other important proximity is who your principal is. In some cases, a lot of who we are talking about might be people who ultimately look to the Prime Minister because what they are doing is very much related to the Cabinet Office's role, where the Prime Minister's influence is hugely important. In other cases you will have some staff who very much look to

Alex Chisholm as their leader. Others will look to the Cabinet Secretary, Simon Case, as their leader. That might mean that they are not in agreement and that the staff have a different perspective, depending on who their leader is. Others will look to either Michael Gove or to other Ministers in terms of who their principal is. That will affect the way in which they conceive of their role and how much they conceive of themselves as being Cabinet Office certainly rather than No. 10, but which part of the Cabinet Office as well. There are many parts of this.

You do have a lot of staff who were seconded in, so people who are getting experience at the top of Government who are seconded into the Cabinet Office. It does also have a lot of lifers, people who have spent most of their career working in the Cabinet Office. Again, they will have a different conception of what their role is. That will go to all of these questions that we are talking about in terms of how they view Cabinet, the Government and the role of the Cabinet Office and not seeing themselves as being an adjunct of No. 10, effectively.

Mr David Jones: Thank you very much for a very comprehensive answer. Thank you.

Q16 **Tom Randall:** Dr Diamond, could I pick up on some of your personal experiences in No. 10? You were a political appointee in No. 10. What day-to-day relationship did you have with the rest of the Cabinet Office? Did you feel like you were an employee of No. 10 or a Cabinet Office employee?

Dr Diamond: Thanks, it is a very good question. On the issue about does one feel an employee of No. 10 or the Cabinet Office, in practice, certainly for a special adviser working in No. 10 Downing Street, you very much feel that you are an employee of No. 10 and the Prime Minister. Of course as a special adviser, as you will be aware, you are appointed by the Prime Minister and so in a sense your conduct, how you manage issues, how you conduct business and so on, you have to do all of that aware that you are in position because you have been appointed by the Prime Minister of the day.

In an everyday sense of course some of the Prime Minister's authority and leadership comes through particularly the Chief of Staff in No. 10 or perhaps the Permanent Secretary, also the Principal Private Secretary. Therefore you will also work to them, but you are very conscious that you are an employee of Downing Street and, by extension, of the Prime Minister rather than being an employee of the Cabinet Office, even though—as Alex has pointed out—your pay and your contract and so on is officially coming through the Cabinet Office.

Q17 **Karin Smyth:** Could I pick up on something Dr Diamond said a moment ago about proximity? At the moment, with the Covid crisis and proximity and the working from home issue, it is difficult. Are you picking up on particular issues around how that might change? People getting used to working differently may have an impact on that. Do you have any views about that?

Dr Diamond: That is a very good question. We are at an early stage obviously in terms of understanding the precise impact of the pandemic, on working practices and what that will do in terms of perhaps allowing or encouraging Departments to work together more effectively. To come back to your question, obviously you touch on the pandemic. A broader question underlies this debate about the role of the Cabinet Office and No. 10. It is also about the crucial function that the centre of government performs, not just in co-ordinating Cabinet Government, but also in ensuring more effective integration across Government.

Historically, certainly one of the problems that the Whitehall system has had is that it is not very good at dealing with issues that fall between Departments. As you will know, the Whitehall system is very departmentally focused. Some people talk about Departments as fiefdoms or very particular functional Departments that are run according to the Permanent Secretary and Secretary of State of the day. They are not particularly good nor indeed are they constructed to work across and with other Departments.

For me, the issue here would be the pandemic and the effect it has on working practices that you have alluded to. Will that perhaps be a stimulus, a driver of more effective co-ordinated working across Whitehall, where we are able to grip more successfully issues that are at risk certainly of falling between the cracks of Departments?

Alex Thomas: That prompted a couple of thoughts. One is slightly more prosaic and less thoughtful than Patrick just said. The Covid pandemic will undoubtedly have made working in the centre of government much harder with all the Zoom calls and everything else, particularly in No. 10, and that is No. 10, 70 Whitehall. So much is conversations in corridors, "Can I just grab you for a moment here? Can we fix this?" That is the sort of lifeblood of resolving problems, so it will have made life harder and particularly the hybrid working. People have been going back into No. 10 and 70 Whitehall, I assume in a safe way, but as far as possible. That means there will be a lot of hybrid working, people will be missed out, mistakes will be made. That is a sort of prosaic point there.

The other thing I would pick up on—not to go too far down an alleyway if it is not interesting to you—is I have been struck by the appointments of these tsars, whether it is Dido Harding or Kate Bingham or any of the others, which does seem to me to be an attempt to try to resolve some of the problems that Patrick was just highlighting about cross-Government and cross-departmental working during the pandemic. It has illustrated a gap in that central co-ordination, so even if these individuals are located in the Department of Health and Social Care or anything else formally, it does feel like that in those first weeks or month or two of the pandemic there was a gap in the embodiment of a person who could help co-ordinate and address those points that Patrick was making.

Q18 **Chair:** Could I interrupt at that point? I think that is quite interesting, Mr

Thomas. Would you say that that perhaps shows a reflection of the shortcomings of cross-Government ways of working?

Alex Thomas: There are immense strengths to the departmental system that we have at the moment in terms of clarity of responsibilities and accountabilities for things that sit within Departments, departmental cultures. I could go on, but I will not. It leaves gaps for those major cross-cutting issues that might be high on a Government's agenda, but fall between different stalls or are led by one Department but reach into lots of others, so not just Covid, but net zero and climate change or house building. All of these things it feels to me like our departmental system has historically struggled to address. Linked to that is the power and authority of the centre to bring coherence and to impose a Prime Minister's priorities on those sorts of question, which again has historically been difficult.

I do not want to overplay the administrative nature of that because in the end it comes down to political power, authority and a Prime Minister's standing and ability to impose his or her will on their political colleagues. There does seem to me to be a gap, somewhat illustrated by the initial Covid response, whether apocryphal or not. The Prime Minister looking to the Cabinet Secretary and saying, "Who's in charge of this?" and the Cabinet Secretary saying, "You are" illustrates to me a gap in responsibilities for some of these deeply cross-cutting issues.

Chair: Thank you. Apologies for interrupting there, Karin.

Q19 **Karin Smyth:** That is something we are interested in in these other inquiries, which we probably will get to, but for now we will leave it there. Chair, there is nothing else you want to take up?

Back to you, Alex Thomas. We have touched a little on this, but how do Cabinet officials work with No. 10 staff, in your experience? In your experience, has the Cabinet Secretary been in issues relating to political appointees?

Alex Thomas: As you say, we have touched on a number of these things but the working relationships between Cabinet Office, staff and No. 10 staff in my experience were pretty good, less intense but quite similar to the way that Patrick described the relationships between civil servants and political appointees in No. 10. It is a relatively small number of Cabinet Office staff that are in and out of No. 10 the whole time, those in the secretariats, those who are focused on particular prime ministerial priorities, but they work together in the same way as civil servants and special advisers and cross-departmental priorities as they do anywhere, so I think the relationships are generally quite good.

In terms of the Cabinet Secretary's role in political appointments, I was not sure whether that was about the appropriateness of the appointments or anything else. It is for a Prime Minister to make those political appointments and it is reasonable for a Prime Minister to appoint whoever they want. There is a role for the Cabinet Secretary as head of the Civil Service in ensuring that special advisers, as well as civil servants and

temporary civil servants, meet the standards set out in the code, that they are not behaving inappropriately to civil servants or anybody else, that they are following those rules and they are upholding high standards of integrity. For me, it is less about the appointments. It is more about the conduct of those advisers when they are in post.

The final point I would briefly make is it did seem to me to be an unfortunate situation if No. 10 was appointing contractors in order to get around some of those special adviser or Civil Service rules of appointment. It made me a bit nervous when, earlier in this Government, we saw some appointments of people and it did not feel fair to either the civil servants and special advisers working with them, all the individuals who were being appointed, to just bring them in in a pseudo special adviser role as a contractor in a way that undermined the rules that existed. That rang some alarm bells for me. That was the main point I would make.

Q20 **Karin Smyth:** Is that the function of the Cabinet Secretary, to make sure that does not happen?

Alex Thomas: In his role as Head of the Civil Service and the ultimate adviser to the Prime Minister on the code, it is. Though importantly—and Cath will, I am sure—

Karin Smyth: I will come to her in a moment. Yes, Dr Haddon, I will come to you.

Alex Thomas: The Cabinet Secretary and Head of the Civil Service is an adviser to the Prime Minister, so ultimately in our system this comes back to the Prime Minister. Again, I get a little bit nervous when I see too much. The Cabinet Secretary is a phenomenally important job, but in the end it is the Prime Minister's responsibility for upholding the standards of the code.

Q21 **Karin Smyth:** Have you seen or can you share with us examples of where the Permanent Secretary may have intervened when No. 10 has attempted to act outside the guidance on public money or indeed the code?

Alex Thomas: I would distinguish between the standards of behaviour in codes. I will not get into specific examples, but it is certainly not that unusual for a Permanent Secretary or a Cabinet Secretary to have a quiet word and say, "This felt to me like it got close to or overstepped the line of behaviour". Generally, in my experience, all it took was a quiet word. There may have been some exceptions and media reports suggest over the course of not just the last couple of Governments but the last 50 years there have been strong-willed advisers who push the boundaries. Almost always all it takes is raising the issue and then it gets dealt with.

I would separate that from the standards of spending public money and advice on that. There is a separate but really important role for accounting officers in individual Departments and for the Cabinet Office in No. 10, as we have said, the accounting officer for the Cabinet Office, to make sure that public money is being spent appropriately, that the advice on how it

is spent, how it is procured, how the contracts are let are handled properly. Where the Permanent Secretary feels that money is not being spent in accordance with good value for money, they request a direction letter and the accounting officer direction process works—

Q22 **Karin Smyth:** That is an interesting distinction. Dr Haddon, do you want to comment on this? Essentially it is an oversight issue, the Cabinet Office on information from No. 10.

Dr Haddon: Yes. Your question is getting to the heart of what is the Cabinet Secretary and how much they are, as Head of the Civil Service, a leader for the whole of the Civil Service and therefore able to stand up to the Government should impropriety or any constitutional issues occur. This is something that successive Cabinet Secretaries have struggled with and I have heard different accounts from them about it.

Alex has alluded quite a lot to the need to have discussions behind the scenes, a quiet word to resolve these issues. Certainly from the Cabinet Secretary's point of view, attempting not to turn something in or to solve a problem before it becomes an acute problem is part of the job. There is a bit of a discrepancy between, as Alex has put it, the Cabinet Secretary's ultimate duty to the Prime Minister and the need for the protection of the Civil Service and the Civil Service code for various constitutional issues, for the Cabinet Secretary to play some kind of almost guardianship role of overseeing that behaviour, less so with special advisers.

Over the years that has become an issue, but the area we have seen in the last two decades has been over the ministerial code, where now it is quite routine for Members of Parliament, for the Opposition to write to the Cabinet Secretary asking for an investigation into a Minister's potential breach of the ministerial code. That is quite an extraordinary change when you think about the origins of the ministerial code. Starting off, it was something that the Prime Minister or the Prime Minister's Principal Permanent Secretary would sit around to say, "These are the standards I hold you to. This is the way in which I want my Government to operate". It was very much a political document and it still is in terms of its constitutional importance. The Prime Minister is the ultimate judge and jury on both a breach and what should happen as a result of it.

You have now developed this idea that the Cabinet Secretary should be the one who investigates it and Prime Ministers have passed that duty on. It is down to them that Cabinet Secretaries have increased this role on it. They now have an independent adviser who advises the Prime Minister on this, but a lot of the work is still done by the Cabinet Office and especially the proprietary and ethics team, who have a big remit over those sorts of things.

It is a similar issue in terms of special advisers. They are employed by the Prime Minister. The Prime Minister is accountable for them and for their behaviour, but it will still be the Cabinet Office who advise on aspects of what they are doing and it may be Departments who write first to the

Cabinet Office, not to the Prime Minister, if either special advisers in No. 10 or in their own Department are seen to have breached the rules.

There has informally grown this kind of ombudsman role for the Cabinet Secretary over these sorts of proprietary and ethics issues. It does not really reflect the formal origins of the role, nor the formal powers that they have, so you have a bit of discrepancy there.

Q23 **Karin Smyth:** You talk very clearly; that is very helpful. When we talk about particular appointments that fall outside other people's remits—and it is something that you referred to—and the tsars, these people brought in, we do have not have time to go into it now, but these high profile people who are falling into this category who are outwith any kind of governance, it seems to me, in this role, do you think the role of the Cabinet Secretary will perhaps evolve to take note of those as well?

Dr Haddon: My view is that it should be the Cabinet Secretary who is raising that issue. It depends what their contractual appointment is. If they are employed as a civil servant it is certainly the responsibility of the Cabinet Secretary to make sure that they are abiding by the civil service code and to speak to the Prime Minister if that isn't the case, because the nature of the role, for example, the fact that they are appointed also to the House of Lords is a breach of that. That should certainly be something that the Cabinet Secretary should be taking an interest in. It also falls partly to the role of the Civil Service Commissioner as well. Somewhere between that, that is where that responsibility lies but not necessarily the accountability, which is ultimately with the Minister for the Civil Service, who is the Prime Minister.

Q24 **Karin Smyth:** We have a situation that we talked about last week with Baroness Harding, who is not a civil servant, it has now been confirmed in the last couple of weeks—learnt—and who falls outwith that. There is that gap in that governance, isn't there? If the Cabinet Secretary is responsible, I guess the aura, the candidity of civil servants, but if somebody is suddenly declared outside that, we have a further gap is ultimately the price of that, I guess.

Dr Haddon: Yes, there is a gap there. It depends where they are situated. Some of these tsars are placed within Departments and therefore the ultimate accountability is the Secretary of State there, but the Prime Minister should also carry some of that. These are not the first of these kinds of posts that have been appointed. Tony Blair had a number of these tsar roles and they ranged from people with executive responsibility to people who were effectively just advisers to Government. Again, it partly depends upon the nature of that.

From the Cabinet Secretary's point of view, that interest is largely about what executive powers they have and how that relates to the Civil Service code. If it is a matter of them advising the Prime Minister, as long as the proprietary aspects are covered, ultimately that is for the politicians then to be accountable for it.

Chair: Thank you very much, Karin. We are going to go back to Tom Randall, please.

Q25 **Tom Randall:** If I go back to the relationship between No. 10 and Downing Street, there has been a lot of attention—as we were discussing earlier—to this move from the No. 10 Policy Unit into the Cabinet Office. I wonder what the implications are of that move for the relationship between the two and for the operation of Government more generally. Dr Diamond, what are your views on that?

Dr Diamond: Again, it is an important question in the context of this inquiry. Just to emphasise the point I have made already in the discussion, there is clearly an issue here about proximity. Moving the No. 10 Policy Unit and its staff from 10 Downing Street into the Cabinet Office, whatever that precisely involves in terms of physical organisation, will clearly have implications because the head of the Policy Unit and the staff who work with the head of the Policy Unit will be based in a different physical location outside No. 10.

In the discussion that we just had about the impact of Covid, Alex alluded to this very important point that a lot of the effective operation of No. 10 comes from the fact that you have a relatively small team of staff who are clearly working closely together in normal circumstances and are therefore able to bump into one another, have discussions, meet informally and so on. That just helps with the flow and conduct of business. If you move away from that there can be implications in terms of the effectiveness of the Policy Unit.

It is worth looking back historically. There are certainly several cases of heads of the No. 10 Policy Unit, going back to the 1970s and through into the 1980s, who fought a very hard rear-guard action in some cases to prevent the Policy Unit from being moved out of No. 10 because they were so concerned that if they were moved out of the building this would really impact on their influence, on the perception of the Policy Unit in terms of being a powerful actor, from being highly influential with the Prime Minister.

In terms of the question, yes, it does matter that the Policy Unit will be moved out of No. 10. Obviously there are operational benefits that one can see: being in a more modern, perhaps better equipped office facility, perhaps being able to work as part of an open plan operation and so on. These could all have advantages that are hard to replicate in No. 10 because, as has been said, one thing that 10 Downing Street is not is a particularly modern or well-equipped office. There are some advantages for being located in the Cabinet Office, but the impact on the effectiveness of the political influence of the Policy Unit could be considerable.

Alex Thomas: I agree with everything that Patrick just said. I would not underestimate some of the challenges of the Policy Unit as it existed in No. 10, dotted in different quirky rooms across the building so there is definitely an advantage of bringing it together. At the risk of sounding too much like

the civil servant I was, it does seem a very brave decision to move further away.

The point I was going to make is that the Policy Unit is a phenomenally important part of the architecture of the centre of government, but it does strike me that quite a lot of the frustrations—as reported in the media, at least—that this Government are facing are focused on delivery or implementation or call it what you will. The gap, such as it is, struck me as trying to use the centre of government as this delivery engine, as I referred to earlier. Arguably the more important change is to get the centre of government fit for not, as I said, delivering all this stuff itself but being able to co-ordinate and drive and hold accountable the rest of the machinery of government to get stuff done. It is the gap between the ambition and the delivery that seems like the most important one, rather than whizzy tech and new units in the Cabinet Office.

Dr Diamond: Just to add a very short point, if you permit me. Building on the point about capabilities, it comes back to the question that we were asked earlier about: is No. 10 too big or too small? It is worth just remembering that although the Policy Unit, again perhaps because of some of the way it is covered or referred to in the media, is seen as being this very powerful institution, all seeing, all knowing and so on, in practice, policy units historically—and today I think it is the case too—are a unit of 25 to 30 advisers, normally a hybrid of political appointees and civil servants. Again, in normal times, there is effectively one adviser in the Policy Unit tracing one, in some cases two or even three Departments. What that one individual is able to do is sometimes exaggerated because, as I say, we see the Policy Unit as being this highly powerful, almost Leviathan-type organisation. It is not like that in practice at all. It does come back to this question that obviously you are examining here about whether No. 10 has the capabilities it needs to work effectively.

Dr Haddon: Just to build on what they both said, moving out of No. 10, you can operate successfully. Certainly if you are led by somebody who has a recognised unit, Whitehall listens to you and the Prime Minister continues to support you. The question is though what is the unit trying to do? Patrick has again talked about proximity and this is about how it serves the Prime Minister as well. It is how well it serves. It is about briefing the Prime Minister, making sure that all of the discussions the Prime Minister is having about policy is supported by the Policy Unit. Some of that is about literal proximity of being in the room when those discussions are being had.

There are a couple of issues we have not really touched on. One is that both the Cabinet Office and No. 10 can be a bit of a bunker or a hothouse whereby a lot of activity occurs there and the rest of Whitehall does not know it or does not understand it. Those in No. 10 and the Cabinet Office think that everything that they are doing is having an impact out there on wider Whitehall, but do not realise that it is not. There has been many a time when I have spoken to civil servants outside of Cabinet Office about

activities that it is doing to try to reform the Civil Service or some other thing and people have not known about the latest scheme or initiative or approach or even that these units existed. There is a real danger that you get stuck into a mentality where you think that everything that is happening in your room is the centre of the world, but that is not how it feels for the rest of Whitehall.

There is another important role to all of this, which is not just finding out what is going on in Departments but also making sure that Departments know what is going on within Whitehall, within No. 10 and the Cabinet Office and understand the thinking that is going on there, so that when some new policy initiative comes to light or a different approach to the policy question that they are wrangling over, people have an idea where the Prime Minister sits on this issue. That can help resolve things much earlier than coming prepared at the worst possible time, so there is an outward facing role here that is important and sometimes both the building and the way in which people react working within it can undermine that outward-facing role that is hugely important.

Q26 **Chair:** Thank you. We could almost be accusing such units of being slightly esoteric. Esoteric is one thing that we could hopefully never describe this Committee as, but I wonder if perhaps what we have been talking about this morning could be encapsulated in this question, if you could give fairly brief answers to it. Has the Cabinet Office in fact become the de facto Prime Minister's Department, Dr Haddon?

Dr Haddon: On one level, yes, and it has been for many years and that is nothing new. Certainly it supports the Prime Minister and is an extension of the resources available to the Prime Minister and in much of its activities. If there is a clash between another Cabinet Minister and the Prime Minister, it will look ultimately to the Prime Minister.

It would be a mistake to think that it doesn't still support Cabinet Government. The reason why you have this kind of difference between the Cabinet Office and No. 10 is because you still have the constitutional and also the politics of Cabinet Government. Cabinet Government will continue to assert itself as long as the Prime Minister is politically and constitutionally the figure that he is. He is elected from the party. His power is dependent on his status in the party, his status among his Cabinet colleagues and his personal remit and his ability to act effectively. That is why a functioning No. 10 is so important to an effective Prime Minister. If they are in the ascendancy, No. 10 and by extension the Cabinet Office is very powerful in terms of that.

If a Prime Minister is not as powerful as Cabinet members themselves are individually more powerful, Departments may be in a stronger position and the Cabinet Office may understand that intuitively and look to those Cabinet members when they are the issues that sit under them. It would be a mistake to think that just because you have this growth in prime ministerial power it does not mean that you do not have a Cabinet Office that still supports Cabinet Government. It is still just as important in terms

of that functioning that it is as much politically because of our system of governance as it is because of some kind of principle about Cabinet Government being maintained.

Dr Diamond: To answer your question directly, there has been unquestionably a fusion between No. 10 and the Cabinet Office, which makes the distinction in some instances more difficult to discern and that is a problem. The reason that is a problem is that the Cabinet Office and No. 10 Downing Street are fulfilling different functions, both constitutionally as Dr Haddon has alluded to, but also in terms of what they are trying to practically deliver on a day-by-day basis.

As we have seen in this discussion, the Cabinet Office is a collection of different units, capacities and offices, which is serving a whole range of corporate and other functions across Government, whereas No. 10 sees its role as working very explicitly for the Prime Minister of the day. The distinction can be very important. The Cabinet Office does play an important role as an honest broker. It can resolve disputes between Departments and between Secretaries of State effectively. The danger is that if it is seen as just being an annex of No. 10 Downing Street, that honest broker role could perhaps be weakened to some extent. That is a problem because, as the Committee is aware, we do still have a Cabinet-based system.

What I would just finally say, Chair, is that good government relies—in Britain, as elsewhere—on having a system in which there is challenge and in which Departments and different parts of Government can be challenged on their positions, can justify the policies that they are putting forward, can justify the approaches that they are taking to implementation and delivery and that, where necessary, they also work together effectively.

The way that the Prime Minister's Office would go about that is very different to the way that the Cabinet Office would approach that issue. Therefore maintaining a distinction between them is important, not just in terms of propriety in dealing with the issues that we have discussed here around budgets and being clear about who is working in which office, but I think it is also important in terms of discharging the function of good government.

Alex Thomas: I do not have much to add to that, other than to emphasise the point that both Catherine and Patrick have made, the functional point. There is a risk that we get focused on form without thinking about function. I do think that the structures at the centre of government need to flow from the constitutional and Cabinet setup that we have at the moment, however you organise the centre.

We have not talked about the Treasury, which is a hugely important part of the centre and part of this kind of trio. We should not lose the function of supporting Cabinet government of being able to hash out and broker compromises. Also we should not overegg what is going on in the Cabinet Office. It is one small bit of the Cabinet Office that is particularly No. 10

focused. Do I think the Prime Minister probably needs a bit more support, a bit more oomph in order to get his agenda across other Departments? Yes. Do I think wholesale reform of the Cabinet Office and creating a Prime Minister's Department is the right way to go? Much more arguable.

Chair: Mr Thomas, you neatly move us on to the final pithy question from my colleague, John Stevenson.

Q27 **John Stevenson:** We have had a lot to talk about, flexibility, No. 10, formal structures, the dependence on the individual Prime Minister, the overlap between No. 10 and various offices, the split between No. 10 and the Cabinet Office, but at the end of the day, should there be a Prime Minister's Department in the UK system, Mr Thomas?

Alex Thomas: I just answered that or failed to answer that. I have a lot of sympathy for those who would criticise the Cabinet Office and the centre of government for not being authoritative or strong enough to support the Prime Minister's agenda. I think that is partly because over successive Governments some of that delivery implementation capacity has been eroded. There absolutely is a function for the centre of government to do that. Almost counterintuitively, a strong centre that has confidence that it is holding Departments and agencies to account would allow more freeing up, more decentralisation, more confidence from the centre in letting those Departments get on with their business, confident that they are being held accountable.

As things stand, I would not be on the barricade saying it is a constitutional outrage if a Prime Minister's Department was created. It would be a perfectly legitimate thing to do, but my instinct would be to make the current setup work more effectively, as previous Governments have done, rather than putting a new sticker on the door.

Dr Haddon: I do not think it matters so much what you call it. If you change the name of No. 10 to Prime Minister's Department you would effectively have that. The more important issue is what functions it would have. There I think is where you need to learn more the lessons from other countries that do have a more fairly defined Prime Minister's Department. That goes back to the very earliest issue we were talking about in terms of the loss of institutional memory and changeability of No. 10 between Prime Ministers.

Every No. 10, and even if you had it as a Prime Minister's Department, would need to be flexible to the needs of the Prime Minister, how they wanted to govern, how they work, the types of people that they want around them. Prime Ministers could do a lot better about learning from their predecessors and making sure that they are developing the role further, not each time discovering for themselves how you do this stuff effectively and finding themselves—

Q28 **John Stevenson:** Dr Haddon, sorry to interrupt, is that not an argument therefore for a Prime Minister's Department because—

Dr Haddon: It is, but even if you had it as a Prime Minister's Department, you would still need that opportunity for them to flex what the role is. Like I say, you can achieve a lot of that with the current system if you just lost that political appetite that always exists for reinventing, for going through the "not invented here".

The key issue around a Prime Minister's Department and the debate we have been having about it is how much of the functions of the Cabinet Office it would take into that. I agree with Alex and Patrick that there are huge risks if you take out the part that continues to serve Cabinet Government, but you could do a lot to better support Prime Ministers and there is a middle ground between the two.

Dr Diamond: A direct question deserves a direct answer. I am not in favour of creating a Prime Minister's Department. I do think, as this discussion has alluded to, there is a case for having a more clearly defined Prime Minister's Office, where there is perhaps greater transparency and clarity about what the budget the offices are operating under actually is. It is more publicly known who the staff that are working there are, what the various key reporting lines are in terms of senior staff.

Having more transparency around how the Prime Minister's Office works would be helpful for good government and public debate, but I am not in favour of creating a Prime Minister's Department. There are two key reasons for that, Chair. The first is that we have a prime ministerial system, not a presidential system. If you start moving in a presidential direction that has all sorts of constitutional and function implications for how Government works, which would need to be very carefully and properly considered.

The other reason why I am not in favour of a Prime Minister's Department is that the key challenge for Government is to integrate, work together, join up, fuse on policy and implementation more effectively, and I am not sure the creation of a Prime Minister's Department addresses that issue. If we want to have a Government that works more effectively, both across Whitehall, but also crucially across different tiers of Government, both the devolved Governments and also with local government, frankly we have to look elsewhere for reforms. I do not think having a Prime Minister's Department is going to address any of the issues there, which are historic ones, not just concerning this Government but going back 30 or 40 years.

Chair: Thank you, John. Could I thank our three witnesses this morning for contributing to our opening session in this inquiry? Fascinating as ever. I am very grateful to the three of you for sharing your knowledge, understanding and indeed experience of No. 10. Thank you very much indeed to all colleagues and staff for facilitating the meeting.