

## Public Administration and Constitutional Affairs Committee

### Oral evidence: Propriety of governance in light of Greensill, HC 212

Thursday 9 June 2022

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Members present: Mr William Wragg (Chair); Ronnie Cowan; Mr David Jones; Tom Randall; Beth Winter.

Questions 354 - 406

### Witness

**I:** Rt Hon. Lord Pickles, Chair, Advisory Committee on Business Appointments (ACOBA)

### Examination of witness

Witness: Rt Hon. Lord Pickles.

**Q354 Chair:** Good morning and welcome to the Public Administration and Constitutional Affairs Committee. Today the Committee will be continuing its inquiry into the propriety of governance in light of the controversy surrounding the Greensill affair, looking specifically at the role of the Advisory Committee on Business Appointments—ACOBA. ACOBA considers applications under the business appointment rules about new jobs for former Ministers, senior civil servants and other Crown servants.

We are pleased to be joined this morning by the Chair of ACOBA, Lord Pickles, who has held the role since 2020. Lord Pickles, good morning. Would you introduce yourself for the record?

**Lord Pickles:** I am very happy to do so. It is a great pleasure to see everyone this morning in the flesh. My name is Eric Pickles and I chair ACOBA.

**Q355 Chair:** At your last appearance, virtual though it was, you told us that ACOBA is not a regulator or a watchdog. This is not quite an existential question, but what would you describe it as?



**Lord Pickles:** It is no longer a convenient fig leaf for either the applicants or for the Government. It has a very limited role—it is an important role—and that is to guard the probity and the interests of appointments taken by former Ministers and former senior civil servants. We do not express a view on whether a job is sensible for an ex-civil servant or a Minister to do, and we don't take a view on remuneration. We do not take a view on the time that is taken up. Our only interest is the interest of government and of probity, and that that is actual and perceived probity and interest. If you like, in more common parlance, it has to pass the smell test.

Q356 **Chair:** Quite. You told us you were concerned with Government Departments' internal processes for managing possible conflicts for the upwards of 30,000 or so senior officials who leave the civil service without going through ACOBA. Have any steps been taken to assuage your concerns and, if so, what were they?

**Lord Pickles:** No—if anything my concerns have increased in the last year. On the evidence base for that, some of the reasons why we are slow in getting a decision out is because of a lack of information from Government Departments, but it is worse than that. Government Departments are rubber-stamping things that are plainly wrong, so you almost have to go through a process of explaining to the Departments themselves that there is a problem and they need to address it. If we are seeing that at the very top, it makes you wonder about what is going on further below the surface. I think I said last time that if I was a predatory company seeking to get information and uses from Government, I don't think I would care an awful lot about senior civil servants or ex-Ministers; it would be the people actually doing the regulating—people who actually were involved in the day to day.

The lack of procedures that exist within Departments is deeply worrying. Some Departments have a structure set up and are very good. You may remember I offered to do an audit of Departments. We offered to do training. We offered for the members of the committee to go in, which we would have done at no cost. That was rejected by the civil service, which said it would do it itself, but it has not. It keeps talking about setting up training schemes, but it has not.

Mr Wragg, the thing that I find the most alarming about this is that it does not require a revolution. It does not require thousands or tens of thousands of pounds chucking at it. You could make a stab at it relatively soon, and I urge the Government to understand—and you, as a Committee, to ensure that they understand—that this is a problem. I don't think this is a political thing. This is just a straightforward process of the inertia of the civil service.

Q357 **Chair:** You are not suggesting that all 30,000 should be made subject to ACOBA's oversight, are you?



**Lord Pickles:** No; that would be ridiculous. I am suggesting that right now it is supposed to be the responsibility of the board of each Department to do that. You could probably achieve that by training a relatively small number of people to apply an ethics procedure to what they are doing and to look at those at greatest risk. I will give a couple of examples. Let us look at the people in the Department of Culture involved in the various regulations of the markets. Let us look at Ofsted inspectors, who are pretty well paid, but below the level. Rather a lot of them seem to be going off to the private sector. That might be perfectly okay—it might be perfectly reasonable to do so—but I would feel much more comfortable if there was within there a set of procedures with which very careful consideration was given to those matters at risk. It would not take a lot.

Q358 **Chair:** You mentioned that the Civil Service has not been receptive to your suggestions of audits and training, but what about Ministers?

**Lord Pickles:** Ministers seem very receptive.

Q359 **Chair:** But in instructing the Civil Service to be more receptive.

**Lord Pickles:** Well, I don't know how to put this in the nicest terms. Ministers have given clear instructions that ACOBA and I should be involved in putting together the new rules, and I am afraid we have not had the degree of engagement that we should have had and that Ministers suggested we had. I had a meeting with Lord True yesterday to try to iron out all these things, but largely the things that were ready a year ago. We could have gone a year ago—we could have produced something a year ago—but we have largely wasted a whole year because people simply have not taken the necessary instructions and have not talked to lawyers when they said they were going to. I feel very sorry for Ministers because I feel they are being rather let down.

We are ready to go, if the Government were to give the green light. Today is the 9th. If they gave the green light on Monday or Tuesday—I say this in deadly seriousness—we could get the new system running by 1 July and it would not be a scramble to do so. I think there are things that need to be addressed. However, there are some good things, which I am sure we will come to in a moment, which suggest that the Government are willing to grasp the nettle.

Q360 **Chair:** Maybe moving on to that with this question, you wrote to the Committee last year outlining some of the changes that you were making to ACOBA's processes, including a lighter touch approach to some applicants. To what extent is that a response to an excessive workload, perhaps?

**Lord Pickles:** I think it is a recognition that some of the cases have become very complex and require an enormous amount of thought and information. For example, if somebody wishes to become the president of an important charity but is receiving no remuneration whatsoever, I am not entirely sure that we should be spending an awful lot of time other



than on the standard conditions. We have gone on to a system where we have delegated that authority to officials to deal with. We are informed that these things are happening and if we are unhappy about a particular post, it will be called back and the committee will give it full scrutiny. We have been doing that and I think that has been a success.

We are looking at ways in which we could take a similar kind of approach to academic posts. Obviously the risks of things that we are looking at is to ensure that it is not a kind of veil for people to be involved in the fundraising and the management of academic institutions, but if it is purely a teaching post, I am not sure we need to do that. We want to look very carefully at people who are writing columns or engaged in journalism, because I am not entirely sure restrictions are appropriate there, particularly with freedom of speech.

We have tried to move towards the things that are important. At the moment we have a steady state of applicants. It is roughly about 200 a year and, as I said last year, we have had an extra member of staff to help to deal with that process.

Q361 **Chair:** You are describing a risk-based approach, aren't you?

**Lord Pickles:** That is right.

Q362 **Chair:** Are you satisfied that propriety has not been compromised as a result?

**Lord Pickles:** I would say exactly the reverse: I think propriety has been increased. I think the reason for that is—I don't want go into a lecture—too much in politics is about form rather than substance, and too much is about procedure rather than bearing down on a problem. I think that the risk-based approach has been to bear down on the problem.

Q363 **Chair:** An idea that caught people's imagination was the awarding of honours being contingent on whether people have followed ACOBA's advice. Is that now a routine part of the process for awarding honours and how significant a consideration is it?

**Lord Pickles:** I am so sorry, I can't hear. Could you just speak up a little bit?

**Chair:** Yes, of course. I was saying that you had the imaginative idea of linking honours, and the award of honours, to whether the advice of your committee is followed. Is that now standard practice and how significant would you describe it as?

**Lord Pickles:** It is now in place and we are about to put it in place for peerages and also for public appointments. As an example of how slow the system is, we have only just got the honours in place now officially. It will take a few more weeks to do the other two, but we got agreement of this a year ago.

Q364 **Chair:** What accounts for the delay; is it just resistance from within the



civil service?

**Lord Pickles:** I do not think it is active resistance; it is just the way the system is. I think sometimes people underestimate how long it takes from the grand announcement to the actual event taking place, and what applies to what I have been talking about also applies to bigger things. We need to push on, and we need to keep moving on because the Government have been extraordinarily lucky that there has not been a major scandal on this at the levels below ACOBA.

Q365 **Mr Jones:** Just briefly, Lord Pickles, on the point about honours, I wondered what the procedure is. Does ACOBA write to the honours secretariat and flag up that there has been a problem?

**Lord Pickles:** No, it is just like the way in which the honours system checks with the Treasury about people's taxation. We will now formally consult it and if we have something, we will pass that information on and it may or may not be relevant. We don't expect to have a veto and we will get the same procedure for how the commission appoints the House of Lords, and similarly with public appointments, but trying to cut through the system is why we are so keen to publish everything. Even as a disinterested observer, you are capable of being able to look to see what an individual is saying. I think that that has made quite a big difference to the process and a big difference to the quality of the response from Government Departments, albeit subject to what I just said about a lack of understanding perhaps further down the line.

Q366 **Ronnie Cowan:** Nigel Boardman's inquiry into the Greensill saga did not reveal major breaches of the business appointment rules. Do you think that was the right conclusion and, if so, to what extent does that suggest that the business appointment rules are inadequate?

**Lord Pickles:** I think we need to understand that, by and large, we do not have people who break the rules. Most of the time we are dealing with the forgetful and the bewildered, and that can include—

Q367 **Ronnie Cowan:** We are talking about Greensill here—not the broader brush, but the Greensill saga.

**Lord Pickles:** Greensill.

**Ronnie Cowan:** Yes.

**Lord Pickles:** With the greatest respect to everybody, nobody would have known about Greensill except for ACOBA. It was ACOBA that blew the whistle on what happened. I am not confident that something like Greensill could not happen again because I do not believe that Departments have put in a system that is robust and clear. So much of what we exposed on Greensill was that it was all on the basis of a wink and a nod and, "Let's do this and it seems perfectly okay."

Q368 **Ronnie Cowan:** Do you agree with Mr Boardman? Do you think that there were major breaches of the business appointment rules?



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**Lord Pickles:** I think my reply is compatible with agreeing with what he said, but it is a bit like Caesar's wife—it has to be clear that there are procedures to ensure that that was clear. I was not very satisfied with the response I got, and the amount of panic that we saw in government in looking round and trying to dig up records and information about who had agreed on anything. That kind of arrangement should be as clear and as transparent as ACOBA is, and I think if we had that, it would remove a lot of the worries that you have, Mr Cowan.

Q369 **Ronnie Cowan:** I am still a bit confused with that then. Nigel Boardman is saying that there were no major breaches of the BAR. Are you agreeing with that?

**Lord Pickles:** I am not in a position to agree or disagree because there aren't the necessarily agreed procedures and transparency about those appointments for me to make a reasonable judgment on it.

Q370 **Ronnie Cowan:** It seems that Bill Crothers thought that he was compliant with the business appointment rules and that there were lengthy internal discussions about whether ACOBA should be consulted about his involvement with Greensill Capital. Does this suggest that the whole process lacks clarity?

**Lord Pickles:** I think that is what I have basically said. That is what I meant by transparency. The business rules don't just apply to ACOBA; they apply to the whole of Government, and what the Government need to ensure is that there is a process by which those conflicts can be addressed, and it should be open and transparent. That seems to me to be a reasonable thing to do.

Q371 **Ronnie Cowan:** Are we looking for a simpler process?

**Lord Pickles:** Just a transparent process. As long as you could go on to the web and look down in a Department and you could see something similar to Mr Crothers's arrangement, I think that would go a long way on that process. I am afraid, Mr Cowan, on where you are going, that the obvious answer is the genie is out of the bottle now. There is no way it will go back and there is no way in which a senior civil servant now could make the kind of decisions that were made with regard to Bill Crothers because they have now seen the consequences of doing so. That is a good thing, but I think you should be able to see it—I should be able to see it; Mr Wragg should be able to see it—without going through an enormous elaborate process of doing so. Indeed, the general public should be able to see it.

Q372 **Ronnie Cowan:** Would it be simpler if ACOBA was the default?

**Lord Pickles:** Do you mean should it have come to ACOBA?

**Ronnie Cowan:** There is ACOBA. You have got the business appointment rules and the House of Lords Appointment Committee. People have been told to consult the Cabinet Office and there is the Committee on



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Standards in Public Life. I wonder, with so many options, is there not a danger that people will find the path of least resistance and choose the one that leads to the outcome they are looking for, rather than saying, "This is the path you have to go down."

**Lord Pickles:** Well, good luck to them if they try that. I don't think that would be a very sensible thing for them to do. By and large there is a thread that runs through all this, and that is Nolan and the seven Nolan principles. Even with a cursory look at the Greensill contretemps one would have said that that falls well short of the seven principles.

Q373 **Ronnie Cowan:** This is the issue we keep coming up against in this Committee. These are principles and there was a Prime Minister who did not adhere to the Nolan principles. Unless people are told, "This is the path you have to go down," we are relying on people in powerful positions to be self-governing, and clearly they are not. The question really is do we need a body like ACOBA that has hard and fast rules and regulations that people have to adhere to?

**Lord Pickles:** I am not evading this question, but I just want to lay out a ground plan. The Government need to be comfortable with their rules. They need to assure themselves that their rules for business appointments are robust, transparent and conform to the seven principles. If you are saying that there should be one ring to rule them, and so there is one body, I think that would over-cumbersome and difficult. The important thing is to get the necessary change in attitude that procedures similar to ACOBA have to go through, and there has to be a transparent process. It would not be very hard to do that.

Q374 **Ronnie Cowan:** There are no guidelines, conventions, rules, regulations or laws?

**Lord Pickles:** There are guidelines that are the business rules. They need to apply the business rules to each Department. That is why I am so worried about lower-level appointments.

Q375 **Ronnie Cowan:** As a consultant, Lex Greensill was not subject to business appointment rules; instead he was told to consult the Cabinet Office about any new work for three months after leaving. Is that adequate?

**Lord Pickles:** It is presumably not public, it is presumably not on a register, it is presumably not visible to you or to this Committee or to the wider public—no, it is not adequate. You cannot have something on the basis of a decision made behind closed doors of which there is no accountability. I know it is a cliché, but transparency is the best maxim; sunlight is the best maxim.

Q376 **Ronnie Cowan:** I can't possibly question you about ACOBA without referring to the late great Paul Flynn MP who, in 2014, accused ACOBA of being at best impotent, saying that "the current system invites corruption". Have you improved on that?



**Lord Pickles:** I knew him very well. I served on the Transport Committee with him and he was a very interesting man, but not necessarily a ball of fun all the time. I think that is almost certainly wrong, but in a way Paul was playing into the system. It is not ACOBA; it is the rules. It is the rules that are impotent. It is the rules that the Government— It has been so convenient to talk about a relatively obscure committee. It is a big part of my life and I am proud of it, but I daresay at the Dog and Duck they are not talking about ACOBA. What is necessary is for the Government to face up to the consequences of basically having a set of rules with which nothing happens. Of course in the last few days we have seen a big change in that and at some stage I am sure we will come on and talk about it.

Q377 **Mr Jones:** Lord Pickles, I think that your last appearance before the Committee was very shortly after the Greensill story had broken. In fact, I remember asking you about the Crothers case and if you were surprised, and I think your response was to the effect that your eyebrows did raise a full quarter inch. It did seem at the time quite scandalous that Mr Crothers was working simultaneously for the civil service and also for Greensill Capital. However, the matter was considered further. He apparently did consult Sue Gray, who was the official in charge of government ethics. She advised that it was not necessary to refer the matter to ACOBA. Nigel Boardman subsequently decided that it should have been referred to ACOBA. Does not this just simply prove the point that you have made that there is a complete opacity about the rules to the extent that even the Government's head of propriety and ethics is unable to translate them?

**Lord Pickles:** I do remember my semi-conscious tribute to PG Wodehouse with regard to the raised eyebrows, absolutely. I have always felt really sorry for Bill Crothers. I think that he tried to do the right thing and he was advised not to do the right thing. I think if Sue had given the—had they come to ACOBA, we would probably have been able to give them some sensible advice and given some sensible cover. Even the most distinguished civil servant—and we can't be in any doubt of the enormous value that Sue Gray is to the Government—sometimes makes a decision that is inappropriate. You will recall, of course, that Sue was not available to immediately scan that job because of where she was at the time. Had that been on a register and had that register been published online, the Greensill business would not have happened and Boardman would not have existed. We would not have gone through all these things because it would have been there out in the open.

But I think the time is right for change. A year ago we were battling with the civil service, even on things like honours, peerages and public appointments, but now there seems to be an acceptance among the Government that these need to be enforced and penalties need to be there. One of the things that people don't seem to have noticed in the recent changes to the Ministerial Code is that while now it is not an automatically sackable offence, it is one that also looks towards penalties





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and fines. Once the Government have crossed the particular Rubicon of accepting that, it makes what we have been wanting to do, which is for the Government to be able to fine people who break the ACOBA rules, so much likelier.

The Government are currently looking very closely at the contract with civil servants. It is perfectly possible to enforce under existing contracts, but they are looking to make it much more specific with regard to penalties. Clearly if they are going to do that for civil servants, it would be utterly ludicrous not to do it for Members of Parliament. I can think of no single act to place penalties on civil servants and not to place penalties on Members of Parliament that would utterly destroy the system's credibility, but given that they are doing that, we can start to move forward now.

I am optimistic that we could get this thing in place. As I said, if they blew the whistle next week, we could get it in by the beginning of July. We might even be able to get it before the next reshuffle comes before the summer recess. To go on a fraction longer, I think we suffer from people who want to do like a big bang, with everything in place. I would be content for it to be for new contracts. I would be content for it to be new Ministers. There is sufficient churning within the Cabinet and Ministers that if it was when you took up a new post, within two or three years everybody will be covered by it. There is an enormous amount of churn within the civil service—about 30,000 a year. Among the top civil servants I suppose it is about 100 a year. You would be there in a very short time.

**Q378 Tom Randall:** Lord Pickles, I have two brief questions about your remit. As I understand it, Government non-executives don't fall within ACOBA's remit. Do you think they should?

**Lord Pickles:** Yes, and I think that envoys should fall under our—it would just make so much sense, but if they don't fall under ACOBA, they should fall under somewhere else in government that is transparent and thereby straightforward. The discussions that we are having with Government includes ensuring that there is a definite cut-off in particular with SpAds because at the moment it is all over the place.

**Q379 Tom Randall:** Are unregulated ministerial appointments covered by the business appointment rules?

**Lord Pickles:** Only when they leave.

**Q380 Tom Randall:** Do you think they should be?

**Lord Pickles:** They should be when they leave. I think that makes some degree of sense. Obviously it would be relatively light because board members are not likely to be involved in procurements or organising contracts, but they should be subject to the basic requirements. It would make sense, either through ACOBA or some other part of government, but someone as distinguished as you, Mr Randall, should not have to sit



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around and say, "I wonder if it is covered." They should be able to go to one spot, type in a name and find out.

Q381 **Beth Winter:** Lord Pickles, you mentioned several times the need for transparency. Should the members of these bodies be independent? You have not mentioned independent scrutiny at all.

**Lord Pickles:** I am so sorry, I am not clear. Are you talking about ACOBA or are you talking about the boards of Government Departments?

**Beth Winter:** Well, ACOBA and the bodies that currently exist. Should the members be independent or impartial—I wonder what your view is on that?

**Lord Pickles:** They are impartial. There are three appointments from the political parties. I am one of them. I am from the Conservative party, and there is one from Labour and one from the Scottish National party, but the majority are completely independent. I have a list somewhere kicking around that says what our folks do and where they come from, but we have a former public information commissioner, we have an international expert on ethics, we have a former—

Q382 **Beth Winter:** Do you have a view on the necessity for the members to be independent and impartial?

**Lord Pickles:** They are independent and impartial. Certainly I have never seen any decisions to move on a political basis and they are quite scrupulous. We meet twice a week to discuss the various cases. They are fairly senior people involved at a fairly high level and they are very active. Being a member of ACOBA is a lot more rigorous than, say, being on the board of a Department. They are churning things through quite a lot.

Q383 **Ronnie Cowan:** There are a couple of things I didn't understand there. How often does ACOBA meet?

**Lord Pickles:** Twice a week virtually. Tuesdays and Thursdays, the caseload goes out to the committee. For the Tuesday you expect to have something in by the weekend; for the Thursday you would expect it to be in by the Monday. Also on the Thursday, the questions for the delegated authority go out. This is a big improvement from the old days, when it was all done in writing and it was all done by exchange of correspondence. We meet on non-case issues two or three times a year. On the various reforms of interpretation, we generally have a two or three-hour meeting to discuss the issues to do that. Not only is it a very cheap committee to run—

Q384 **Ronnie Cowan:** How are the appointments made—political and non-political?

**Lord Pickles:** This is a good thing and I would urge—it is a lot of ethics. It is five years and it is not renewable. I am not looking over my shoulder and thinking, "Will the Prime Minister reappoint me?" The Prime Minister



can't reappoint me and it applies to others. That also gives a degree of independence.

Q385 **Beth Winter:** Who appoints you, sorry? What is the appointments process? Sorry, that was the question.

**Lord Pickles:** If you are asking how we are appointed, it is a public appointment. You go through a process of being interviewed. Indeed, I had the honour and the privilege of being before you good folks as part of that process, and a very bad time you gave me too—and quite rightly so. You probed very deeply. I have been involved in the appointment of three others. From recollection, there were 107 applicants. I was involved in trying to get it down to a long list and involved in the process. I think we interviewed over a period of two days and we interviewed maybe about 15. I can't be exact, but it is thereabouts. We had people from the various ethics units overseeing that process. It was a very rigorous process to do so.

Q386 **Ronnie Cowan:** Are even the political appointments advertised for people to apply for them? I don't ever remember seeing an advert.

**Lord Pickles:** I applied to be the chair. I am sure there was a vigorous discussion inside the Labour party and inside the Scottish National party, but I am not privy to that.

**Ronnie Cowan:** I am. I don't remember it.

**Lord Pickles:** Well, he is doing a good job.

Q387 **Ronnie Cowan:** I am not questioning that at all. I am just wondering how the appointments are made.

Moving on, or slightly moving backwards, in his report on the Greensill saga, Nigel Boardman recommended a cross-departmental compliance function to be established. I will take you back to the words previously where I said so many organisations and so many paths of least resistance. Would you support this and to what extent would it impact on the work of ACOBA?

**Lord Pickles:** If we were looking at appointments below the level of ACOBA, it would stop me worrying an awful lot about what is happening below ACOBA. If it was to introduce a scheme within those currently employed with the Government, I would welcome it. I think that there are things that need to be done but, again, I really urge, Mr Cowan, don't get hung up on how it is done; just make sure it is done. I think that we expect a number of changes now from Government, which you can see some Departments are doing. If we are trying to encourage people to come into the civil service from the outside to give a specific service, we need to give some thought to what we will do with them when they leave and that needs to be part of the process, their contract and their natural career progression. I have seen enormous improvements in, say, the Treasury in this and expect that to become much more widespread.



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Q388 **Ronnie Cowan:** This cross-departmental compliance function would be headed from the Cabinet Office. Are you saying that works underneath ACOBA?

**Lord Pickles:** We work with the Cabinet Office. I really don't mind how they do it so long as they do it.

Q389 **Ronnie Cowan:** Okay. Have you concerns about the consistency with which the business appointment rules are applied to former officials below the top couple of grades by their former Departments?

**Lord Pickles:** I think that the Government need to be comfortable with the business appointment rules and it is Government's responsibility to ensure consistency within the rules. One way that consistency will be established is for that process to be wholly transparent.

Q390 **Ronnie Cowan:** Mr Boardman also recommended restrictive covenants to make the business appointment rules legally enforceable. Are you supportive of the principle of making the rules legally binding?

**Lord Pickles:** Yes.

Q391 **Ronnie Cowan:** Is this the right means of achieving it?

**Lord Pickles:** Yes.

Q392 **Ronnie Cowan:** Are there any difficulties involved with doing it?

**Lord Pickles:** No, just get it done and don't wait and just say, "You can't send that nice Pickles before the Committee and you haven't done it." Do it now. Just do it. Even signal that you are going to do it; even suggest that you are going to do it. In fact, we have received a signal that they are going to do it. That change in the ministerial rules is significant. I got a letter from Lord True this morning saying that they are looking at confirming that they are looking at enforcement. This is a big leap forward and for them to make the changes there needs to be credibility and sanctions to get them over the threshold of credibility. If you don't do sanctions, no one will listen to you and no one will believe you. If you don't treat civil servants equally to Members of Parliament, or Members of the Lords, no one will take you seriously. You won't get it done; you will just make it worse. Sanctions is the key.

Q393 **Beth Winter:** Thank you, Lord Pickles, for your time today. The Cabinet Secretary told this Committee last year that revisions to the business appointment rules and ACOBA were under consideration and I understand that Nigel Boardman also noted this in his report. What stage is that consideration at and do you anticipate significant changes in your remit?

**Lord Pickles:** Yes, I do. Could I just have a run at this? I want to say a little bit and I will answer it directly. I think that there is a misconception about the revolving door between the private sector and Government. It is Government policy to have a revolving door. We are not monitoring the revolving door. We are just protecting the Government's interests so that



when people go out of it, they are not or seen to be benefiting from their time in office by getting a post in the private sector.

So far as the progress that has been made, in my introduction I gave you an indication of my frustration. We have largely wasted a year. To try your patience a little bit, I want to make it clear—nobody seems to be objecting to anything that we have put in; we have been very active in our suggestions—that we could get a new system running within a matter of weeks. So, yes, next week—it can be running by the beginning of July. It is ready. It requires a relatively small change to the rules. We can bring in some streamlined simplification to make things easier, where there is no contention. We can spend more time on things that are more difficult. But it would be pointless bringing in those things unless the system has credibility, and for the system to have credibility, it has to have two things. It has to be enforceable, and civil servants and politicians have to be treated equally.

Q394 **Beth Winter:** Why hasn't it happened yet, sorry?

**Lord Pickles:** Well, that is a really interesting question of which I have not the remotest idea. I can see no substantial obstacle to doing it and had people been diligent and followed the advice of Ministers and followed the advice of involving ACOBA in putting those things together, I think we would have that now, but you can't roll back. The important thing is to roll forward quickly and we can do it quickly.

Q395 **Beth Winter:** Moving on, the Committee on Standards in Public Life has recommended that ACOBA, along with the Commission for Public Appointments and the Independent Advisor on Ministerial Interests, be put on a statutory basis. Do you support this and what impact would it have on you?

**Lord Pickles:** I have no problem with that whatsoever. However, let me say this, and I want to make this really clear: if it goes on to a statutory basis, it is not in the Queen's Speech, so it will be in the next Session of Parliament, and might even be in the Session of Parliament beyond that. We don't have time to wait for that. I have been quite careful in the suggestions that I have made about ACOBA that I am doing nothing that will preclude going on to a statutory position, but I think we could get something in place pretty soon, pretty quickly, that might not be absolutely 100% perfect, but would be a lot better than we have currently and will create a greater degree of confidence in the public and in Parliament and even the friendly criticism of this Committee. I don't think we should wait. I don't think we should wait until Christmas or next year. I don't think we should wait.

Q396 **Beth Winter:** But surely there are levers to place it on a statutory footing sooner, because that is necessary. You talked earlier about rules and rules being followed. Unless there are repercussions if people do not follow those, which you have agreed to, the rules are meaningless. Putting the bodies on a statutory footing would ensure their enforcement



and repercussions are there and people will then follow the rules.

**Lord Pickles:** You are a respected Member of Parliament. You will understand how long it takes to get a Bill drafted and taken through both Houses to Royal Assent, and then to get the various enabling secondary legislation. I want to be absolutely clear about this. You don't need a statutory footing to do that. We could achieve all we wanted to achieve through contracts and through the deed that Mr Cowan referred to. You can achieve enforcement without going to statute. If the House at some stage wants it to go to statute, I want it to be able to arrive at the point of doing a statute where it is reasonably happy that we have gone ahead and put those safeguards in place. The point that you make about things being enforceable is important, but you don't require to go down a statutory route to achieve that.

Q397 **Mr Jones:** Lord Pickles, after hearing evidence from you, the Committee on Standards in Public Life recommended that the business appointment rules should be extended to cover not just employment in companies with which the applicant has had a direct relationship, but those operating in areas where the applicant may have had, for example, regulatory or policy involvement. Do you agree with that?

**Lord Pickles:** In a way, Mr Jones, I would turn it round. I think the relationship they had as a regulator or as part of a procurement is more important than any relationship they have. The answer to your question is yes, for slightly different reasons. I am sure we might be talking about lobby firms in a moment, but I think it is very important. If you have been looking at any of the recent decisions we have made, in many ways when people are seeking to do that the conditions tie them up so much that sometimes I wonder what they are actually going to do.

Q398 **Mr Jones:** Is this a significant concern at the moment—people obtaining employment in areas in which they have been operating?

**Lord Pickles:** Yes.

Q399 **Mr Jones:** Have you any idea how many applicants might be affected if it were to be extended?

**Lord Pickles:** De facto, we are probably not there, but in terms of delay, conditions of having to work a particular period of months, and conditions placed onward, but it would certainly make it a lot easier to achieve that. My officials are probably going to go mad with me now, but say we got 200 a year, I doubt that we are currently dealing with more than that—maybe we don't even get to double figures.

Q400 **Mr Jones:** Do you think you could expand on that in a letter to the Committee?

**Lord Pickles:** Yes, I think so, then you would probably get a much more accurate position.

Q401 **Mr Jones:** It would probably be more helpful. If such an extension were



to occur, do you think that it would almost entirely preclude Ministers or officials from obtaining any employment at all?

**Lord Pickles:** No, of course not. It is just that perhaps if you have been regulating telecommunications, you don't take a job in telecommunications. Perhaps if you were Housing Minister, you don't take a job with a housing company. It is two years. Many people come from a housing background. I think it might be different if people were returning to their previous employment, but I don't think it is unreasonable to say that. I am sure the people who are involved—remember, we are talking about top civil servants as well—would by inclination behave honourably, but that is not enough. It needs to be demonstrated to the public that that is not the case because the public do not have the opportunity to meet these various people and realise what amazing people they are.

Q402 **Mr Jones:** The CSPL also proposed a moratorium on former officials and Ministers joining lobbying firms in any capacity, but if we consider Greensill, of course, the concern there was that the lobbying was not being done by dedicated lobbying firms but by in-house employees. Do you think that there is a need to address that mischief?

**Lord Pickles:** Yes, and I think it is relatively easy to address. As Members will know, an in-house lobbyist does not appear on the lobbying register. I think for in-house lobbyists to appear, it would swamp the register. It would be impossible to deal with, but what would not be impossible to deal with is if there was a special character for ex-senior civil servants and ex-Ministers to appear on the register. It would be a way of adapting an existing system, to do so cheaply, and to deliver what we want so that we are not drowning the baby with the bathwater, or throwing the baby out with the bathwater.

Q403 **Mr Jones:** For example, former Prime Ministers should be precluded from conducting lobbying activities on behalf of anybody, whether as a direct lobbyist or as an in-house lobbyist.

**Lord Pickles:** Perhaps it was a slip of the tongue, Mr Jones. If they are paid, it is different from if they are exercising their rights as a citizen or as a Member of either House to lobby things. I lobby a lot myself. but I don't get paid for it. It is the nature of politics, isn't it?

Q404 **Mr Jones:** I appreciate that but in the Greensill case I think there was fairly handsome remuneration.

**Lord Pickles:** There was. I think Mr Cameron, had he been able to do so, should have been on the register and should have been accountable. I have not spoken to him about the issue, but I think his life would have been a lot easier and a lot more straightforward if that had been possible. To be clear, I don't think all in-house lobbyists should be on the register because it would make the register completely unworkable, but I do think that there is a very strong case for ex-senior civil servants and ex-Cabinet Ministers to do so. To a degree, for someone like your good self, your route is where anything you do has to be down on your register of



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interests, but obviously Mr Cameron was not in that position, so it would make sense that there was another register on which his interests had been recorded.

Q405 **Chair:** To conclude, Lord Pickles, from me: the Government are responsible for drawing up the business appointment rules and the recommendation in the report of the Committee on Standards in Public Life would, if implemented, not change that. Should the content of the rules, and perhaps their application as well, be the responsibility of ACOBA or, if not ACOBA, someone independent of Government perhaps?

**Lord Pickles:** It should be the responsibility of Government and it is the responsibility of Government. All I have tried to do in putting interpretation is, at the best, to increase transparency because as recent events have shown, ultimately the public form a view and the Government ultimately are responsible to the public. As you are winding up, if you will forgive me if I shout and heckle, I think there is a strong case for ensuring that senior civil servants and ex-Ministers cannot join a professional lobbying company for two years.

Q406 **Chair:** That is helpful. You were quite clear when the question was put to you from Mr Cowan about establishing some sort of statutory ethics commission. You described it perhaps as an unwieldy entity, but you have mentioned when you have been before the Committee about some of the informal co-operation that you might have with other standards regulators. Would you expand on whether any formalised co-operation would be beneficial?

**Lord Pickles:** When we do, Jonathan is very good at getting us together and it is very surprising that we are facing very similar kind of problems. I don't think there would be a problem setting up an advisory group to put it on a more formal footing. I don't think it would add very much to it. I am opposed to having a general ethics committee. I think that would be overwhelmingly expensive, absolutely bureaucratic and I think anybody who volunteers to become the chairman of such a committee should be immediately ruled out.

**Chair:** I think that is a very wise observation, if I might say so. Lord Pickles, thank you very much indeed for your time this morning before the Committee. I know you said in response to one of Mr Jones's questions that you will write back to us with more detail. If there is anything else that you wish to add, of course you are very welcome to do that as well, but in the meantime, Lord Pickles, thank you very much indeed.