

## Public Administration and Constitutional Affairs Committee

### Oral evidence: The work of the Cabinet Office, HC 950

Thursday 26 January 2023

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Members present: Mr William Wragg (Chair); Ronnie Cowan; Mr David Jones; John McDonnell; Damien Moore; Tom Randall; Karin Smyth.

Questions 211 - 323

### Witnesses

**I:** Rt Hon Oliver Dowden MP, Chancellor of the Duchy of Lancaster; and Alex Chisholm, Cabinet Office Permanent Secretary and Civil Service Chief Operating Officer.

### Examination of witnesses

Witnesses: Rt Hon Oliver Dowden MP and Alex Chisholm.

Q211 **Chair:** Good morning and welcome to the Public Administration and Constitutional Affairs Committee. Today the Committee is holding a session as part of our ongoing inquiry into the work of the Cabinet Office. We will be looking at the Department's 2021-22 annual report and accounts, as well as several key departmental policy priorities. We are joined this morning by the right hon. Oliver Dowden MP for the first time in his role as Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office, if not as a member of this Committee, and Alex Chisholm, Cabinet Office permanent secretary and civil service chief operating officer. Could you introduce yourselves for the record, please, starting with Mr Dowden?

**Oliver Dowden:** Oliver Dowden, Chancellor of the Duchy of Lancaster.

**Alex Chisholm:** Alex Chisholm, permanent secretary, Cabinet Office.

Q212 **Chair:** Thank you. Mr Dowden, recently, if not last night, the gov.uk page appears to have been updated with your departmental responsibilities, and propriety and ethics has fallen under that. Can you outline for us what your role is on such matters?



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**Oliver Dowden:** Yes. First of all, it has been the case since I was appointed by the Prime Minister that I have oversight of propriety and ethics. Just for the record, there has been no change in respect of that. My role on propriety and ethics is that, essentially as the HQ of Government, the Cabinet Office has responsibility for many core Government functions, of which propriety and ethics is one. I oversee the small team—I believe it is 22 people who work in that team—and ensure that it is properly resourced and so on. The team provides advice to me, but principally to the Prime Minister, on issues relating to propriety and ethics.

Q213 **Chair:** Could you outline your role beyond that?

**Oliver Dowden:** It really is as simple as that. I oversee the team, and the team investigates various issues, provides advice to the Prime Minister and to me or other Ministers as necessary.

Q214 **Chair:** In that oversight, could you give us a hypothetical scenario and the process by which that team undertakes its work, on appointment of a new Minister, for example?

**Oliver Dowden:** I think quite a good example is the number of different reports that have been produced on propriety and ethics. There is the Boardman review, the report provided by this Committee, and the report provided by the Committee on Standards in Public Life, all of which made recommendations on propriety and ethics. The Prime Minister asked me, and we agreed that I would go through all those different reports, given that we had a new Administration, to determine our approach in response to them. To ensure that we have a coherent and detailed response, I took advice from that team on the different issues that arose. I held several meetings with members of the team to understand better the recommendations and their potential implications for Government.

Q215 **Chair:** That gives a very clear picture of the policy level, but in terms of operation what happens upon the formation of a new Government, a reshuffle and the introduction of a new Minister?

**Oliver Dowden:** Usually the propriety and ethics team form part of the core team involved in a reshuffle because, within their team, are also the people who have the board for the reshuffle. They help administer the reshuffle, and if the Prime Minister requires any advice, they will provide that on an ad hoc basis as part of that process.

Q216 **Chair:** Are you aware of how any issues might be flagged by different agencies—for example, HMRC?

**Oliver Dowden:** The Cabinet Secretary is the principal adviser to the Prime Minister. Therefore, he will provide any advice as required and he would draw on the resources of the propriety and ethics team, as I would and indeed the Prime Minister would. However, as I am sure this Committee will appreciate, specific advice given to the Prime Minister on



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prime ministerial appointments remains confidential between the Cabinet Secretary and the Prime Minister.

Q217 **Chair:** Is there specific advice on whatever the issue might be, or is it just a general flag that there is an issue?

**Oliver Dowden:** When you refer to flags, it means specific media speculation in respect of that. The advice goes two ways: either the Cabinet Secretary can provide advice to the Prime Minister or the Prime Minister can seek that advice.

Q218 **Chair:** My understanding, which may be warped by what I read in newspapers, is that there is not specific advice from different agencies such as HMRC. It is just that there is an issue and that the Prime Minister should be aware that there is an issue.

**Oliver Dowden:** In respect of HMRC, there is a well-established convention, which members of the Committee will be familiar with, of the privacy of individuals' affairs with HMRC. I think it is an important principle that Ministers—even the Ministers that oversee HMRC—should not have access to individual cases. That is in a separate compartment, as it were.

Q219 **Chair:** That being so, if a Minister was appointed to a position and a flag was raised, quite rightly the Prime Minister, other Ministers and everybody else would not know what the issue was with their tax affairs—they would just know that there was an issue.

**Oliver Dowden:** Yes, the principle of the privacy of an individual taxpayer's affairs is upheld. I think you are beginning, very gently, to draw me into the circumstances of the Minister without Portfolio and the chairman of the Conservative party. As you know, an ongoing investigation is being conducted by the independent adviser, so I need to be careful that I don't start straying, however inadvertently, into the facts of that case and prejudice it in any way.

Q220 **Chair:** I am not trying to be unhelpful, because if there was an issue raised when a hypothetical Minister was appointed under a brief Administration in the summer, an issue was raised there. That issue was dealt with, and then when he or she was reappointed to another brief Administration in the autumn, and indeed a subsequent one after that, no flag might be raised.

**Oliver Dowden:** What you are describing is so clearly the allegations that pertain to the Minister without Portfolio that, if I was to provide any further commentary on that, I would risk prejudicing that investigation. All those matters will be dealt with by that investigation, and the outcome of that will be received shortly by the Prime Minister.

Q221 **Chair:** The point I am trying to establish is that if there are issues raised through the process of appointment to the propriety and ethics team, the nature of that issue is not shared. It is simply that there is an issue.



*[Interruption.]*

**Oliver Dowden:** Forgive me, could you repeat that?

**Chair:** What I am trying to establish is that if an issue with a prospective or newly appointed Minister is raised from HMRC, the nature of that issue is not shared—it is simply the fact that there is an issue. Therefore, it is incumbent on that prospective Minister or newly appointed Minister to sort that matter out.

**Oliver Dowden:** Yes. It would not be the case that the details of a Minister or any private individual's tax affairs would be divulged to the Prime Minister or any Minister, because that would breach the principle of confidentiality of a person's private tax affairs. It is incumbent on Ministers to provide a declaration in accordance with the ministerial code, and that obligation vests with the Minister themselves. Separately, it is the case that the Prime Minister can seek advice, principally from the Cabinet Secretary, relying on the propriety and ethics team, or indeed the Cabinet Secretary can provide advice to the Prime Minister without such a commission.

In respect of any of that advice, it would not be the case that the Cabinet Secretary, even in providing that advice, would breach the confidentiality of the individual's private tax affairs. As Ministers, we are all cognisant—and the HMRC is particularly cognisant—of the fact that we must maintain the privacy of individual taxpayers, because the potential repercussions of Ministers, or officials outside the function of HMRC, knowing the details of an individual's tax affairs could have a bad read-across, let's put it like that.

Q222 **Chair:** Indeed. Just to round off what I am trying to get to on this, if the issue has been resolved previously under a different Administration, there is no reason why that issue would be flagged to a future Prime Minister. It would be solely dependent on a voluntary disclosure from that Minister to the Prime Minister for them to have any knowledge of it at all.

**Oliver Dowden:** Mr Wragg, as you know, I am trying to hold this quite careful line, which is that I don't want to, in any way, speculate on the facts of a case that is before the independent adviser. I think, as a matter of abstract principle, that that would be correct, but I will have to leave it at that.

**Chair:** Abstract principle is what this Committee specialises in, as you will well remember. Is there a supplementary question from John McDonnell?

Q223 **John McDonnell:** Yes. I want to be completely clear about the ministerial role in this. As of last night, this role was listed as your ministerial responsibility. You said that you have had that responsibility even though it has not been listed before in that way. In the recent period, have you or any of your predecessors been drawn into providing advice to the Prime Minister about ministerial appointments? I don't want to get into the individual case. I just want to know: has that role been



exercised, or how has it been exercised?

As you may know, we have spent some time on this Committee looking at the whole issue of standards—the role of the independent adviser, the ability to commission the reports and so on. Up until now we have not really drawn in this ministerial role, because it has not been publicly self-evident that there is a role there. Has it been exercised over the recent period?

**Oliver Dowden:** I think it is important to draw the distinction between me, as Chancellor of the Duchy of Lancaster, having oversight of the Cabinet Office, and the Prime Minister, who is responsible for ministerial appointments and for upholding the ministerial code.

My relationship or interaction with the propriety and ethics team is twofold. First of all, as a unit within the Cabinet Office, it is to make sure that it is properly resourced, with all the other issues associated with it that I would not get involved in day to day, such as the hiring and the firing and all that kind of thing—the normal conduct of a team. Secondly, I rely on the propriety and ethics team in respect of policy advice because, initially at least, I lead the responses to various reports and so on on propriety and ethics, which I have referenced previously, and there is an ongoing process to respond to those.

There is another part of propriety and ethics that supports the Cabinet Secretary in providing advice to the Prime Minister on ministerial appointments. I have not been involved in that side of things. I have only been involved in the first two, if that makes sense.

Q224 **John McDonnell:** Is it open to the Cabinet Secretary to confer with the Minister in your role over these matters if something is flagged up in that way?

**Oliver Dowden:** Depending on the exact circumstances, it would be either the Prime Minister seeking advice from the Cabinet Secretary and the Cabinet Secretary relying on the propriety and ethics team, or it could simply be the case that a senior member of the propriety and ethics team could provide advice directly to the Prime Minister, either in written form or orally. It doesn't always have to go through the intermediation of the Cabinet Secretary, but the Cabinet Secretary is the principal senior civil service adviser to the Prime Minister. That is the constitutional principle of it.

Q225 **John McDonnell:** I don't want to get drawn into the individual case, fascinating though that may be for some. As part of the inquiry that is taking place, do we know if there will be an investigation into the way the Cabinet Secretary has drawn upon the expertise within your own Department on this particular issue?

**Oliver Dowden:** The terms of reference for the inquiry by the independent adviser in respect of the party chairman have been set out. There would not be limits placed on the individual adviser in getting to



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the bottom of what happened, so there is no reason why he should not look into that. However, I would say that the Prime Minister is responsible for ministerial appointments and is accountable to Parliament and to the electorate for decisions that he makes. He draws upon advice from the Cabinet Secretary in respect of his conduct as the Prime Minister in all different ways, including a reshuffle. Separately, though, if there are questions as to the propriety and conduct of an individual Minister, he can ask for advice from the independent adviser, and that is exactly what is happening there.

Q226 **John McDonnell:** Do you know if the investigation that has been launched so far has approached your Department about the role it played in providing advice to the Cabinet Secretary? Do we know if that has happened?

**Oliver Dowden:** Perhaps I can say two things, and I am genuinely trying to give the Committee as much information as I can without in any way prejudging the investigation that is ongoing. Clearly, the propriety and ethics team would be a source of information for the independent adviser in conducting any investigation into any Minister about their conduct, since they are the bit of the Government machine that has that kind of advice and information.

Q227 **John McDonnell:** Has the investigation undertaken approached your Department yet?

**Oliver Dowden:** You are effectively asking me to give a running commentary or an insight—

**John McDonnell:** I am just asking on a procedural matter, that is all.

**Oliver Dowden:** You will see that when you get the outcome of the inquiry. I have set out the overall principle.

Q228 **John McDonnell:** Are you aware if there has been an approach?

**Oliver Dowden:** You are asking me to comment on an ongoing inquiry, and I have set out the reasons why I am unable to do so. However, I have set out the overall principle, which is that the independent investigator could call on resources and information from the propriety and ethics team. I would expect them, in any given inquiry into the conduct of a Minister, to use that resource.

Q229 **Chair:** Thank you. The proposal to reduce the civil service by 91,000 appears to have been put to one side. Are the Government still committed to reducing the size of the civil service and, if so, is there a target for reduction in its overall cost rather than its headcount?

**Oliver Dowden:** Yes, is the short answer. If you look at the spending review settlements over the coming years, those are tight spending review settlements, which for most Departments, outside a small number of protected Departments, will see quite substantial reductions in their



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budgets. That will necessarily drive considerable efficiency savings and, I would expect, headcount savings as well.

I was in the Cabinet of the former Prime Minister, Boris Johnson, when we discussed the expansion of the civil service, as a result of both covid and Brexit preparedness. The Prime Minister and I are seized of the need to bring the size back down towards where it was after the reforms we introduced in 2010. I think the only difference is that we will be driven by outcomes and those budget pressures will force better ways of working and, almost inevitably—or certainly—a reduction in headcount as well.

**Q230 Chair:** There was a commitment not to cut “frontline” officials. How do you distinguish between frontline officials and other officials?

**Oliver Dowden:** It would be case by case, but to give you some illustrations, counted within the civil service numbers are Border Force officials. I would say that is very much frontline, but I would say policy, administration, HR and so on are not so much frontline. It is rather like in any business—the difference between back office and front office.

The way in which we are seeking to achieve this is by having better ways of working and more efficient ways of working. I was previously in the Cabinet Office, taking forward the function agenda from Francis Maude, and that is quite a good example of where, instead of having different HR and property functions in each individual Department, we combined them through the functions in the Cabinet Office and achieved efficiencies. That is a way in which you protect output but can achieve headcount reduction.

**Q231 Chair:** What is your view on whether the cost reduction should be focused on less well-paid frontline officials or more expensive senior and external hires?

**Oliver Dowden:** We should be seeking to reduce cost across the board. If somebody is receiving a large salary, removing that person achieves a bigger saving for the taxpayer than removing someone on a lower salary. However, what concerns me most is reducing the cost to the taxpayer rather than having an arbitrary target as to doing that. In each year there are cash reductions in the settlement for the Cabinet Office itself and, given the level of inflation that we currently have, those are significant real-terms reductions. A lot of the effort for all Government Departments will be ensuring that, in an environment where the spending review settlements for each Department were set out before we had this level of inflation caused by the war in Russia and Ukraine, we absorb quite high levels of inflation. That will drive considerable efficiencies and has to drive efficiencies across Government if we are to maintain frontline services.

**Q232 Chair:** Will Ministers and permanent secretaries be leading by example? Will there be reductions in the sizes of private offices or indeed the number of Spads employed?



**Oliver Dowden:** Nothing is off the table in doing so. You could not expect Ministers to be exempt from doing so. We can provide figures subsequently, but that has already been the case across ministerial offices.

Q233 **Chair:** Thank you. Mr Chisholm, one of the perennial issues is to do with general expertise in the civil service and whether the civil service takes on consultants externally. What measures are being put in place to ensure that, as the civil service shrinks, its capability is maintained?

**Alex Chisholm:** A great question. Thank you very much, Chair. First, to look back and reflect on the last 10 years, there has been a huge increase in the number of qualified professionals working across the civil service in digital, commercial, financial and other roles. That has been a big feature of the functional reforms that the Minister was just referring to.

I agree with the sentiment that I detect in that question that, as we move to consolidate or seek to produce a smaller Department and a smaller civil service, we need to make sure that that is not at the expense of these vital roles. When we have done a benchmarking exercise with the highest performing organisations in the wider economy, we find that for roles like project delivery, commercial and digital we need more rather than fewer. As we go through the efficiency and savings review, which was announced in the autumn statement and is ongoing at the moment, we need to ensure that we don't over-squeeze in those areas that are so important for future efficiency and performance.

Q234 **Chair:** Thank you. Are outcome delivery plans being revised in light of these proposals, Mr Chisholm?

**Alex Chisholm:** Yes. The Committee will remember that outcome delivery plans were produced and published for the preceding year. They have been extremely useful in trying to focus the work of Departments and also give internal and external means of assessing progress and performance. Every Department produced an outcome delivery plan for this year, and they were ready for publication in May.

With the announcement that you mentioned—the decision to bring about a significant reduction in the size of the civil service—those plans were not published and they were paused because we needed to see what resources would be available for delivery. Obviously, if there was a reduction of 20% or 30% in resources, that would make a big difference to the deliverability of those plans. That process went on over the summer.

We then had two changes of Administration and at the time of the autumn statement at the back end of the year, which again gave some new guidance on priorities and available resources, it was decided that we had moved beyond the point of value in publishing those plans, so we will do for next year.





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Q235 **Chair:** Will you do new ones?

**Alex Chisholm:** Yes.

Q236 **Chair:** When will they be produced?

**Alex Chisholm:** They are in the process of being produced now, ready for the new financial year.

Q237 **Chair:** They will be produced at the start of the new financial year or before?

**Alex Chisholm:** Yes.

Q238 **Ronnie Cowan:** The Cabinet Office 2025 programme reportedly aims to reshape the Department and, importantly, to make it better, smaller and fairer. What will that look like?

**Oliver Dowden:** The first thing is that the Cabinet Office grew considerably over the course of the years, particularly in the responsibilities we took on for covid and for Brexit and, in particular, no-deal preparedness. One of those things has gone and the other has been diminished considerably.

Q239 **Ronnie Cowan:** Which has gone?

**Oliver Dowden:** We are no longer preparing for a no-deal Brexit since we have a trade agreement with the EU. With covid, there is a risk, but a much-diminished risk, so we don't need those resources anymore. I am determined to ensure that we achieve a reduction in headcount and budget commensurate with that and that we don't have a layering of the Department. It is about seeing the Department through a scaling back in size, a reduction in size, but also, at the same time—in line with what we have discussed around efficiency and output—ensuring that we get the best bang for the taxpayers' money.

There are good examples of that. I think functions is a great example of taking highly skilled commercial people, ensuring that we get better deals and contracts that the Government negotiate—for example, getting highly skilled people in the property area to ensure that we shrink the size of the Government estate and get better value for those contracts. It is a process of greater efficiency.

Q240 **Ronnie Cowan:** It is better and smaller, but where does fairer come into this?

**Oliver Dowden:** I think it is incumbent on all Government Departments to make sure that we serve all the population. There is fairness associated with doing exactly that—making sure that everyone benefits from the Government and the functions of the Cabinet Office.

Q241 **Ronnie Cowan:** We have not been doing that previously?

**Oliver Dowden:** It is always a challenge to ensure that we continue to be fair in the way in which we conduct government.



**Alex Chisholm:** To add a couple of points to what the Minister has said, on the better side of it, we have obviously done a lot of consultation with staff, looking at all the evidence we have from people surveys and so on. It is clear that one aspect of that, which people think is very important, is that everyone needs to have an understanding of the purpose of the Department and how their work relates to that. With the very high level of change that we have with the Department for Brexit, for covid, for Ukraine and many other things, we obviously have work to do there to make sure we have that purpose.

There has also been a sense in which people have felt that, with a very high level of pressures and priorities, resources allocated need to match up to that. That, again, is an aspect of fairness. We are also encouraging staff to feel that this is an opportunity to express themselves, to innovate and to feel empowered in doing that. We need to do more to encourage those types of behaviour.

Q242 **Ronnie Cowan:** Will this result in any significant changes to the machinery of government? Will nobody notice this at all?

**Alex Chisholm:** From a strict machinery of government perspective, which as the Committee will be aware is normally regarded as a change in the balance of responsibility between Departments, we have obviously had quite a number of machinery of government changes recently. We don't lead on EU matters, responsibility for Union matters is now led by DLUHC and there are other, smaller changes. There could well be further changes with those. I would not like to speculate. Those are matters for the Prime Minister.

Q243 **Ronnie Cowan:** How much smaller will the Cabinet Office become?

**Alex Chisholm:** A year ago now we were doing our business planning to grow by about 1,000 roles, but in actual fact, due to tight management of our resources and improvements in efficiency, as well as economising, we have got smaller as a Department. We will be smaller at the end of this year in terms of the number of civil servants working in the Cabinet Office than we were at the beginning of the year. It is quite a big change in our plans. I honestly expect that to continue year on year. We will continue to get smaller, for the reasons the Minister just described. We need to be more efficient, the same as the rest of Government. We need to live within our reducing means beyond the spending round '21. We need to absorb the undoubted inflationary pressures that we can see from the wider economy. All of that points to a smaller Department.

Q244 **Ronnie Cowan:** Will the reductions be achieved by people moving on, or will there be voluntary or forced redundancies?

**Alex Chisholm:** To date we have found that they have been wholly achieved by people moving on. As a Department, we have quite a high level of people coming in and moving out. For example, at one stage, 360 people came into the Department, as the covid taskforce mostly. That



was then stood down. That was true also for the COP team—I think it got up to about 200 at one stage.

We are very used to people coming into the Department, doing a stint and then moving out. That means that our total numbers are more flexible than perhaps some other Departments would find, so I would anticipate that it would be through natural departures rather than forced departures.

**Oliver Dowden:** Mr Cowan, it might be helpful for the Committee if I told you the numbers associated with the Department. The 2021-22 budget for the Department is £2.119 billion, so £2.1 billion. By 2024-25 it will be £1.153 billion, so that is a very significant reduction. Clearly, quite a lot of that reduction is driven, as I said, by the fact that we do not have covid and the Brexit preparedness as well. Even when you take that into account, that is still a considerable budget tightening.

Q245 **Ronnie Cowan:** Do you know what it was before it became £2.1 billion?

**Oliver Dowden:** I do not have those figures in front of me, but I am happy to write to the Committee. The number for 2021-22—indeed, the number for 2020-21, would have been considerably inflated by covid, in particular. I believe the budget was about £700 million or £800 million for covid-related activities.

Q246 **Ronnie Cowan:** Has it gone back to pre-covid numbers and has it made any difference at all?

**Oliver Dowden:** You start to get into real-terms versus absolute numbers. I could not say for sure without writing to you. I could not give you the exact numbers, but my overall expectation is certainly that we will be a smaller Department in real terms. Given the level of inflation, you might find the actual number is slightly higher.

**Alex Chisholm:** I should also emphasise that, if you look at the total published Cabinet Office numbers, they include people who work as commercial specialists across Government. They have all been employed by the Cabinet Office since 2017. That is nearly 2,000 people, so that is a big change in our total complement. However, they are not working in the Cabinet Office. They are working in the Home Office, the Department of Health and so on, plus the fast-stream scheme, which is about 1,700. That used to be managed by the Revenue and then that also came into the Cabinet Office. They are working across the rest of Government but they are on our books.

When you look at a total number of staff, which is about 9,500 FTE at the moment, less than 6,000 of those are actually working in the Cabinet Office. It is just that, when you look back over the numbers, it is a bit hard to track, unless you are aware of that. It looks like we are getting bigger, but those are just people who are being transferred from the ownership of the Revenue or other Departments to ourselves.



Q247 **Ronnie Cowan:** I appreciate there is a lot of shape-shifting going on there, which is hard to crack.

**Oliver Dowden:** I would not describe it, Mr Cowan, as shape-shifting. I think it is an important point, and I do not mean it in a confrontational way, but the Cabinet Office has always taken on a number of residual functions for Government that do not necessarily easily sit in one place or the other. We are the sort of default Department, and we saw that when we had particular challenges placed on the British state around the Brexit transition and around covid. That provided a big example, but there are many other, smaller examples. We will take on some responsibilities, and then sometimes over time we find it is better to vest something with an individual Department. It is perfectly normal with the up and down of the Department, if that makes sense.

Q248 **Ronnie Cowan:** Mr Dowden, the former Minister for Brexit Opportunities and Government Efficiency, Jacob Rees-Mogg, has bemoaned the civil service's "culture of wastefulness". Do you recognise his portrayal?

**Oliver Dowden:** This is something I have discussed quite a lot with Mr Rees-Mogg. I certainly accept that, as in all large organisations, there has to be constant vigilance about ensuring that we root out waste and inefficiency. In an organisation the size of the civil service there will inevitably be waste and inefficiency. It is a constant challenge of Government to make sure we reduce and minimise.

Q249 **Ronnie Cowan:** Is it a culture of wastefulness?

**Oliver Dowden:** I would not accept his "culture of wastefulness" because if you say "culture of wastefulness" it would somehow imply that it was deliberate or that there wasn't a sufficient focus on it. There has always been a ministerial focus on it and there is not something deliberate about it—

**Ronnie Cowan:** It is not me that saying this. It is Jacob Rees-Mogg.

**Oliver Dowden:** Yes, and I am saying I would agree with Jacob about waste and efficiency and the need to address it. I would not have chosen the word "culture".

**Alex Chisholm:** Just a couple of things to add. I think when we are being hard on ourselves in the UK, it is good to look at international comparisons. Whenever we or other bodies have done that—OECD and others—they have seen that the UK system of accounting officer responsibility, the work of the National Audit Office and the work of the Public Accounts Committee is widely admired and seen as holding a very strong level of control and accountability for public expenditure. Certainly, as an accounting officer myself, I feel that very keenly. I have probably been about 40 times in front of the PAC, and those are very robust examinations, so I think that does help encourage a big focus on value for money.



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Just switching to the Cabinet Office itself, as the Minister was saying, we are the home for those cross-cutting corporate functions. The teams that we have who work on procurement are trying to do competitive procurement to save money. The teams who work on counter-fraud are looking for examples of fraud to try to reduce them. There are also the people who work on more efficient project delivery. Of the 6,000 core people in the Cabinet Office, the daily life of two thirds of them is trying to achieve greater efficiency.

**Oliver Dowden:** May I add one thing? It is relatively easy to talk about these things in the abstract, but we are talking about tackling waste and increasing efficiency. There is a programme of work ongoing right now that was announced at the autumn statement—led by the Chief Secretary to the Treasury alongside the Minister for the Cabinet Office, who sits in the Cabinet Office, clearly—to drive an efficiency and savings review, principally driven by the fact that we have higher inflation than we had expected. That is going to drive the need for considerable efficiencies.

That work is ongoing, and the information will be returned by every Government Department to the Treasury by the end of the month, with the principal purpose of ensuring that we do not have to increase departmental budgets because of inflation, but I would also hope that we can find further savings beyond that. Certainly, it is the case that the Cabinet Office, which is a relatively small part of Government in budgetary terms compared to elsewhere, has none the less put forward proposals to further reduce headcount. That is in addition to what we are doing in respect of responsibilities we no longer have.

Q250 **Ronnie Cowan:** Mr Chisholm, Jacob Rees-Mogg complained about divisive work agendas and reportedly instructed that learning and development activity containing the words “diversity, wellness and inclusion” be deleted. Has this happened?

**Alex Chisholm:** The Committee may be aware of the civil service diversity and inclusion strategy, which was published last year. It is a Government document approved by Ministers as well as civil service leaders. One of the core tenets within that is that activity in this area needs to be well based on evidence and data, and so the former Minister and myself are in complete agreement that we should look for evidence of impact in all training and that we should not just carry on with training schemes if they are seen not to be productive. We have done reviews of that and, indeed, there are a lot of changes in the nature of the training that is provided through Cabinet Office schemes.

A new approach to that—indeed, it is launching this month—is called civil service expectations for all new joiners, which describes to them their responsibilities in relation to the civil service code, the working of the law, interactions with Parliament, working with Ministers and, as part of that, how to be an effective and responsible member of a team. All of that is embedded within that core training that people get.



Q251 **Ronnie Cowan:** In other words, diversity, wellness and inclusion have been removed?

**Alex Chisholm:** As I say, the diversity and inclusion strategy is a core part of what the Government do and that has been renewed twice, indeed, by subsequent Ministers in the Administration. Just to recall that, when one is talking about diversity and inclusion, it can seem a bit vague sometimes to people. We are talking, for example, about people from different social backgrounds, people with disabilities—all kinds of people who the civil service needs, to make sure that we can employ all the best talent available in the country and that, whatever your background, you can make the fullest contribution.

Q252 **Ronnie Cowan:** I am familiar with diversity and inclusion, but is that a priority in the civil service?

**Alex Chisholm:** It remains a priority, yes.

Q253 **Ronnie Cowan:** What was stated has not been followed through on?

**Alex Chisholm:** What is stated is the approved civil service diversity and inclusion strategy, and that is absolutely being followed on.

**Chair:** Given that two of the words are in the title, one presumes that they are used elsewhere as well. We will go to David Jones, please.

Q254 **Mr Jones:** Mr Dowden, the civil service people survey for 2021 was published last year. It showed persistent unhappiness in certain key areas, especially in relation to pay and benefits, leadership and managing change, and learning and development. As I understand it, the survey for 2022 is going to be published in the spring, but in December *The Times*, which had apparently seen an advance copy, reported that there were further significant falls in civil service happiness, particularly satisfaction with pay and benefits, which had fallen by 11%. The Cabinet Secretary wrote to civil servants and, as he put it, said, "Overall the message is clear and we hear it." That must be a concern to you as Chancellor of the Duchy of Lancaster.

**Oliver Dowden:** Yes, of course I want the civil service to be a happy ship and I want people to have interesting and fulfilling jobs. I have to be a little careful about talking about a survey that has not been published yet, but if you look at the previous surveys—and you are familiar with the trends; indeed, it is something that we considered when I was on this Committee alongside you several years ago—by and large, civil servants, particularly at more senior levels and those closer to Government, get interest and fulfilment from their jobs.

Clearly, pay is always a challenge. I do not think the public would expect the civil service to be at the upper end of public pay, particularly at a time when we have rapidly rising inflation. It is understandable that people have concerns about that. As you have seen, those concerns are shared across the wider public sector and indeed the private sector as



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well. It is inevitable when we have an external shock, as we have had with the oil prices caused by the war in Ukraine, that that is going to rise as a concern.

Q255 **Mr Jones:** The Cabinet Secretary, as I say, said that the message had been heard. Given that it has been heard, what is being done to respond to it?

**Oliver Dowden:** Certainly, in relation to pay, we are engaging with a pay settlement for the coming financial year—that is the year 2023-24. I would like us to be able to get a decent pay settlement, as I would across all areas of the public sector. That will have to be based on affordability, through the affordability process that we undergo with the Treasury.

Again, the Committee will be aware of the wider pressures that public finances are under that constrain our ability to act in that area, but we have proved in previous pay rounds that we can get higher pay in return for greater efficiency and that, in some areas where pay has been consistently under the broad approaches of the service—for example, in the Ministry of Justice—we can agree multi-year settlements in return for greater efficiency.

Q256 **Mr Jones:** It was not just the question of pay, though. There was general unhappiness revealed, certainly in the last survey but one, but it would appear in the survey that is about to be published that pride in the organisation is declining. Given that we have strikes threatened, how concerned are you about morale generally within the civil service?

**Oliver Dowden:** First I would say that—particularly over the past few years—we have expected a lot of civil servants and, indeed, of wider public servants, particularly in a Department like the Cabinet Office, which has been at the front end of, for example, dealing with the covid crisis. That has placed a lot of demands on those civil servants. I suspect some of that will ease away.

Pay is a perennial issue, as we discussed, and I think there is also a culture issue, which goes to Ministers showing that they value the work that civil servants do. Certainly, it has been my experience in Government in different roles that the best of the civil service is the finest in the world, and it is incumbent upon us to recognise that.

Q257 **Mr Jones:** What do you do to ensure that officials appreciate that they are valued by Ministers?

**Oliver Dowden:** When I was appointed alongside my other Ministers, we had an open session where we discussed their concerns and listened to their concerns and they set out their priorities. I also try to make sure that, when good work is done, I personally recognise that and that Ministers personally recognise that.

There is clearly also the career progression and the pay and reward structure, which the Permanent Secretary may wish to talk about a little



more. I suppose there is both the “soft”, in terms of any organisation showing one’s appreciation for the good work that is done, but also the pay and progression frameworks that are the “harder” end of recognising that, in terms of people who do well achieving promotions.

Q258 **Mr Jones:** Yes, Mr Chisholm, could you speak about that a little bit, please?

**Alex Chisholm:** Yes, I am delighted to. First of all, I think you talked about the general unhappiness revealed by the survey before last, but I would gently question whether that is what the survey actually shows, because it did show the equal highest engagement score since surveys began. In a way, when that result came out I was one of those who thought, “Gosh, after all the pressures we have had—dislocations with covid—we were concerned that the level of engagement might have fallen,” but it actually held up remarkably well.

Q259 **Chair:** Is that the engagement in terms of completing the survey to express unhappiness, or just general?

**Alex Chisholm:** That is the things that go into the overall engagement index: how you feel about your work, how committed you are to staying in the Department—all those different things. It is kind of a construct that tries to give you a comparable year-on-year thing. That was the highest level achieved. That was just a small point. Everything else, I very much take what the Member was saying.

Just to add a few words, if I could, to what the Chancellor of the Duchy of Lancaster was saying, it is right that we need to focus on managing change. Obviously, these are times when change is pretty constant and we need to get better at supporting our people to understand that, to adjust to it and to feel part of it, so it is not happening to them and they have a chance to understand it and contribute to it.

Q260 **Mr Jones:** What do you propose to do to get better?

**Alex Chisholm:** There are both cross-cutting civil service issues, where I think managing change and the pay remit are probably the most typical issues. Within the Cabinet Office itself, we have our own issues—every Department has its own. As I say, we have worked closely with all our people and have a big programme of work to address that. In terms of the things that matter the most in our case, we are coming to terms with this big adjustment from being a London-based Department—90% of staff are working in London and our ambition is to get to 50%, so it is a big relocation to become a UK-wide organisation. That has been a success in building up the offices in Glasgow, York, Manchester, Bristol and other places. But it has meant that some of the London workforce have wondered a bit about their own opportunities for progression, so that is an area we are focusing on.

Also, as I mentioned, we have seen that, with all the constant changes that we have been experiencing, people are a bit like, “Here is what my





unit does, but I have been a bit hunkered down because of all this other movement around me. I don't fully understand what the Department's priorities are." With the help of Ministers, we are being very clear about what the departmental purpose is, its objectives and how everybody's work connects to that.

We also have a programme to try to ensure that the work that we have started is very well supported with state-of-the-art technology and very good access to data. Also, we are talking a hard look at the level of administrative approvals and controls we have to go through, which can accumulate over time, and saying, "Look, can we remove some of those to make it easier for people to do their job?" which is obviously what people want to do. Therefore, we are confident that—

Q261 **Mr Jones:** When did this activity begin?

**Alex Chisholm:** To use a phrase, it is continuous improvement, or Kaizen, but in terms of this particular set of activities, as soon as we got the people survey results, the executive committee met that day with the staff board. I think we have had six different executive committee meetings. We had all of our SPS, which is over 400 people, at a meeting last week to discuss this. Yesterday we actually reviewed progress again, just in January, in the first month of this programme, across the six different workstreams.

I also want to emphasise that this is not a small group of people working in the HR team or communications team; this is a whole-of-Department effort. Each of those workstreams is led by a different director general from within the business, so we are giving it a terrific priority, and we are meeting with all staff next month to update them on progress. We are then going to do a pulse survey internally to see whether all the changes that we are making are shifting people's morale and making them feel that the organisation is a place where they can really give of their best and also want to stay working in.

Q262 **Mr Jones:** You mentioned the pulse survey. The pulse survey in July last year apparently revealed that only 24% of Cabinet Office officials believed that it had a clear vision for the future. Is all this activity in response to that finding, which of course is pretty worrying?

**Alex Chisholm:** Yes, that is. That wasn't as comprehensive as the people survey. About 10 times the number of people contribute to that, and it shows a much stronger figure. But you are right—

Q263 **Mr Jones:** It also shows that officials in the Cabinet Office were less satisfied with their leadership than officials across the civil service generally.

**Alex Chisholm:** In the people survey, yes. The scores obviously vary between the two years in different Departments. But you are right that, in terms of that particular measure, which looks at leadership and managing change, we had a colossal amount of change, undoubtedly,



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within the Cabinet Office, and that was unnerving to people. They felt discombobulated at times. As well as having a clear focus on what our purpose is, and making sure everyone understands that, we would also very much appreciate a period of relative stability because some staff do find the constant change discomposing.

Q264 **Mr Jones:** On the issue of what your purpose is, it must also be a matter of concern that only around two thirds of Cabinet Office officials reported having a clear understanding of the Cabinet Office's objectives, which I find extraordinary.

**Alex Chisholm:** Yes, except that if you think about our objectives, as the Minister was just saying, they are in a way to support the Government of the day in dealing with their priorities. If you look back even over those two years, one of our objectives was Brexit, but that is not our responsibility anymore. Another objective was to support the Union. That isn't a core objective for the Cabinet Office now. Obviously, we do support that and we believe in it, but the lead responsibility is now with DLUHC. You had a whole lot of people whose objective was to deliver a successful climate change event, COP26. Those people have all gone now, so there is a huge change in the priorities and the focus of the Cabinet Office, and that is the nature of it in a way.

The enduring role of the Cabinet Office is to convene, to co-ordinate, to deal with all the contingencies as they come in and to support the Prime Minister of the day in dealing with those priorities. That is at a very high level, but it does mean that the actual things you are working on—the focus shifting from covid, Brexit, Ukraine, whatever the year ahead will bring—

Q265 **Mr Jones:** I suggest that that makes it all the more necessary that there should be constant communication with your officials to make sure that they have an understanding of the way that the focus of the Office is changing.

**Alex Chisholm:** Yes, I think that is absolutely right. For example, when the Chancellor of the Duchy of Lancaster and his colleagues started just a few weeks ago—it was either his first day or his second day—we convened an all-staff meeting to go through his priorities and what he felt about the new Government. We have continued to do that on a monthly basis.

Q266 **Mr Jones:** Mr Dowden, I take it that you are working closely with Mr Chisholm in this exercise.

**Oliver Dowden:** Yes. I would say just one other thing, listening to this conversation, which is that the Cabinet Office is quite unique. It has very different things that sit within it. For example, we have a national security secretariat that provides intelligence briefings and various other things to support core national security interests, alongside the commercial function that is seeking to negotiate the best possible



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contracts for the Government across the board, and propriety and ethics, which we discussed earlier.

I think you would find that each of those teams—certainly the spokespeople in the resilience team or the national security secretariat—have a very clear focus on what they are doing, and I find that when I work with them. When you put such a dispersed group of different responsibilities together into one Department, they just necessarily have to sit in one Department. As the de facto HQ of Government, they sit in the Cabinet Office. When you put the whole lot together, it is understandable that people have less of a sense of identity in terms of the Department versus their individual responsibilities.

**Mr Jones:** Thank you.

Q267 **John McDonnell:** Can I declare an interest? I am a member of the PCS Parliamentary Group. It is not affiliated to the Labour party, and there is no financial interest whatsoever, but it does give me access to meeting large numbers of civil servants. Minister, you made reference to wanting to have a happy ship. You have the biggest mutiny on your hands next week that the civil service has ever seen in terms of industrial action. PCS have balloted. They are coming out on 1 February in industrial action. That includes the Cabinet Office rolling programme. Prospect are now considering industrial action. The First Division Association is considering industrial action. In fact, the FDA's fast-stream division has already approved strike action.

Have you taken into account the wider range of surveys that have taken place? For example, have you seen the PCS survey that was done and published in December? Whatever you think of the status or operation of the survey itself and the procedures related to it, 12,000 civil servants responded. These are just some of the figures: 35% say they have skipped meals because they had no food; 18% admitted to missing work because they cannot afford transport or fuel to get there; 9% are claiming benefits because of low pay—some of these are the people who administer those benefits; and 8% said they have used a food bank. It is no wonder that people are concerned about their pay. Minister, what action are you taking to resolve this dispute? Have you met the trade unions to talk about the current dispute and how it can be settled? Have you met them directly to resolve that?

**Oliver Dowden:** No, the Minister for the Cabinet Office, who is leading on engagement with the unions, has met them. My responsibilities, as Chancellor of the Duchy of Lancaster, lie in supporting the Prime Minister across the breadth of resilience and strike-related issues for the entire Government. The way we have divided it is that then, in turn, the Minister for the Cabinet Office leads specifically on Cabinet Office-related pay and condition issues, just to ensure that I am not overly focused on one Department versus across the board.



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It is interesting, some of the points that you have made. The civil service has a very large spectrum of different people working for it, from—highly paid relative to the rest of the population—senior civil servants and permanent secretaries, through to people that are undertaking administrative functions that are closer to the minimum wage end of pay, as they would be in any other organisation.

I would just say in respect of those on the lowest pay that we have, in previous settlements, sought to prioritise increasing pay for those on lower incomes at the expense of those on higher incomes. Of course, those people will benefit from the record increases in the national living wage if they are at the very bottom of the pay scales. In addition, all of them will benefit from things like the over £1,000 that has been provided to help people, directly or indirectly, with their energy bills.

**Q268 John McDonnell:** You will obviously want to feed a view into your colleagues who are involved in the negotiations about morale in the civil service. Are you saying that you are satisfied that 8% of your staff use a food bank as a result of low pay? Is that acceptable?

**Oliver Dowden:** Of course, I do not want anybody to have to use a food bank in the civil service, in the wider public sector or in the private sector. That is why the Government have taken measures to support people in both the private and the public sector, particularly in relation to energy prices, with a particular focus on those on lower incomes. I share that concern across the board.

**Q269 John McDonnell:** In this survey, 37% of those surveyed said they are looking for a job outside the civil service and considering a career change for the good of their health. Does that say something about morale and the way civil servants are treated in this country?

**Oliver Dowden:** You would find that, if you looked at people who are on lower incomes, both in the private sector and in the public sector, of course at a time when we have high levels of inflation caused by the war in Ukraine and rapidly rising oil prices, that puts pressure on everyone's incomes, particularly at the lower levels. That is precisely why the Government have put in a wider range of support for those people.

Of course, I want to ensure that we get the best possible deal for people working in the civil service. However, as a Government Minister and working closely with the Prime Minister and the Chancellor, I am also cognisant of the near-unprecedented strain that there is on the public finances. In terms of resolving this for the coming financial year, we have to balance affordability with the needs of civil servants. That is what taxpayers would expect us to do.

**Q270 John McDonnell:** You think taxpayers expect to have nearly 10% of civil servants relying upon food banks to survive and nearly 40% of them looking for alternative jobs because they cannot live? Does what you are saying now smack of complacency?



**Oliver Dowden:** No, I would not say that at all. I take seriously the pressures on people on lower incomes. That is precisely why the Government have taken action not just for people in the public sector but for people in the private sector.

It is also the reason why, in pretty much every civil service pay settlement that I have been involved with as a Minister previously, we have sought to skew pay settlements towards people on lower incomes. As you know, the way in which we structure the resolution of pay in the civil service is that the Cabinet Office works with the Treasury to agree the overall affordability number and then each individual Government Department negotiates with the unions and determines a pay settlement for that Department. I expect that, because of the sorts of concerns that you raise, there will be a skewing of pay settlements towards those on lower incomes. That is what has happened in the past.

The wider point that I am making is that the civil service is not uniquely exposed or uniquely immune to the wider cost of living pressures we have at the moment.

Q271 **John McDonnell:** Let us be clear for the record. The offer from the Government to civil servants—many of them low paid, many of them using food banks, many of them now claiming the Government's own benefits because of low pay—is 2% at a time when inflation is at 10%. In many ways, as far as I can see, you are almost complacent about the implications that that will have on morale in the civil service when you are faced with nearly 40% of them looking for jobs elsewhere.

**Oliver Dowden:** First of all, I am not remotely complacent. I hope that what I have said has shown the measures that the Government are taking.

Q272 **John McDonnell:** You have made no offer to address this, have you?

**Oliver Dowden:** In respect of the pay settlement for the current financial year, which was set before we saw quite this level of inflation, it was actually 2%-plus, to be factually correct—there was 1% for further efficiencies, which gave a 3% window. Within that, each Department could choose to skew resources to those on lower incomes, which many of them chose to do.

We are currently considering the settlement for this financial year that is about to start, the 2023-24 financial year. Of course, that will be done in the context of higher inflation. I expect some of that to be recognised in the sort of pay settlement that we are able to give to civil servants. None the less, in determining the level of that, we have to be cognisant of the wider pressures on the public finances, which ultimately can be paid for only by higher taxes, by increased borrowing or by savings elsewhere in the Government. That is the nature of it. In straitened times like this, Ministers have to take difficult decisions.

Q273 **John McDonnell:** I take it from that that you will do nothing between



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now and 1 February to avert industrial action. Nevertheless, let us come on to—

**Oliver Dowden:** We continue to engage with the unions and also the Cabinet Office.

Q274 **John McDonnell:** You have made no additional offer, have you? There is no additional offer to the civil service.

**Oliver Dowden:** We are engaging with them for this coming financial—

Q275 **John McDonnell:** Not for the current year.

**Oliver Dowden:** It has been a principle across the Government—and a correct one—that we cannot start unpicking deals that have been previously agreed.

Q276 **John McDonnell:** Yes, and so no offer is forthcoming.

There is one particular issue about the Cabinet Office survey. The CO reports a higher incidence of bullying within the Department. What is being done about that?

**Alex Chisholm:** Bullying, harassment and discrimination are the three areas that get special attention, obviously within the Government.

**John McDonnell:** I understand that.

**Alex Chisholm:** There are lots of different definitions of that. In fact, in the detailed breakdown of the people survey you can see that sometimes people feel bullying is not being treated with respect by other colleagues, being passed over for promotion, being spoken to in a demeaning way and your contributions not being valid. There are different forms of perceived bullying.

My view—and I am sure it is the Minister's view as well—is that we do not want anyone to feel any form of bullying or harassment or that they are suffering discrimination. The reforms that I described earlier and, as we were discussing with your colleague, the commitment towards a better, smaller and fairer Department, are absolutely designed to make sure that everyone feels that they get fair treatment within the Cabinet Office, so they can fully express themselves and give the contribution they want to.

Q277 **John McDonnell:** You are not saying that this reporting of the higher incidence of bullying is a definitional problem?

**Alex Chisholm:** No.

Q278 **John McDonnell:** You have accepted it?

**Alex Chisholm:** We accept that the Cabinet Office is scoring more highly than we would wish. We want to be an excellent Department in that respect, not least because we set the standard right across the Government, and that is why we take this so seriously.



Q279 **John McDonnell:** What specific measures are you taking for the Department—not the ones across the service?

**Alex Chisholm:** Particularly within the Cabinet Office, as well as engaging with our own staff, we said we needed to benchmark ourselves against the best practice there could be. We engaged two external bodies to help us with that—Ipsos and the Business Disability Forum—and an academic. They then did a robust scrutiny, not only benchmarking what we did against the best but also talking to all kinds of staff in safe-space discussions without their managers present and so on. From that, we got a comprehensive set of recommendations, which came last summer. We are midway through implementing that.

All of that is excellent action but, clearly, what matters is for staff to feel the difference. A key part of what that advice gave was that people did not see how issues such as bullying, harassment and discrimination were dealt with, because they are obviously dealt with confidentially and discreetly. We said that, even so, we need to publish statistics about the number of cases like that, about the resolution and about what the consequences are so that people could see that and have confidence that we understood that this was not tolerated in the Department.

That was one of a number of improvements that we are bringing to make sure that people feel full confidence in the Department, are treated with full respect and that we get back to where we should be, which is being one of the leading organisations in the country.

**John McDonnell:** It would be helpful if you could write to us to give us some detail on that programme, its implications and how that is being monitored.

**Chair:** Thank you. We would be grateful for that. Karin Smyth, please?

Q280 **Karin Smyth:** Thank you. Moving on to civil contingencies issues, has the national security risk assessment for 2022 been completed?

**Alex Chisholm:** Yes.

Q281 **Karin Smyth:** Good. Is it published?

**Alex Chisholm:** If you recall, the national security risk assessment is an internal document because it contains a lot of confidential information. That was completed in October. All the people across government, including local government and partners, were briefed on that comprehensively. It was the biggest and best NSRA ever because, as you recall from our previous discussions, we have done a comprehensive review about the whole approach to setting the NSRA and had an external review done by the Royal Academy of Engineering.

The approach taken now is that there are even more data sources, with multiple scenarios looking at combinations and at all the interdependencies between the 120 or so risks that are looked at in the



NSRA and looking at the quality of the plans that are done to try to anticipate, mitigate, manage and recover from those risks. That is the NSRA, which is up to date.

If you look at—as you may have done—the resilience framework, which we published in December and which is our new strategy document, it sets out a comprehensive approach to what we will do looking forward to 2030, so it is a long-term strategy as well as an immediate strategy. It does say that our aspiration as part of that is for this to become much more dynamic and interactive, rather than a yearly publication. Nevertheless, we will do this year's publication of the national risk register, which is the public version of the NSRA, within the next few weeks.

**Karin Smyth:** The next few weeks?

**Alex Chisholm:** That is what we anticipate.

Q282 **Karin Smyth:** That sounds promising, given where we were in 2017-18 and late publications and so on, which we rehearsed ad nauseam. Is that a result of the internal review? Is that the learning from the internal review?

**Alex Chisholm:** Internal and external reviews. I should have mentioned, and probably highlighted, that an important structural change has occurred within the Cabinet Office as well, which is that the civil contingencies secretariat combined two different roles. One was horizon-gazing—looking 10 years out at what the issues and the problems coming down are, what science tells us, what we can see from changes in the wider world and so on. That is a bit different from the Cobra unit, which is engaged in day-to-day dealing with emergencies, such as they are, like floods, energy outages, industrial action or whatever it might be. Those are now two distinct units, each with their own staff and their own leadership, to make sure that each gets its own proper focus.

Q283 **Karin Smyth:** We look forward to the publication of the register. Part of that discussion, due to the pandemic, and with the Minister's predecessors, was around the confidence across Departments and also across the regions of the United Kingdom that the emergency contingency planning was writ large. How confident are you that the internal and external reviews about that have been spread and we can expect better?

**Alex Chisholm:** The Minister may want to comment as well but, from my perspective, that has come on a lot because, if you look back over the experience first of Brexit and then of covid, the interworking between central, regional and local has had a thorough working out. That has strengthened those relationships.

Also, the Committee will most likely be aware that the Department for Levelling Up, Housing and Communities did a review about the extent to which the local resilience fora felt well supported and whether they had





the resources and the leadership structures necessary to be effective. As a consequence, they piloted some centrally funded activity last year. It was about £7 million, from recollection, and as part of the most recent financial settlement, that has been accepted. It did clearly strengthen the quality and the durability of those local resilience fora, which were feeling a lot of pressure after three years of intensive work. That has been funded for the next three years as well and has been warmly welcomed. It is a strengthening of the particularly local-level approach to resilience.

**Q284 Karin Smyth:** In the spirit of praising of good work where it has started to happen, it sounds encouraging that those lessons have been learned and spread throughout the system. The bit that is missing, I guess, is the keeping-up of legislation, and this Committee certainly had a view about not using the Civil Contingencies Act and the legislation that was used throughout the pandemic. We looked at that in great detail.

Minister, are there any drafted Bills likely to come before Parliament to reflect the changes and the learning from the pandemic and Brexit, and certainly the change to that architecture that seems to have occurred?

**Oliver Dowden:** In respect of the change in architecture, that does not require primary legislation, but it has been a very successful move. When the two teams were combined, what would tend to happen is that the whole machine would focus on whatever the civil contingency of the day was, whether that was floods, energy security and so on, and the longer-term, 10 to 20-year risks would always be the sorts of things that you wanted to do when you had a moment. Now there are separate teams, one focusing on the immediate, in the form of what we call the Cobra team, and one looking at the long-term risks. We did conduct a review of the Civil Contingencies Act and took the view that we did not require any primary legislative changes at this stage but, clearly, we continue to keep it under review.

I have to say, coming back as a Minister, as you have kindly acknowledged, that the resilience function is robust. If you take this winter, we have spent a lot of time both scrutinising and ensuring that we have strong resilience in relation to energy, and we are in a pretty good place in respect of that, absent some significant major external factor. Now we are looking forward to winter 2023-24. We continue to deal with resilience in respect of strikes. While it is challenging, we seek to ensure the continuity of core Government services. At the same time, we are able to look forward to risks such as biological hazards and so on for the longer term, which could materialise at any time, as we saw during the covid crisis.

**Q285 Karin Smyth:** In terms of legislation, then, given the amount of work that was done for the Civil Contingencies Act—I sat on local resilience fora in my previous life—it came as a great shock to us that the Act was not useful for the purposes of covid. That was a political decision taken by the Government. We relied on legislation that was nearly 40 years old and then it was difficult for many of us to recognise and account for the



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Government and so on. It was a scramble.

On your review, we probably do not have time to go into this now, so perhaps you could write to us about how you have come to the decision that no changes are needed to that legislation. The question was: when would you use that legislation, given the amount of work that was done for the Civil Contingencies Act? Chair, we could ask for that to perhaps be clarified to the Committee.

**Oliver Dowden:** Yes, I am happy to write.

Q286 **Karin Smyth:** The follow-up question to that is: do the Government feel that we would use the public health legislation from the 1980s and the legislation that we relied on if the same thing happened again, or would the Government rush through legislation in 24 hours as they did last time?

**Oliver Dowden:** First of all, it is worth saying that public health legislation sits with the Department of Health and we take an overview approach in terms of wider Government resilience—

Q287 **Karin Smyth:** Just to be clear, as you know from your own constituency, Minister, all of us want to be clear about which legislation our constituents operate on. That is a Government issue. When you look at the review of the legislation, it needs to hang together, doesn't it?

**Oliver Dowden:** Of course, but I am simply making the point about my ministerial responsibilities versus others.

Q288 **Karin Smyth:** Could you share that with us, please?

**Oliver Dowden:** However, I am happy to respond to those points and, indeed, you will not see in your response any division between different Government Departments. Of course, in the Cabinet Office, we are well used to looking across all areas of Government activity, and we did so in respect of our review of civil contingency legislation after the covid crisis. I am happy to address your points in detail, as you suggested to the Chair.

**Karin Smyth:** The question is to be clear after the review whether we think the legislation framework is fit for purpose. Thank you. Thank you, Chair.

**Chair:** Thank you very much for undertaking to write to us on that as well. Damien Moore.

Q289 **Damien Moore:** Thank you, Chair. Good morning. CDL, what is the purpose of the new coronation Claims Office and why was it created?

**Oliver Dowden:** The coronation Claims Office replaces the Court of Claims. The Court of Claims has been set up for coronations since 1377 and, essentially, its purpose was to assess claims to perform certain roles at the new monarch's coronation. That was set up with senior, current and former judges, members of the royal household and the Lord



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Chancellor, and in fact it forms part of a subs-committee of the Privy Council.

The view that we took was that, for ease and speed of administration—we took advice on this, and none of these decisions are strictly legal in their nature—and given the speed at which we need to prepare for the coronation, we have instead set up a coronation Claims Office, which will look through all these claims and determine whether they are valid or not.

It has always been the case with coronations that the coronation ceremony has evolved over the years and, even with an enormous coronation as we had in 1953 for Queen Elizabeth, many of those claims were not upheld because they pertained to customs of previous centuries. This is a perfectly normal part of the preparations for the coronation. The only difference is that we have moved it to an administrative rather than a legal process.

**Q290 Damien Moore:** Thank you. Just on that, the Government stated that the King wanted the coronation to be rooted in tradition but reflective of the day. What changes have been put in place, or are being contemplated, to fulfil those twin aims? I appreciate that some things are a bit more serious than others, but there has been lots of speculation about what His Majesty will be wearing at the coronation as well and whether that was changed at his instigation or at the instigation of others. You may be able to shed some light on that for us.

**Oliver Dowden:** I should say that it is His Majesty the King's coronation and His Majesty the King, through Buckingham Palace, is responsible for the content of the coronation, the guest list and all the other things associated with the coronation.

The role of the Government is twofold. Through DCMS, the Government support ceremonials, as they did with the platinum jubilee and various other moments of national celebration. Through the Cabinet Office, I chair a cross-Government co-ordination Committee to make sure that the whole of the Government works properly to support the coronation, whether that is in relation to policing, security, the footprint of the coronation in terms of the roads, the involvement of the military or all the other things that come together to make this a wonderful day in our nation's history.

**Q291 John McDonnell:** You are not advising him on what he wears, Oliver?

**Oliver Dowden:** The Chancellor of the Duchy of Lancaster has many responsibilities but the attire of the sovereign is not a responsibility of mine.

**Q292 Chair:** We can discount the idle speculation in the press. It is not too impertinent to mention His Majesty's trousers, is it?



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**Oliver Dowden:** I will refer to the usual convention that conversations between Ministers and the Prime Minister and the sovereign remain confidential, but I would be surprised if that featured in any discussion.

**Chair:** Sorry to interrupt you, Mr Moore.

Q293 **Damien Moore:** That is fine, Chair. It was an important point. Regarding conventions and practice that involve His Majesty, how will these be reflected in the revised Cabinet manual?

**Oliver Dowden:** Essentially, as I have said already, the Cabinet manual sets out that a convention of confidentiality surrounds the sovereign's communications with his or her Ministers and the wider role of the sovereign, namely the ceremonial and constitutional duties as Head of state, but also his roles as head of the armed forces, supreme governor of the Church of England and what we refer to as the fount of honour. Essentially, the Cabinet manual will reflect the role of the sovereign, which has not changed with the accession of His Majesty to the throne.

Q294 **Damien Moore:** Where are we up to with these revisions so far, and when will we on this Committee be able to scrutinise that?

**Oliver Dowden:** We will publish a revised Cabinet manual shortly and we will make sure that the Committee has an opportunity to review that, of course. I would not expect any significant changes, because the change in the person of the sovereign does not cause a change in the role of the sovereign.

**Chair:** A supplementary question from Ronnie Cowan.

Q295 **Ronnie Cowan:** Thanks very much, Chair. As was stated earlier, the King wanted the coronation to be rooted in tradition but reflective of today. As you stated earlier, we have seen an unprecedented strain on the public purse, so much so that to pay for a pay rise for the civil services, the nurses, the postal workers and the teachers, you have said we will have to raise taxes or increase borrowing. How will we pay for the coronation?

**Oliver Dowden:** First of all, it has always been the case that the coronation of the King is an enormously important moment in the history of our nation, and it is right that the Government play their role in the funding of the coronation. You would find that most people would expect our new King to have a proper coronation. None the less, of course, the King and the Government are mindful of ensuring that there is value for the taxpayer.

Q296 **Ronnie Cowan:** I will pull you up on that point. You are making a statement there in which I do not see any validity. "Most people would expect"? One in four people in my constituency, including children, are living in poverty. People live in damp houses. People struggle to pay their electricity bills right now, on the back of covid and Brexit. What evidence do you have that they think the UK Government should pay for this coronation?



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**Oliver Dowden:** First of all, it has always been the case that the Government have paid for coronations. The reason for doing so is that the sovereign is our Head of State and it is important that we mark that properly. In my own constituency, which may be different to yours, Mr Cowan, people say to me that they expect the King to have a proper coronation, and that is what he will have. Of course, the nature of the coronation has always changed over the centuries, but it is right that the Government mark this important moment in the history of our nation and do so properly, and we will do so again.

Q297 **Ronnie Cowan:** It will be marked appropriately, as you said, and “appropriately reflective of today” would not be some lavish expense for the British taxpayer. There will be £3.5 billion-worth of jewellery on display during these three days. How do you explain that to people in my constituency who cannot heat their homes?

**Oliver Dowden:** You will not see lavishness or excess. However, if you are advocating the sale of the Crown jewels or the sale of the coach of state, I would totally disagree and I would argue that most people would totally disagree with you.

It is right that we celebrate this moment in the life of our nation and do so in an appropriate fashion and in a way that the nation can come together in celebrating, in exactly the same way as we did for Her Majesty Queen Elizabeth’s Silver, gold, diamond and platinum jubilees and as we did for the previous coronation. These are moments in the life of our nation. They bring joy to millions of people. They also mark us out as a nation around the world. I expect that people around the world will tune into it and we will have representatives from the realms, from the Commonwealth and from other nations. It is a marvellous moment in our history and people would not want a dour scrimping and scraping. They would want an appropriate ceremony. That is what we will have.

Q298 **Ronnie Cowan:** I am not suggesting that. I am saying what I have heard at the local pub. Maybe we could mark it appropriately, as you said, and my “appropriately” and your “appropriately” seem to be miles apart.

**Oliver Dowden:** The taxpayers’ money will be spent properly on this occasion.

**Chair:** I have never had to refer to “Erskine May” in this Committee, but I know that Mr Cowan is familiar with paragraph 22.15 on those issues. He did keep his questions to matters of the cost to the public purse and so that explains that. Could we go now to David Jones, please?

Q299 **Mr Jones:** Thank you, Chair. Mr Chisholm, I understand that the Cabinet Office has agreed to pay a firm of solicitors, Peters & Peters, to advise in connection with the matters that are currently being considered by the Committee of Privileges in relation to the former Prime Minister, Mr Johnson. Is it normal for the Government to pay for legal advice in such



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circumstances? These were matters, of course, relating to his conduct in the House.

**Alex Chisholm:** It is normal. It is an established precedent, across multiple Administrations, that former Ministers can be supported with legal representation after they have left office when the matters relate to their time and conduct as a Minister.

Q300 **Mr Jones:** Did you ever consider asking for a ministerial direction in relation to this expenditure?

**Alex Chisholm:** No, neither I nor my predecessor who dealt with this matter in the summer, Samantha Jones, who was the No. 10 permanent secretary, found it necessary to do so, because directions are necessary only if you feel that there is a departure from the principles of managing public money, regulatory propriety and value for money, and that was not occasioned by this. Indeed, it went through full scrutiny from all the relevant people—commercial, legal and propriety—and everybody was content with that. Also, there was certainly consultation with Ministers throughout this process, who also were of the view that it was appropriate.

Q301 **Mr Jones:** I understand that the solicitors were granted a four-month contract at a fee of £130,000. Is there any limit to the amount of money that the Department is willing to spend in connection with this matter?

**Alex Chisholm:** Yes, you are correct that that was the initial estimate given, and anyone else who is interested in that can see it. The information is all published in our usual way on Contracts Finder, with the relevant details on 2 September, 28 October and 16 December. We had to adjust that because we did not know, when the estimate was initially made, how long the work of the parliamentary Committee would take. It is very much up to them—the Privileges Committee—to decide their own conduct.

At the moment, we have estimated that it will be up to a figure of £200,000, which was published—£222,000 to be precise. We hope and expect that that will be a maximum figure, but we do not want to anticipate and we could not regulate the conduct of the Committee, which is entirely up to them.

Q302 **Mr Jones:** The £200,000 is not a limit; it is an estimate?

**Alex Chisholm:** We hope that we will not need to spend more than that but, as I say, we need to defer to the work of the Committee itself and it will determine the conduct, how long it goes on for and so on.

Q303 **Mr Jones:** It could potentially exceed that?

**Alex Chisholm:** It could potentially exceed that.

Q304 **Mr Jones:** Was the award of the contract to those solicitors subject to procurement processes?



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**Alex Chisholm:** Yes, it was.

Q305 **Mr Jones:** You were satisfied that those were fully complied with?

**Alex Chisholm:** Absolutely, yes.

Q306 **Mr Jones:** Mr Dowden, Lord Pannick produced a legal opinion, which was published on the Government website. Is it normal for counsel's opinion to be published in such circumstances?

**Oliver Dowden:** There's a limit to what I can say in relation to that because it pertains to the previous Administration. I was not a serving Minister at the time—

Q307 **Mr Jones:** I appreciate that, but I simply want to know if it is normal to do so.

**Oliver Dowden:** I believe it happens from time to time but not routinely.

Q308 **Chair:** Are there any previous examples?

**Oliver Dowden:** I am happy to come back to you with previous examples. It is simply that I was not a Minister at the time of the publication, so it is not a decision that I took or looked at a precedent in respect of.

Q309 **Mr Jones:** It is unusual for advice in such circumstances to be published, is it not?

**Oliver Dowden:** I believe so but, genuinely, it is simply the case that this decision was taken under a previous Administration and under a previous Chancellor of the Duchy of Lancaster. I have not looked into it in detail.

Q310 **Mr Jones:** Lord Pannick delivered a second opinion as well. That has not been published on the website. Is there any reason for that?

**Oliver Dowden:** I am happy to look into that and come back to you on that point.

Q311 **Mr Jones:** Could you write to us on that?

**Oliver Dowden:** I am perfectly content to do so, yes.

Q312 **Mr Jones:** Was that second opinion commissioned at public expense?

**Oliver Dowden:** I am afraid I cannot tell you the answer on that, unless the permanent secretary is able to do so. I would have to revert to you on that.

**Alex Chisholm:** The cost of that would be met by the contract. The contract I described refers not only to the cost of solicitors but also of counsel.

Q313 **Mr Jones:** I find it odd that one opinion should be published and another not. As you have acknowledged, it is a departure from the usual



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procedure for any opinion to be published in such circumstances. When you write to us, could you explain why it was decided not to publish the second opinion and why it was thought proper to publish the first opinion?

**Oliver Dowden:** Mr Jones, these are perfectly legitimate questions that I am happy to address. I simply wish to ensure that I give the Committee a proper answer, and I was not involved at the time. I will need to refresh myself based on those circumstances and any subsequent decisions.

Q314 **Mr Jones:** I understand that, but we have your undertaking to write to us?

**Oliver Dowden:** Yes, you do.

Q315 **Chair:** It is important to note that that opinion, which was published, largely called into question House of Commons internal procedures.

**Oliver Dowden:** Noted, Chair.

**Chair:** Thank you. Tom Randall, please.

Q316 **Tom Randall:** Thank you, Chair. Mr Dowden, you have spoken a lot about the work the Cabinet Office has done in relation to Brexit over the last few years. Overall responsibility for auditing retained EU law was a Cabinet Office responsibility until September 2022. Could you tell us what the Cabinet Office's current role is in relation to this?

**Oliver Dowden:** The Cabinet Office's current role is similar in relation to many things that cut across different areas of Government. We have a role in scrutinising, holding to account and checking against delivery of it. The decision to have it in the Business Department is the correct one because most of these regulations relate to business, so an appropriate way of deciding things is to have that Department leading on it. However, I can assure you that there is a seamlessness between the Business Department and the Cabinet Office in ensuring that we are both focused on delivering the Government's priority in this area.

Q317 **Tom Randall:** You described at the outset that the Cabinet Office is the HQ of Government and that the Cabinet Office's role is to support the collective Government, to ensure co-ordination. When you look at the Departments affected by retained EU law, there is a good spread: DEFRA, BEIS, Treasury and so forth. Could I push back on that slightly? The Bill that retained the EU law, which is the big piece of legislation in this area, moved to BEIS, presumably with the Minister at the time, but why has it remained there, and would moving it back to the Cabinet Office be a better fit?

**Oliver Dowden:** It is a perfectly legitimate question that I have considered and the Prime Minister has considered. We both took the view that, at this stage, although we keep it under review, simply to move it again because it had been in the Cabinet Office and went to BEIS would





be change for change's sake, when the underlying reality remained that there was incredibly close co-ordination between BEIS and the Cabinet Office and indeed with the teams. The badging of where it sits does not make much difference to the Government's drive behind it and the joined-up approach that we are taking.

**Chair:** Thank you very much indeed. John McDonnell, please.

Q318 **John McDonnell:** Can we talk about the outcomes in the annual report? Straightforwardly, how far does the budget allocated for the five priority outcomes reflect their importance, and how far have Ministry and Government changes affected that?

**Alex Chisholm:** Thank you very much for your question. The movements year on year between the different headings, which are broad headings, vary quite a lot and, in particular, outcome 5, which is very much the focus of supporting the Prime Minister—

Q319 **John McDonnell:** Just for clarity, outcome 5 is delivering the priorities of the Prime Minister and the Government?

**Alex Chisholm:** Yes, exactly. In the year in question, 2021-22, a number of things came under that that made that number go up. In particular, for COP26, which was a one-off event, that expenditure was substantial. The G7 event we hosted, again, was a one-off. Also, a number of inquiries that come under the Cabinet Office, although they do not relate to the Cabinet Office, such as the Grenfell inquiry and the infected blood inquiry, come under that outcome. That is what has caused the amount of that to go up, rather than the core work of supporting the Prime Minister day to day—No. 10, the secretariats and so on.

Q320 **John McDonnell:** How do you decide what goes under that? Is it an art form?

**Alex Chisholm:** If you look at the different headings, some of them are precise. For work on equality, it is pretty clear that you would have the Equality Hub and the Equalities and Human Rights Commission under that. Work on efficiency tends to bring in all the functions that we described—all the commercial work, communications, digital and so on. I suppose, in terms of supporting the Prime Minister and the priorities of the day, COP26 did not fit under any of the others and it clearly was a priority for the Prime Minister. I do not want to make it appear any more scientific than that.

Q321 **John McDonnell:** It was a catch-all in the many ways. Fair enough. On one figure, £134 million was spent on corporate enablers in 2021-22. Could you explain what that has been spent on?

**Alex Chisholm:** Yes. It is a change of language. I do not know whether I like it any more than you, but corporate services is what is in that—all the things that we spend on HR, finance, legal, estates, security and



procurement. All that vital stuff is all corporate enablers because it enables the corporate activity of the Department.

**Oliver Dowden:** “Enablers” was a new term for me as well that I learned in preparation for this Committee.

**Chair:** Thank you. We have a final set of questions from Tom Randall, please.

Q322 **Tom Randall:** Thank you. One of the projects in the Government’s major projects portfolio is the transformation of vetting, which was designed to improve the vetting process. Mr Chisholm, the Infrastructure and Projects Authority has given that transformation programme a red rating, suggesting that successful delivery of the project appears to be unachievable. Could you give us some explanation of why that is?

**Alex Chisholm:** Yes. Thank you very much. Also, we have had a substantial report on this produced by the National Audit Office and I have a Public Accounts Committee hearing on this coming up in a few days’ time. There will be a lot of focus on this.

To give this Committee, if I could, a brief answer to that, we are trying to do two things in relation to vetting. One is to keep the existing vetting services going well. There are lots of different levels of vetting and lots of different users of that, including in the private sector. Secondly, we have this transformation programme, which the Member particularly refers to.

The effort to do the day-to-day work has been considerable because the demand for vetting has roughly doubled from what it would have been three years ago, in 2018-19—about 200,000 security applications a year—to nearly 400,000 now. That has been a huge amount of work, which has put a great strain on that system, the people who work there, the systems they use and so on. That meant that the main focus, especially with the Ukraine war and the need to provide a high level of priority clearances for that, was that we had a 30-day turnaround for all priority cases, which we have been meeting all year. That has undoubtedly taken quite a lot of the attention of the UK security vetting agency. I hope members would agree that that was right.

That meant that the vetting transformation programme got pushed a little bit to the right. The essence of the transformation programme is around being a digital data-driven organisation with a much more continuous support and improvement approach. It will be much more modern. It will have new systems and newly trained people. We will get there, but it will take us a little longer than we had originally planned because of what I have described and that huge increase in demand for the day-to-day business.

It has, however, already delivered the first part of transformation, which is the so-called accreditation check, as you will remember, for the aviation industry. This was the first fully automated vetting product,



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delivering checks in less than one day, which has been validating the digital approach for the future levels. That has been incredibly important to the recovery of the situation that you remember briefly flared into international concern in the early part of last year as we came out of covid and people were flying around again. A change in legislation required all those clearances for people working airside in airports.

We have already begun to deliver that transformation, but a lot more is to come. It will be a three-year programme. When the IPA did one of its typically robust, rigorous gateway assessments, it said, "When we look at the plan and we look at the resources, it does not yet add up because you have taken your main effort on to the day-to-day work rather than future transformation."

Also, that particular unit, which is based mainly up in York, needed to onboard a lot of people with digital and data skills, who were not the typical people whom they used to employ, who had come from police or Army backgrounds, to do the actual vetting-type activities. That also requires a lot of internal change. Those were the bases on which they said, when they did that review last summer, "We do not see a clear plan there that we can have confidence in." That is why it got the rating it did.

**Q323 Tom Randall:** Some internal reviews have suggested a lack of clarity and probably a lack of confidence from the rest of the Government. The programme is due for completion in 2022-23. Are you confident that that deadline will be met and, if it isn't, when do you think this project will complete?

**Alex Chisholm:** Yes. The so-called stabilisation programme is due for completion over the next six months. The transformation programme will be a three-year programme, so that has a long way to go. There are different stages of it. We will also be procuring for different services this summer. We are making changes both internally and externally. That has a long way to go. It is not due to be delivered just by the end of the financial year.

**Tom Randall:** Thank you.

**Chair:** Thank you very much. It has been a wide-ranging meeting. We are grateful to both of our witnesses today, especially for them undertaking to write to us on various remaining questions. Mr Dowden has a Cabinet away-day, so we must allow him to get on. On behalf of the Committee, I thank you both.