

Public Administration and Constitutional Affairs Committee

Oral evidence: Pre-appointment hearing: Chair of the Advisory Committee on Business Appointments, HC 168

Tuesday 17 March 2020

Ordered by the House of Commons to be published on 17 March 2020.

[Watch the meeting](#)

Members present: Mr David Jones (Chair); Rachel Hopkins; David Mundell; Tom Randall; Karin Smyth; John Stevenson.

Questions 1 - 56

Witness

I: Rt Hon Lord Pickles, Government's preferred candidate.

Examination of witness

Witness: Rt Hon Lord Pickles, Government's preferred candidate.

Q1 **Chair:** We are pleased to welcome Lord Pickles today to this session of the Public Administration and Constitutional Affairs Committee. We are here to consider your appointment to the Chair of the Advisory Committee on Business Appointments. We have a number of questions. I am sure you are very familiar with the procedure, so I will start. Can you just explain to the Committee how you came to be appointed to the chairmanship of ACoBA?

Lord Pickles: I became a member as a political appointment. I understood that Baroness Browning was going to retire and I thought I would keep an eye out on the website. When it came in, I duly applied, got an application form and filled it in. That was of course under Mrs May. I heard that I was going to get an interview and then we had a change of Government, a general election a month after filling it in. I got an interview two or three weeks ago and now I am the preferred candidate.

Q2 **David Mundell:** Lord Pickles, what about the Chair particularly attracted you to apply?



Lord Pickles: There are two reasons why I applied, one of which I am partly to blame for. The nature of the civil service has changed. I think it has changed dramatically since I first became a Member of Parliament in 1992 and it has changed rapidly over the last five or six years. Career paths have changed. Increasingly it is going to become the norm for civil servants to move in and out of the civil service into voluntary organisations, local government, the private sector and come back and go out again. The way that we currently operate, I do not think that we understand that. There are three areas that cause problems. First is regulation; second is procurement; the third is contract negotiations. In a way, you want to make it as easy as possible to move between the various sectors, but you need to protect those three things.

I say it is partly my fault. When I was Secretary of State I started to advertise externally for a post. Indeed, I was at the signing of the 20th anniversary of the Stockholm Declaration and bumped into a chap who was working for the Commission who had worked in my Department, so I encourage people not only to come from other Government Departments and local government, but also from different countries.

The second reason is it is important for us to be able to reassure the public clearly that people do not personally get financial remuneration on the basis of privileged information that they have obtained. That needs to be addressed, particularly in a Brexit world, where there is going to be an awful lot of negotiations, people engaged in those negotiations, and an awful lot of new procurement. Unless we get that absolutely right, it is one of these things that will rot Government from the inside. Those are two reasons. Sorry for the long answer.

Q3 David Mundell: No, they are very interesting answers and they are topics that I think myself and colleagues will pick up during the course of the questioning.

How do you think it fits in with other roles and responsibilities that you have? Does it dovetail or is it something that is standalone?

Lord Pickles: The majority of my time in terms of public life is split between being the Special Envoy for Post-Holocaust Issues, thus an international role. I think I can guarantee for the next few weeks I will have a lot more time to devote to this particular responsibility than would be normal.

Secondly, the Holocaust Memorial Trust intend to build a memorial and learning centre next to Parliament, so I think it fits in very well. But also a compare and contrast, because given the nature of the work, it is two to three days a month—I do not anticipate that those are whole days—a lot of it is going to be distant working, a lot of it is dealing with correspondence. I suppose if I have to follow the Chairman of this Committee into isolation, I should be able to do that. If he is watching, I wish him well.



Q4 **David Mundell:** I am sure we all wish the Chairman well and thank you for saying that, because what I would be interested to know is what you see your ongoing relationship with this Committee as being.

Lord Pickles: As Chairman, as a leader, you have various jobs to do. First of all you have to push through an agenda, an agenda of fairness, openness, responsible to the Nolan Principles. It is not only for the Committee, but also the staff that will be working for the Committee, it is part of your job to bring the best out of them, to make them want to achieve more. I want to ensure a happy and harmonious relationship with this Committee. I would like to ensure that somebody who goes into the process, either a senior civil servant or a politician, would come out of that process, regardless of the result, feeling that they have been treated fairly and honestly and openly.

I would also like to explore the possibilities of what transparency brings. In some ways, while I think there has been a change of attitude since the letters have been published online, I have noticed a slight change in the tone of some of the letters. I would like to explore that.

Q5 **David Mundell:** Would you commit today to alerting the Committee to matters of concern that you perceive during your time as Chairman?

Lord Pickles: I have never felt the relationship between either a Minister and a Select Committee or Chairman and this Select Committee should be one of us and them. It should be one of co-operation. I did five years as Secretary of State and I certainly found the Select Committee to be enormously useful in terms of moving ideas and issues along and often quite influential in my thinking. I am hoping for a productive and harmonious relationship.

Q6 **David Mundell:** A proactive one on your part as well?

Lord Pickles: You will be able to feel the love.

Q7 **Chair:** You will know that in the past this Committee has expressed concern about ACoBA, its effectiveness, and we would really appreciate it if the Chairman of the Committee could keep in close contact with us with any matters of concern.

Lord Pickles: That is a reasonable request and it is one that I would welcome.

Q8 **John Stevenson:** Lord Pickles, in the candidate pack it says, "Candidates with experience of working in the private sector were particularly welcomed". Have you ever run a business?

Lord Pickles: I have been a non-executive director.

John Stevenson: Have you ever run a business?

Lord Pickles: Only as a non-executive director and only maybe as a paperboy, which I ran very well.



HOUSE OF COMMONS

Q9 **John Stevenson:** Would you say that it is a weakness in your application? Because if I was entirely honest, a non-executive director is not hands-on private sector activity.

Lord Pickles: No, it is not hands-on, and I think that is a reasonable and legitimate criticism, but I think I bring other qualities that perhaps balance that out.

Q10 **John Stevenson:** Moving on slightly, in your role as the Chair of the Committee, do you see part of the role as increasing the diversity of the Committee membership?

Lord Pickles: Yes, that is a very sensible thing to do. I think I have two appointments coming up this year and I would want to ensure that. I saw something from my old friend, Paul Flynn—the late lamented—who said there needed to be more bus drivers and I cannot remember the second category. I will do my best.

Q11 **John Stevenson:** Looking at the present membership, it is anything but diverse.

Lord Pickles: It is not, no.

Q12 **John Stevenson:** How do you think you can go about doing that and how can you attract people? Because I think the great problem is how do we get people to apply in the first place.

Lord Pickles: That is right. People applying need to be inspired that they are part of something important, something that is going to make a difference and something that is not going to be a rubberstamp, but actively work towards encouraging that movement between the different sectors, but ensuring that people properly understand where the line is. It will be my intention right from the very beginning to try to talk people through some of the issues and the points that are catching and causing delay and to try to work together. It has always been my experience as a chairman of a committee or as a Minister that your job is to bring people along, to ensure that people do not feel isolated.

I talked earlier about bringing the best out in the staff. In a way, while a lot of people that you have on the Committee are very senior people, you want to bring the best out in them. You do not want them to feel, "Oh, it is just this ruddy Committee I have to turn up to. If I don't, people will be on the phone to say, 'We do not have a quorate'". It is something I enjoy, it is something that I feel that I can be proud about. That is the secret of something like that.

Q13 **Chair:** Lord Pickles, one of the roles you disclose in your register of interests is non-executive director and Chairman of the Parliamentary Review. Is that a remunerated position?

Lord Pickles: It is a remunerated position, yes, and it is declared in my members' interests. I co-chair it with Lord Blunkett.



Q14 **Chair:** Obviously you are aware that in November last year the Parliamentary Review was the subject of a ruling by the Advertising Standards Authority. There had been two complaints, one that a letter that was sent in your name was not obviously identifiable as a marketing communication and misleadingly implied that the Parliamentary Review was an official Government publication; secondly, that other material was not identified as a marketing communication. Those complaints were upheld. Would you like to tell the Committee something about the Parliamentary Review? First of all, do you accept that that was a fair ruling by the Advertising Standards Authority?

Lord Pickles: It is a fair and reasonable question. I think it undermines the system if you do not accept the rulings of the agency. We thought we were complying; we were not. We have taken steps to ensure that we do. We have decided that that is not itself good enough. We have introduced an ethics code and it is our determination to become a market leader. Our letters are cleared and were cleared by the register of interests, so the ruling did come as a surprise to us, but nevertheless, that is their job and we will comply.

Q15 **Chair:** One of the essential components of the post of Chair of ACoBA is excellent judgment. Do you think that this was a failure of judgment on your part to allow a letter of this sort to go out in your name, when in fact it was subsequently criticised so heavily by the Advertising Standards Authority?

Lord Pickles: I thought it complied. I had the letter checked and approved with authorities within the House, but I do not in any way demur from the judgment of the Advertising Standards Agency and I accept full responsibility.

Q16 **Chair:** What does that say about your own judgment?

Lord Pickles: What it says about my judgment is that I should not have relied on getting the letters checked, but it did come as a surprise to everyone within the company and with our legal advisers, but nevertheless we do comply now.

Q17 **Chair:** Can you tell us in what way you do comply?

Lord Pickles: We ensure that the letter has additional information on it than what it had originally. It had the company's address, it had the company VAT number, it said that we were fiercely independent of Parliament, but we have now made it absolutely clear that that is not the case.

Q18 **Chair:** It makes it clear that it is advertising material?

Lord Pickles: It makes it absolutely clear it is advertising material.

Q19 **Tom Randall:** Lord Pickles, the previous Chair of ACoBA, Baroness Browning, took the view that to maintain a public perception of integrity and independence she would accept no hospitality from any organisation



HOUSE OF COMMONS

while she was in post. Do you have any sort of plans to commit to refuse hospitality in the same way?

Lord Pickles: What do you mean? Do you mean companies inviting me out to the races and that kind of thing?

Tom Randall: In the same way that your predecessor did, by refusing—

Lord Pickles: I am not sure I understand what my predecessor did, but it has always been my practice not to accept that kind of invitation, I think largely because I was involved in Government and involved for quite a long time that you just get out of the habit. I cannot imagine that I would be accepting any invitation.

Q20 **Tom Randall:** As you look to how you might approach the role, beyond what you already do or in terms of maintaining what you already do, how would you try to avoid any perception of partiality while undertaking the role?

Lord Pickles: It is most important that that is the case. I am clearly a party political figure, but I am used to operating in a quasi-judicial role. I am also used to operating in an all-party role and if there is any suggestion that you are going to punish your enemies and reward your friends, then I would be of no use. It is one of those processes that you cannot be absolutely impartial for 90% of the time and then 10% stray; it is the 10% that matters. I will be very straightforward and very circumspect, so if there are going to be people wandering up to me in the lobbies or wanting to have a quiet word, I do not think that can really happen. In many ways it is a bit like a planning application, it cannot happen that way. It needs to be out and upfront. People are entitled to the privacy of an application, but they are not entitled to receive privileged information.

Q21 **Rachel Hopkins:** Lord Pickles, you said earlier people should not be receiving financial remuneration on the basis of privileged information they may have received. Boris Johnson was found in breach of the rules on business appointments by ACoBA on leaving his post as Foreign Secretary in 2018. How will you assure the public, Parliament and others that you are committed to condemning breaches, should they occur, no matter how politically powerful or potentially powerful the individual concerned may be?

Lord Pickles: Your question is not entirely a surprise. It is important that we understand that I will be concentrating on the issue and I will be looking at the issue rather than the form. I saw that process and it did strike me that the way it was handled, nobody came out of it terribly well, because you basically got a "Life of Brian" response from the Government, "The former Foreign Secretary is a very naughty boy". To stick with a film analogy, it is possible to put the volume "up to 11". It is possible to use the system and I want to use transparency far more, but I do feel that we need to be very clear this is about people benefiting from being in a position in Government, either politically or as an official. That is what I shall be concerned with, not a former journalist going back to being a journalist.



Q22 **Rachel Hopkins:** The role of the Chair of ACoBA is limited to considering applications to the Committee, although the Chancellor for the Duchy of Lancaster recently attributed to a wider remit for making the business appointments process work well. Whose responsibility is the integrity of the business appointments system?

Lord Pickles: Ultimately it has to be the Cabinet Office, but I must play an important part in that. He made a number of recommendations with regard to a member of the executive board. I want to look very carefully at that and I would hope when we return to some degree of normality—ie we are not all unable to meet face to face—to be able to conduct an audit of the different Ministers, different directorates, to see how that is operating in practice and to try to get some good practice going.

Q23 **Rachel Hopkins:** What levers will you have to influence the development of the business appointments system beyond an audit?

Lord Pickles: I think you have an awful lot of soft power. Interview: this was something that I raised. It seemed to be well-received and my experience is if you wait for the rules to be entirely drawn up and agreed, you do not necessarily make the progress that you can do. I think people in politics are divided in two, those who are tremendously interested in the structure and those who are tremendously interested in the issue. I am very much interested in the issue, so I would want to use the informal influence that I will have to try to ensure that the whole system works well.

Q24 **Chair:** You intend to conduct a quick review of ACoBA. Will you update the Committee on your findings as a consequence of that review?

Lord Pickles: Yes.

Q25 **Chair:** How long do you expect that review to take?

Lord Pickles: When I originally thought about it, I had rather hoped that it could be completed by the end of July. In the present circumstances, who can really say?

Q26 **Chair:** Yes, but is it something that you wish to make a priority?

Lord Pickles: Yes. I really would have liked to have a clear view in terms of how we are going to move forward on regulation, procurement and contract negotiations. By the end of the year, it should be very clear. I have an initial view that there needs to be an adjustment to contracts of employment, but that may or may not be right.

Q27 **Chair:** Have you thought about the sort of evidence you will take in the context of that review?

Lord Pickles: Yes, but of course now it is a little bit more difficult, so it may well be written representation, but I had—

Q28 **Chair:** What sort of individuals would you be approaching?



Lord Pickles: I would want to talk with some leading people in personnel; some people involved in headhunting; people that have experience of this in similar Committees; senior and past civil servants; a number of people that have been through the system. There is some experience that we might be able to get from other Governments. I would be particularly keen to explore, for example, what the Germans have done and I think I saw Norway have introduced some scheme. I would like to do that.

Q29 **Chair:** That is quite wide-ranging.

Lord Pickles: I think so, because this is a very good report, but it takes a particular view. I would like to see what could be achieved. I get the impression from Government there is an appetite to introduce a full regulatory one, but I do think under the Nolan Principles that there is a way in which we could explore things with regard to transparency and good practice. Much of the problem lies in that there are shifting plates on this. As we move through the year, when normality returns, there needs to be a fair degree of precision in terms of what is permissible and what is not permissible.

Q30 **Tom Randall:** Can I go for a moment to the end of your term of office, as you are looking back? You said one of your priorities for taking the role is to ensure public confidence in the integrity of the system, given past concern about revolving doors and lobbying. When you look back on your term of office, how will you know whether you have succeeded in ensuring that public confidence?

Lord Pickles: You will tell me. You will have a very good idea of whether I have done that or not. I will measure it by the number of headlines or the lack of headlines with regard to appointments; I will judge it on whether people see me to be reasonable. In a way, it is my job to ensure that it becomes normal and understood what is permissible and what is not permissible in a way like the Nolan rules have guided us for nearly two decades now, so that people understand. The problem occurs when people do not realise they have to apply, when they apply for things that are utterly unreasonable and where, in the eyes of the public, it is a bit like Caesar's wife, it has to look right, it has to pass what my former boss, David Cameron, said was a smell test. It has to be normal and reasonable. It cannot be arbitrary. In a way, they almost become self-regulatory, that people do not apply for permission for jobs that they clearly should not be even considering.

Q31 **Tom Randall:** But measuring success by newspaper headlines is possibly an arbitrary process.

Lord Pickles: Yes. In a way I was not being entirely serious, but I do think I will measure it by the number that were necessary to refuse, I will measure it by the kind of time it was taking to get through applications. I am told that applications are getting much more complicated and I would like to simplify it. It is only complicated because the plates are shifting.

Q32 **Karin Smyth:** My own background is perhaps in the bureaucracy of health



HOUSE OF COMMONS

management, so I am quite interested in the metrics of measurement. Could you elaborate a little bit more on what that might look like? What is the internal feeling about it? You said earlier it was about the content, not the process, but in terms of that measurement of public confidence, as my colleague has asked, rather than a feeling of leaving or an absence of headlines, internally are there metrics being developed or thought about or measurements of that sort?

Lord Pickles: The answer is yes. When I was Secretary of State, I ran it with very clear metrics in terms of time and issues. The first one I would like to look at will be the time it takes us to put through an application, our turnaround time. The second thing I would want to look at is the number of times we have to go back for additional information. The third one I would look at is in terms of the number of times we have to tell an applicant that they are unsuitable. I would regard that as being a failure on our part, because then we are not being very clear.

In terms of the metrics of the workload, I would try to set times in which we would go through the process of a review. I have conducted a number of reviews for Government for my Department and for my party, so I am entirely used to coming up against deadlines and holding to deadlines.

Q33 **Karin Smyth:** And what the outcome of those is as well, rather than—

Lord Pickles: We do not monitor, so if people get approval and they decide to do something entirely different, we do not have a mechanism of measuring that because we do not monitor. I keep saying that transparency has an awful lot to play with this and I think there are other people who would monitor for the general public. There is an increasing recognition now that people look very carefully at what people do.

Q34 **David Mundell:** Can I return to a point that you made in terms of your response on why you were attracted the role? That is the issue of how to deal with personal monetary enrichment through privileged information, following a difference in the civil service, but I think there is also a difference in the political side of Government. We have seen a much more significant churn of Ministers in recent times than certainly in the recent past and also a tendency for many people to leave Parliament almost as soon as they have completed what they perceive as their ministerial career. We see far fewer Ministers staying on in Parliament and that was very evident at the recent general election. In that context, how do you see the monitoring of monetary enrichment through privileged information taking place?

Lord Pickles: I do not mind civil servants who say, "I have an interest in housing" moving between the sectors and coming back and I would expect them to earn money from that process. Where it becomes a problem is if they have been involved in a regulatory job, if they have been involved in negotiating contracts, if they are involved in procurement or if they have been involved in setting out grants to people. That is the point where I think there is a degree of fuzziness within the system. That is why it needs



to be addressed. It is maybe not an enormous problem now, but given the changes that are likely to occur over the next 18 months, there needs to be precision. That is one of the reasons why I wanted to do this job.

Q35 **David Mundell:** In relation to the politicians?

Lord Pickles: Let me be really blunt, the politicians are interesting because that is what the press are interested in, but the real worry is in the civil service because of the nature of the change in the civil service. We have a regulatory regime within the civil service that somebody is going to come in from university and work their way through and retire, and that while they may move to different ministries and have different grades and do different jobs, nevertheless they will remain in the public sector. That is going to be the case anymore and I do not think we have a system that reflects that. I do not say it requires an enormous change, I just think we need to bear down on those parts.

Politicians are rarely involved in contract negotiations or in procurement decisions, other than general supervisory. For example, when I was sacked, I did get one or two people who were interested in me being involved in housing and things. I just did not think it was appropriate, because I had been involved heavily in that mechanism. In politics, in a way it has to be about how it looks, not the reality, but in the civil service you are dealing with the reality and it is going to be very important to get that right.

Q36 **David Mundell:** So your political perception is your smell test then?

Lord Pickles: My political perception is the smell test. Frankly, I have been through that process; you have been through that process. Do you really want to see this on the front page of the papers?

Q37 **David Mundell:** One thing from my own experience that surprised me in relation to senior civil servants, when people announce they are leaving, in business people would have often been put immediately on to gardening leave because of the nature of the work that they dealt with. I did not perceive that that happened at senior levels of the civil service, because potentially if someone is leaving then they are still having access to a huge amount of information that could ultimately lead to monetary enrichment. Do you think that you may conclude that there are practices within the civil service that need to be changed?

Lord Pickles: You are making more than a reasonable point. There would be a lot of reluctance about gardening leave, but it is where they go on from. We have a system where we trust people, people stand down from office, we trust that right up to the moment they will act diligently and reasonably. I have to say generally it proves to be the case, but it needs to be clear at that point where they are saying they are going. They cannot then suddenly stop being involved in what they have been doing and therefore they become attractive to a company. Many top civil servants are privy to—and I suppose in a way sometimes politicians are—very market sensitive information, not just about a potential employer, but about their



HOUSE OF COMMONS

competitors. That is why it just needs a little bit of attention, a little bit of application, a little bit of thought. I do not think it would require very much. I do not want you to get the idea it is terribly wrong, it is just down the line you can see a problem coming.

Q38 **David Mundell:** One of your conclusions might be that the civil service practices need some revision?

Lord Pickles: That is what I meant by changing the contract, yes.

Q39 **John Stevenson:** Following on from that point, do you therefore foresee that there should be some review assessment of the actual employment contract of senior civil servants? In the private sector you would have certain restrictions put in so that you protect information, you protect contacts. Should there be something similar for the senior civil servants?

Lord Pickles: That is exactly what I am talking about. Clearly these kind of things need to be taken gently and reasonably and the appropriate procedures with regard to human resources and personnel that it needs to go through, it needs to be in a reasonable way and the like. I do not want to suggest I am going to go like a bull in a china shop, but we need to start moving forward on this, otherwise the system itself crumbles. I think it is a view that is held by a lot of people in Government.

Q40 **Chair:** You made the point that newspapers are primarily interested in politicians, but isn't that reasonable when you see, for example, Treasury Ministers walking out of their Department and getting extremely lucrative positions with fund managers and possibly editorial positions with newspapers?

Lord Pickles: A fine newspaper it is. It has certainly improved enormously, the *Evening Standard*.

Q41 **Chair:** I did not mention the newspaper, I was taking that as an example, but isn't it reasonable for newspapers or the press to take an interest in that sort of thing? ACoBA apparently are powerless to do anything about it.

Lord Pickles: It is important that we look really carefully at what the Ministers themselves were involved with. I take Mr Mundell's point, but when a Minister stands down, they go to the Back Benches. They do not cease to have views. One of the great joys of becoming a Minister is your predecessor, who has been sacked, stands up at the Back Bench and starts asking all the difficult questions that they were unable to answer at the despatch box. You do not cease to have views, you do not cease to have opinions, but if you have market sensitive information about competitors, if people are employing you not for your wisdom but for privileged information, then it does become a problem.

Q42 **Chair:** That is why ACoBA exists.

Lord Pickles: Yes, exactly.



HOUSE OF COMMONS

Q43 **Chair:** On the issue of civil servants—and you expressed possibly more concern about civil servants than politicians—isn't it the case that the band of civil servants that are covered by ACoBA is really quite narrow?

Lord Pickles: Yes, it is.

Q44 **Chair:** Would you wish ACoBA's remit to be extended to a wider band?

Lord Pickles: I am not looking towards extending my empire, but I am seeking to—

Chair: But looking at it as dispassionately as you can.

Lord Pickles: —extend ACoBA's influence. To an earlier question I said given the responsibility now that an executive board has on the boards of the different Departments, I would be wanting to run an audit, a review, with a view not to catching people out, but in terms of encouraging good practice and to encourage a better understanding. The thing is, Mr Jones, I do not think it will work, if you and I understand the rules and the Committee understands the rules. There needs to be an understanding clearly of the rules within Departments and within Government and within departing Ministers. They need to have the clearest idea.

Q45 **Rachel Hopkins:** Does a non-statutory regime have enough influence on appointments to improve that public perception of the revolving door between Government and corporate interests?

Lord Pickles: I do understand and believe about soft power, but we need to be realistic. It is a five-year appointment, it cannot be reappointed for obvious and sensible reasons. The Government have clearly put their faces against a statutory regime and I understand that. There might be a good case to do it, but I just feel that my job is to try to use the informal power that I have to maximise that. It may be that the Government and this Committee want to review that in a few years' time to see how it is working and to recommend a different kind of regime, but we have to deal with the cards that we have been dealt with.

Q46 **Rachel Hopkins:** You have talked around this soft power, soft influence, so how can a regime without formal sanctions ensure its advice is respected?

Lord Pickles: It is easy for politicians because there is just an enormous stink. If ACoBA has let something through, ACoBA gets it in the neck, the politician gets it in the neck. The problem is when it is people that the press have never heard of or it would have to be somebody that has been involved in complex and difficult negotiations that have gone terribly wrong and you would have, "So and so, who was in charge of X, which lost £1 million, now moves to the private sector, who ordered jobs for the boys". That does not happen very often, but my worry is that I think that is one that requires greater attention. People who take on too much, people who take jobs that are inappropriate generally pay for it by receiving publicity they would not want.



HOUSE OF COMMONS

Q47 **Tom Randall:** Lord Pickles, you said in your answers to the written questions about how the civil service has changed over the last quarter of a century that career paths are different and that movement between Government and outside bodies is no longer a novelty. You then go on to say that this a strength to the civil service.

Lord Pickles: Yes, absolutely.

Q48 **David Mundell:** Could you clarify that? In what way do you think it is that strength or an opportunity?

Lord Pickles: I had a chance to do this myself when I was Secretary of State. Traditionally people from local government have moved backwards and forwards between the different roles. My Permanent Secretary was a former very distinguished chief executive of Sheffield and he brought an enormous degree of experience and expertise to his role. If you do not do that to the civil service, if you do not allow it to happen, you are going to get a particular kind of person and it is going to be quite restrictive. Successful firms encourage people to move in and out and get a wider experience. I certainly felt it improved my Department. I think it increased our influence in that you were getting people who often would see things from outside the box. It is not just that kind of catalyst that happens, it also has a knock-on effect on the other staff, who will be prepared to look at that different method.

It is a fact now, and even if we decided between us it is an experiment that should not continue, we do not have the powers to stop it. I do feel that it is a good thing and we should accept it as a good thing, but in encouraging that movement backwards and forwards, we should recognise that there are pinch points and we need to address the pinch points. It is not how much people earn, it is have they abused their position or are people being recruited because of the information they get. That does need to be addressed. It is not going to require an enormous revolution to do that because I think currently a lot of the problem we have is there is the degree of uncertainty.

Q49 **Tom Randall:** The example that you gave there from Sheffield, that was a movement within the civil service sector, it was not from the private sector?

Lord Pickles: I am so sorry, Mr Randall, I am not entirely clear what you are asking me.

Tom Randall: I am talking about movement between the civil service and the private sector.

Lord Pickles: And voluntary organisations and the charity organisations.

Q50 **Tom Randall:** I just wonder, with this movement, which you think is a good thing to encourage, how would you assess whether people are being influenced to join the civil service with the prospect of moving on to the private sector later in their career, for example?



Lord Pickles: I would not regard that as being terribly wrong. I think an individual is entitled to get training and experience for them to get a better job, to move on and to have a proper career development. Sometimes that is not possible within one single employer. It is the modern trend and we need to embrace that, but we need to also ensure that allowing people to move in and out and for them to take their experience, they are not taking things with them that have improper monetary considerations. That is pretty clear. If you are negotiating a contract with a particular set of firms and then six months later you become an employee of that firm, that is not sensible, that is not reasonable. It could be that you have not taken with you privileged information, it could be that you have market sensitive information but you will not use it because you are a reasonable and honourable person, but it does not look right and we need to safeguard the public from the less scrupulous person.

Q51 **John Stevenson:** I very much support your analysis of the benefits that you can have with civil servants moving between the private sector and the public sector and vice versa, but obviously we need to have public confidence in the system. As I understand it, you only get asked for advice if somebody approaches. How therefore do we know how many public servants are moving into the private sector without taking advice or just going off and doing it and therefore how do we ensure that we have confidence in the system?

Lord Pickles: We need to ensure that it is seen as part of the contract to ensure that they have to adhere to that process. In terms of the ministers' code of conduct, it is in there, but I do not know what it is like—

Q52 **John Stevenson:** What about the public servant? I take your point about the politician is very much in the public limelight and therefore is probably subject to greater scrutiny, while the public servant can go below the radar.

Lord Pickles: Let us just do it logically. The weight to attach to that, it is a lower level that we are looking at. You rightly identified the responsibilities for the executive board of the different Government Departments. In terms of the checklist for the audit that I am hoping to do, those things will be covered in terms of people understanding in their contracts and conditions about adherence to ensuring that the necessary permissions are obtained and the necessary codes are obtained. It is also important that when the formal approval goes through, the new employer understands that.

Q53 **Chair:** But isn't it rather difficult if the only sanction that ACoBA has is to seethe after the event? For example, the Prime Minister's—or the then Foreign Secretary—contract precluded him from leaving and taking up the sort of appointment that he did take, yet ACoBA was completely impotent to do anything about it except to criticise.

Lord Pickles: It chose not to even really criticise. It chose not to go through the process. There are a number of things to do. Forgive me for the film analogy again, but all amplifiers go up to 10, Spinal Tap have them



HOUSE OF COMMONS

for 11. I think it is possible to be considerably more robust in the letter. I issue no complaint, no criticism of any previous action, but by nature I am a blunt guy. I would like to be blunt in terms of the advice that had been offered.

Q54 Chair: ACoBA's resources have not increased significantly for many years. How would you set about securing sufficient resources so that the Committee could, for example, produce annual reports, which of course has not been the case?

Lord Pickles: My understanding was it was just simply swamped with the number of applications and was not able to do that. The only way you can get adequate resources is on the basis of fact and I want to look at what we are looking at, I want to ensure that what we look at is on the point, not on the generality. I would like to have a long hard look at non-remunerated positions. I am not entirely sure the amount of resources that we have devoted to that is entirely sensible, but I come at it with an open mind. I do not mind people using their influence. It is all about money in their pocket; that is the thing that the public are most concerned about.

Q55 Chair: But of course it is rather difficult for this Committee to scrutinise ACoBA if in fact there is no annual report to read. That I would have thought would be a priority of yours, to ensure that at least ACoBA—

Lord Pickles: Mr Jones, you will get an annual report if I have to type it myself.

Chair: I hope you are a better typist than I am, Lord Pickles.

Lord Pickles: I am not, but I know someone who can spot spelling mistakes. You will get one.

Q56 Chair: Lord Pickles, thank you very much for coming here today. Is there anything else that you would like to tell the Committee?

Lord Pickles: Yes. There are a lot of things going on that are a lot more important than this and you turned up today and I really appreciate it. We are all now going to go out to deal with things that are far more worrying, but I do appreciate you being here to interview me and I thank you very much.

Chair: Thank you for coming and we hope to prepare our report as quickly as possible.