

Public Administration and Constitutional Affairs Committee

Oral evidence: The Advisory Committee on Business Appointments, HC 1350

Thursday 15 April 2021

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Members present: Mr William Wragg (Chair); Ronnie Cowan; Jackie Doyle-Price; Rachel Hopkins; Mr David Jones; John McDonnell; Tom Randall; Lloyd Russell-Moyle; Karin Smyth; John Stevenson.

Questions 1-69

Witnesses

I: Rt Hon Lord Pickles, Chair, Advisory Committee on Business Appointments.

Examination of witness

Witness: Lord Pickles.

Chair: Good morning and welcome to the Public Administration and Constitutional Affairs Committee. This morning we are joined by Lord Pickles, who is chair of the Advisory Committee on Business Appointments. I should say, for the benefit of those observing our proceedings, that it is the intention of this Committee to commence a full inquiry into the topical matters around Greensill. The terms of reference for that inquiry will be published next week, but in the meantime I am very grateful to Lord Pickles for joining us this morning to give his insight both on the topical matters and on the wider matters concerning the Advisory Committee on Business Appointments. Good morning, Lord Pickles.

Lord Pickles: Good morning, Mr Wragg, I hope you are well.

Q1 **Chair:** Thank you very much. Straight in with the opening question if I may. The collapse of Greensill Capital has highlighted issues with the rules and their application. What assessment have you made of ACOBA's oversight in light of this, and how concerned are you by that?

Lord Pickles: ACOBA's own involvement with regard to Greensill relates to Mr Crothers. I feel slightly embarrassed, because most of the fuss that has been created resulted from a letter I wrote to the Cabinet Office for an explanation as to why Mr Crothers found himself in a position of not



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seeking our advice, and it appears that he was not isolated in that position. It also highlights a number of anomalies within the system that require immediate address, I think, and which I am happy to go through, if you wish.

- Q2 **Chair:** Just before we do so, does ACOBA's oversight end completely two years after a former Minister or official has left their post? Could you clarify that point for us?

Lord Pickles: Yes.

Chair: Thank you. On the question of Mr Crothers, he appears to have moved from a senior position in the civil service to join Greensill without application to your body. Can you expand further on that, particularly over concerns of the excuse or, indeed, justification of secondment?

Lord Pickles: That raises some of the problems. It is not particularly unusual for civil servants to have second jobs, but it is not usually seen at this level of the civil service. It is relatively common for someone lower down to have a second job; they might be involved in a small cottage industry, or in all kinds of things. In fact, when I was Secretary of State, I had a director whose husband ran a large travel agency, and she was a director in that. I did not particularly see a problem in that.

At the level at which Mr Crothers was, the system would have been used in a way that allowed them, say, to offer advice to Citizens' Advice or some other voluntary organisation, to sit on the board of a housing association, or to be involved in a health authority. That would usually present no problem, because it would not usually involve any remuneration, so I was surprised with regard to the excuse. From talking to other colleagues who had enjoyed being civil servants in the past, they also shared my surprise. This seems to be a new thing, or a new excuse.

- Q3 **Chair:** Before we go to my colleagues, who I know have plenty of supplementary questions around this topic, on the question of Mr Greensill himself, he appears to have been a special adviser at 10 Downing Street. As a Spad, if that was what he was, he would have fallen within ACOBA's remit. If so, have you made any assessment of whether he subsequently complied with the business appointment rules?

Lord Pickles: I have not seen anything at all to suggest he was a Spad. That brings me to what I think are some of the anomalies within the system, because, as you rightly supposed, if he had been a Spad, he would have come under us. If he had been a civil servant or a Minister, he would have come under us. Contractors, consultants and people who arrive and offer assistance—maybe during the pandemic, or maybe as Mr Greensill did—are not covered at all. That needs addressing, and it needs addressing urgently.

I welcome the fact that you are doing an inquiry, but there are some simple steps that could be taken now to get things in place well before the summer. In particular, rather than trying to create a very elaborate system, somebody in Mr Greensill's place, or someone offering advice on



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the procurement of health equipment, should at least sign a memorandum of understanding that outlines their responsibilities and the restrictions placed on them once they have left their work with the Government. I believe that that memorandum of understanding should be a transparent one—it should be published—so that everybody understands where they are. I feel that we should start that. I do not think that it would prejudice any subsequent inquiries—it needs to be put in place.

I also think that we need to look really carefully, long term, at contracts of employment, given that about 30,000 civil servants leave the service each year. There is actually quite a high churn among the top echelons. I think that would be a very good start, and you could use that to build on, whatever we decide to do next.

- Q4 **Mr David Jones:** Good morning, Lord Pickles. You mentioned being surprised about Mr Crothers's second role as an employee of a commercial undertaking. It was, in fact, a very surprising arrangement, wasn't it? Mr Crothers was effectively the head of procurement for the Government and simultaneously he was working for a commercial company, whose role effectively is to facilitate Government procurement. Wouldn't you agree that that is a glaring conflict of interest?

Lord Pickles: It is fair to say, to misquote P. G. Wodehouse, that my eyebrows did raise a full quarter inch when I heard about this. I look forward to receiving a full explanation in due course, and I look forward to reading your report. I have been involved in public life for a long time, like your good self, and I have never really come across anything quite like this before.

- Q5 **Mr Jones:** Would it not be the case that his secondment to Greensill—if it can be called a secondment—would have had to be approved by an official or possibly by a Minister? Do you know what the position is?

Lord Pickles: You will recall that I wrote a very clear letter to the Cabinet Office wishing to get exactly that kind of information. I would expect that kind of decision to be recorded. I would have expected that kind of decision to have gone through a process at which at least the Nolan principles would have been applied. I sincerely hope it will turn out that there is a record of this, and it was not just on the say-so of an individual, because people leave office and people move on, and I think they have left the people who have taken that up in a very precarious position.

- Q6 **Mr Jones:** So you do not know at the moment who authorised that, but you expect someone did so.

Lord Pickles: I would have expected a proper process. I would expect it to be recorded in a register. I would have expected that register to be transparent. I would have expected the rules to have been known. So far as I know, the rules have never been published; therefore, I have asked them to publish the rules.

This is not a satisfactory situation. I think that not only are you or I entitled to know but the wider public are entitled to know what these



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arrangements are, how they apply, what criteria are raised, what checks are raised and what conditions are made on an agreement. If Mr Crothers had decided he wanted to have a milk round or something, I do not think we would be terribly worried, but his particular position in terms of running procurement and working for a commercial organisation is something that does require a full, frank and transparent explanation.

Q7 Mr Jones: We have heard today that the Cabinet Secretary has contacted every Government Department, requiring to be told by the end of this week whether any—and if so, how many—officials are also working for commercial organisations. Don't you think that is something he ought to be aware of anyway, without having to ask?

Lord Pickles: It was on that basis that I wrote my request to find the information. It could well be that my letter has sprung a gentleman into action. I have to say that if there is not a register and if there is not a clear record, I would be extraordinarily worried, because there would be much wider implications than just what has happened now.

Q8 Mr Jones: You indicated that it was not unusual for junior officials to have second jobs, although I would imagine that even in those circumstances they would require permission to obtain second jobs. What is your view about very senior officials taking on other appointments with commercial entities at the time they are working for the Government?

Lord Pickles: The short answer is no, I do not think it a sensible idea, but I understand that Governments for the past, I suppose, 20 to 25 years—it was true of Lady Thatcher, of Major, and certainly of Tony Blair and Brown—all sought to get people with business experience into the civil service. I kind of understand how we got into that circumstance, but I do not think that it excuses the final result.

Q9 Mr Jones: Probably most people would agree that it is probably good for senior officials to have experience of the commercial world, but I think what most people find extraordinary is that they are continuing to have commercial experience when they are working for the Government. It seems to me that that sort of situation is prone to suggestions that there may be conflicts of interest. In fact, there probably will be conflicts of interest. Do you think that those arrangements should continue to be allowed?

Lord Pickles: You make a really reasonable point, but I think we need to focus on why it happened. It isn't really about civil servants going out to get experience. This is about bringing people in from outside the civil service and using them, and the kind of constraints that are placed upon them when they are working for the civil service for a period, with a reasonable expectation of going out. That is what we need to look at really carefully and put together.

The short answer to your question is that of course it should not take place unless it can take place within a very clear, tight, regulated system. Part of the problem that we have is it has not been clear where the



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boundaries lay. In fact—I hope this does not sound rude—there do not seem to have been any boundaries at all.

Q10 **Mr Jones:** When Bill Crothers ceased to work for the civil service, he went straight on to work full time for Greensill. Did ACOBA consent to that?

Lord Pickles: No. ACOBA was not consulted. I refer you to Mr Crothers' letter and a letter from the Cabinet Office. They suggest that an internal ethics approach had given them permission, and that as the job was essentially the same ACOBA's consent was not required. That is an interesting argument and I still have an open mind on it, but at this point I cannot say that I am convinced by it.

Q11 **Chair:** I wonder if I might interrupt at this juncture and ask Lord Pickles if he could confirm to the Committee whether the person giving that permission would have been the permanent secretary of the relevant Department if it was not ACOBA.

Lord Pickles: I do not know who gave that permission. I do not know what the arrangements are. I do not know what the form of consent is. I do not know what procedures that consent goes through, so I do not know who that person is under this regime. I think you make a reasonable assumption that that might have been the case.

I am not certain that I can say definitively, but I hope that within the next few days the Cabinet Office will respond, and we will have a definitive answer to that. When we have a definitive answer to that, consistent with our policy of transparency I will immediately publish that on the ACOBA website. Obviously, because of your interest and out of courtesy, I will inform you.

Chair: Thank you very much for that. I have plenty of colleagues who want to come in with supplementaries, so to accommodate them as fully as possible, may I please ask Ronnie Cowan to put his supplementary questions?

Q12 **Ronnie Cowan:** Thanks, Chair. We have covered part of what I was interested in there. The extended remit for ACOBA states: "For two years after leaving office senior civil servants have to seek clearance from an independent advisory committee before joining private companies." From what I have heard so far, Lord Pickles, we do not know who that independent advisory committee is. Is that correct?

Lord Pickles: Yes—

Ronnie Cowan: If it is yes, how do we find out?

Lord Pickles: I have written to the Cabinet Office. One of the things I want to know is who made the decision. You will have seen from my letter that I want to know what procedures were put in, what checks were put in, what kind of conditions were applied—

Q13 **Ronnie Cowan:** I am more interested in who made this decision. You are the Chair of ACOBA. If they are not coming to you, who are they going



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to? What is the point of ACOBA?

Lord Pickles: That is the very point of the letter.

Q14 **Ronnie Cowan:** What is the point of ACOBA? I am asking you as the Chair.

Lord Pickles: The point of ACOBA is to put together conditions and delays to ensure that the integrity of the Government is protected. There is a kind of misunderstanding, which I find deeply irritating. ACOBA is not a watchdog. ACOBA is not a regulator. It is there with a very limited and defined role, which is to look at the risks of a senior person from the civil service moving into the private sector or into other organisations.

Q15 **Ronnie Cowan:** We will come on to the direct governance of ACOBA later on. To clarify the point, you are saying what it is there to do, but clearly people are just walking right through that and round that and are happy doing so—not just in this case, but for many cases over years.

Lord Pickles: It is interesting. If you say there are many cases that have done this, I would be most grateful for a list, and I will pursue them.

Q16 **Ronnie Cowan:** Okay. I want to clarify one thing that you said earlier on. You said that if Mr Crothers had taken up a job on a milk round, nobody would have been bothered by this. Well, everyone is bothered by this. If you are a senior civil servant and paid the salary you are paid to do the very responsible job you are doing, I would expect your full time and attention to be given to doing that job, not to seeking other jobs to line your pocket, whether it is a milk round or whatever it is.

Lord Pickles: I accept your ticking off.

Chair: Before we go to Rachel Hopkins, David Jones has one final question.

Q17 **Mr Jones:** Lord Pickles, you just said that you would like to know who else was doing this sort of thing. Well, according to this morning's newspapers, Sir John Manzoni, who was himself the permanent secretary at the Cabinet Office, as you know—he might well have been at the relevant time—was a non-executive director at SABMiller, and the role continued after his role in Government began in 2014. Stephen Kelly was simultaneously a director of several companies while he worked as a very senior official. Then he left to join Sage and became its chief executive officer. Lord Hogan-Howe was a non-executive member of the Cabinet Office board. In the same month, he disclosed his role as a consultant to a subsidiary of Greensill Capital. It appears to be the case that this sort of thing is, if not rife, at least not uncommon.

As a matter of interest, do you know whether Mr Kelly obtained ACOBA consent before joining Sage?

Lord Pickles: I am not aware of that being the case, but I cannot definitively say so. I will certainly write to you with a definitive answer.

Mr Jones: Thank you. You might like to bear in mind the other individuals



I have just mentioned, too.

Lord Pickles: Absolutely.

Q18 **Rachel Hopkins:** I think David has touched on some of the points that I wanted to make. I recognise that a junior civil servant might have one shift in a bar at the weekend to supplement their income, which is very different from senior civil servants having paid remuneration roles with private companies based on professional services advice. I want to press the point that David started talking about. How many hats is it acceptable for senior people to wear without having conflicts of interest? You talked earlier about a memorandum of understanding when it was maybe a contractual thing, but I am conscious of others—building on what David said—who may sit on the board of the Cabinet Office but also advise even the Prime Minister, as well as being part of a consultancy associates firm, and who is not covered by ACOBA. I was pleased to hear you say that they should be, or someone should be covering that. At what point are there too many hats and actual conflicts of interest? This really needs to be unpicked. What is your view on that?

Lord Pickles: I think that has to be a view for the Government to justify. I can give an analogy with ACOBA. We will often see multiple applications from various people, and we take each application on its terms. That doesn't mean that we approve of them taking lots and lots of other jobs. That is something they have to explain either to their electorate or to the wider public. I think the number of additional jobs that a civil servant takes ultimately has to be a matter for Government, and Government would have to justify it—I think that's the substantive point.

Chair: Thank you. John McDonnell, please.

Q19 **John McDonnell:** Thanks, Lord Pickles, for your answers so far. I can sense your frustration, in terms of the flow of information in particular. Can I go back to the issue of Lex Greensill, because a number of people will be watching this morning and part of this is about making sure that they are aware of how Government operates, and therefore where the gaps are that we need to address? Lex Greensill was appointed to provide special advice, but, if I am reporting you accurately, you are saying that because he was not appointed as a special adviser—that is, a Spad, which is a specific role—he did not come within your remit. If he didn't, what regulation or oversight is undertaken of those individuals who are giving special advice but are not formally Spads, particularly when they are operating and providing advice where they have a commercial interest? Where does that fall? And of course, as I think you have made pretty clear, what we need to do now is look at the whole system to make sure the supervision and regulation are comprehensive to cover these people.

Lord Pickles: You make a reasonable point, Mr McDonnell. I have been really unhappy about this, and I have been unhappy about it for some time. And I have been making various recommendations for some time. Of course, because of covid and because of all kinds of thing, I kind of



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understand that people have more important things—but I have been warning of the possibility of a scandal with regard to this for some time.

If I am being absolutely candid with you, this is not where I expected it to come from. I have had discussions with Ministers, and I am pleased to report that I think Ministers are taking this very seriously—this is prior to Greensill coming out. And I am working alongside the Cabinet Office to try to get a bit of application into what is happening and to try to look at these various—I think “loopholes” would be the wrong word, but they are certainly anomalies, which are simply not covered by an ethics regime, and they should be covered by an ethics regime. ACOBA is a tiny part of the ethics regime; there is a greater number that varies across Government. I think it is important that they fall under an umbrella of some kind.

Q20 John McDonnell: Could you be more specific about the level of seniority, certainly in terms of both Ministers and civil servants, in Government that you have raised these matters with?

Lord Pickles: I think it would be fair to say that I have used the proper channels to put them in. I have been concerned. I have made some suggestions. A number of those suggestions have been accepted and we are starting to work them up, but of course a crisis like this happens.

I mean, I am not going to tell you, Mr McDonnell, for one moment that I anticipated anything like Greensill, or anything like that particular relationship—no. I have been considerably worried about what has been going on below ACOBA level with civil servants and wanting to get a bit of rigour into that process. I am confident that we can do, but I think the Greensill thing has raised all kinds of other things that I should take seriously, that this Committee should take seriously, and that anybody who has an interest in ensuring respect for public life should take seriously.

John McDonnell: Have you raised those as far as Secretary of State or prime ministerial level?

Lord Pickles: No.

Q21 Chair: Lord Pickles, you have mentioned, quite rightly, that you are shocked and surprised—if I paraphrase you correctly—about this, and that you didn’t expect the would-be scandal to come from this area. May I ask, where did you expect the scandal to come from?

Lord Pickles: I have been worried for some time and in my evidence to the Committee on Standards in Public Life I spelled that out in some detail. I am very worried about the way in which the business rules are applied below ACOBA level. Putting it into some kind of context and understanding, 34,000 people left the civil service last year and—I think I have some figures here for you—we addressed 108 Crown servants. So, 108 out of 34,000.

The function of ACOBA is considered within the Department at Department level, and I think a member of the Department’s board is responsible.



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Now, from what I can see, it varies considerably from Department to Department. There are some Departments—say, for example, the Ministry of Defence—that have a very clear system set up and pretty well established. There are others that are less well established.

I will repeat the example that I gave to the Committee on Standards in Public Life. We received, not so long ago, an application from an ex-Minister to join a company, which this person did quite properly, that had been formed by his or her private secretary—a ministerial aide—which we thought was interesting. We inquired as to what had happened at Department level and no permission had been sought and no consultation had taken place. Everybody apparently knew about it, but they hadn't gone through the process of assessing it under the business rules and protocol. And we got back what I thought was a fairly lacklustre thing to say, "Well, we didn't really think it was necessary." That's not very good.

Working with the Cabinet Office, what we are attempting to do is get some proper procedures into the Departments, not necessarily in a very threatening way but in a supportive way, to ensure that we are in a position to have consistency as to how things are being treated.

So, that has been my worry. The possibility of something like Greensill, if I'm being really blunt, had not crossed my mind.

Chair: Thank you. I think Jackie Doyle-Price has a supplementary question.

Jackie Doyle-Price: Thank you, Chair. Lord Pickles, you are being characteristically frank with us today and I want to probe your opinion on a couple of things, if you are happy to share what you think. You mentioned earlier that ACOBA has a very limited role in this process, and it is; it is advisory. Frankly, we ought to be able to expect Ministers and civil servants to know what is proper and how to behave. Really, they should only be seeking the Committee where it is maybe a grey area. But actually, as the years progress and Ministers and civil servants leave office younger and take on more roles, perhaps these judgments are becoming more and more frequent. From your perspective, do you think ACOBA in its current guise is fit for purpose, given the fact that we are seeing a different pattern of post-ministerial careers, and similarly with civil servants?

Lord Pickles: I will go on to explain what ACOBA has done. I made a promise to this Committee that I would try and stretch the envelope in terms of what is possible, and I will do it at that point. I do think it is really massively important to understand that ACOBA is not a regulator, nor a watchdog. It is very limited, but we have performed the task remarkably well, and we have made a number of changes.

If I were to be very blunt, we have seen a number of scandals, unfortunately, in recent months. All those have come from ACBOA releases; they have not been the result of intensive journalistic inquiry. It is because we made a number of changes last year that increased the



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amount of transparency and the amount of information that is available. What we need is for there to be consequences for those actions. Remember, we are offering advice not just to the Government, but to the devolved Administrations, and they equally are reluctant to take action.

- Q22 **Jackie Doyle-Price:** Coming back to the issue of Mr Greensill, as you said, he was technically not a Spad, so he falls outside the remit of ACOBA. This leaves me to worry, because he was effectively brought into Government to give special advice, but obviously that was given in such a way that it fell outside the rules. If we see a pattern of Departments bringing in people from business, to what extent should we be worried that this indicates the machine is looking at ways of employing people to get around the rules? Or am I just getting over-excited?

Lord Pickles: I think you are getting really over-excited. I do not think it is that. I think it is new circumstances and those new circumstances not being thought through. The ethics and the process of due diligence are simply not being followed. It is not that they are not being followed because this is a super way to get around it; it is just that people have had other priorities. That is why I am saying as forcefully as I can that we can change this. We can change this very quickly without prejudice to any further fundamental reform.

- Q23 **Jackie Doyle-Price:** On that basis, transparency is the key to this, isn't it? You have said, you are not a watchdog and you are not a regulator. But by shining sunlight on bad behaviour, embarrassment can be as big a punishment as anything else, frankly.

Lord Pickles: It does have consequences. People don't like to employ people who have been involved in a scandal. It blows back on the firms that they are employed by. It puts them in difficult situations. Even in the limited time I have been doing this, I have seen it seriously affect an ex-Minister's, and indeed an ex-civil servant's, prospects.

Jackie Doyle-Price: Thank you.

Chair: Karin Smyth, please.

- Q24 **Karin Smyth:** Can I pick up on what Jackie Doyle-Price has said? I don't think she was being over-excited, actually. You talked earlier about whether it is a loophole or anomaly that was not covered by the ethics regime, and you said that perhaps it can be fixed, but we have had the Nolan principles for some two decades now. As a public servant myself, I think that the culture here is the real problem, and culture comes from the top. It is not an immediate problem; you talked earlier about grey areas.

My view, if you accept it—you may not—is that the culture here is such a problem that people think that they can behave in this way and are not cognisant of the Nolan principles, which for those of us who are old enough to remember were very firmly rooted in resolving previous problems. I put it to you that a fix—just tidying something up or closing a loophole in the ethics regime—simply is not good enough, and that we



are right to be much more broadly concerned.

Lord Pickles: If that were all we were going to do, I think you would be right, but I was really suggesting a quick fix to get something sorted rather than having to wait for lengthy reports. There are things that I think we should do now, straight away.

I hope it does not upset you, but I actually agree with most of what you said. I think that the Nolan principles are particularly important. I draw your attention to the forgotten Nolan principle: No. 7, which is about leadership. Most of the problems that I think we have faced have been because of a lack of leadership from those in authority, including politicians on both Front Benches. It is about people and the leadership of the civil service.

The leadership principle was put in for a specific reason. Those who have power have a responsibility to set a very clear tone, because the way an organisation runs reflects what the people at the top actually demonstrate.

Q25 **Karin Smyth:** Agreed. On that point, can I follow up on John McDonnell's question? Why did you not approach the Prime Minister or the Secretary of State with your concerns?

Lord Pickles: I had arrived at a position where we were working together. I am very cognisant that we are in the middle of a pandemic—hopefully, it will be over soon—and I was just getting on with doing it. Given that the machine was actually responding quite well to me and I was reasonably impressed by the reaction of Ministers, I did not feel the need. By character, I am not a very needy cat. You sometimes get people in politics who just want the Prime Minister to know what they are doing; I have never had that desire. If the machine were not working, I think I probably would.

Q26 **Karin Smyth:** But I think you have said that it was not—that you did have concerns.

Lord Pickles: I think this is important because I would not want you to misunderstand what I was saying: the machine was responding to what I was doing, though it might not have been going at the speed that I would have wanted. If I had found that the machine was not responsive, I would have wandered down and spoken to a Secretary of State or the Prime Minister.

Karin Smyth: Thank you for that clarification.

Q27 **Ronnie Cowan:** Lord Pickles, ACOBA is responsible only for the application of the business appointment rules. During your time in office, if you find ways to plug the gaps, is there a process you can follow to improve that system?

Lord Pickles: Yes, and I think I have given some indications of what could be done. I have some very strong views as an individual as to what we can do, and I have been largely speaking as an individual rather than as the chair of ACOBA.



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Q28 **Ronnie Cowan:** But rather than just speaking out about those, is there a process you could follow where you could implement change?

Lord Pickles: Yes, I think I have implemented some changes in ACOBA, and hopefully in a little while we can go through what I have tried to do. I think I have also indicated a number of anomalies within the system that I think we should apply, and if you see the transcript of what I said to the public standards inquiry, there are a number of other things that I would like to see sorted out within the system.

Q29 **Ronnie Cowan:** I hear what you are saying and I am not being disingenuous. What I am trying to find out is, if a new person came into your role tomorrow—I know you have a five-year term—within the job description for that role, does it say, “If there is a problem here, this is how you go about fixing it”? Or is this just about you using your contacts and talking to people?

Lord Pickles: It is about me using my noggin and I think there is still a little bit of life in the old noggin. When we eventually get round to talking about ACOBA, I will demonstrate what I have been doing.

Q30 **Ronnie Cowan:** You said to Jackie Doyle-Price that you had made changes to increase transparency. Can you expand on that?

Lord Pickles: Absolutely, if it is convenient—I don’t want to take away from the procedure you want to cover, Mr Wragg.

Chair: No—we are very keen to hear on that, please.

Lord Pickles: Okay; I am very happy to do that, and I think I can do so very quickly.

I made some promises that I would try to stretch the envelope as far as ACOBA was concerned. I am constrained by the rules, but I thought there was potential for increasing the amount of scrutiny and increasing ACOBA’s effectiveness, so I put together a whole set of reforms, which I will go through in just a second. We had, as a committee, a whole-day conference in July and started to implement them, gradually, because we have a limited number of staff, from September through until after Christmas.

The first phase was to move towards a proportionate system or a risk-based system. We found ourselves treating people who, say, had come in to be the president of the Chrysanthemum Society in the same way as somebody who was doing something slightly more difficult, so we set a system whereby we were essentially following the money. We would give a greater priority if people were being paid for jobs. If someone were doing something voluntary, they would get the standard conditions with regard to lobbying. If they were taking a position that didn’t involve in any way their position as a Minister or a civil servant, again, we would apply the lobbying rules and maybe a couple of others, but we wouldn’t scrutinise them that greatly. Then, when we started to move on where people were within their purview as an ex-Minister or as a civil servant, increasingly we would spend more time bearing down on that.



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The second thing we did was to increase transparency. I found it very frustrating because you were often having to second-guess what applicants were doing. You would have to try to work that out. It became a kind of adult version of Battleships—that game where you move from square to square and they tell you whether you have hit. So I thought, “Why don’t we reverse this completely and let them tell us exactly what they are going to do and require a greater degree of frankness, and give the letter that would actually produce that information?”

We are also requiring a greater degree of information from Departments. I was worried that there was an element of “tick the box” in terms of the responses that were coming from Departments. Perhaps uncharitably, I had the vaguest feeling that we might be looking at a cohort entitlement, whereby the existing cohort looked after the cohort that had just left, in the assumption that the cohort that is coming up will look after them. If there was more information available, I think we would get more understanding as to why a decision was made. So, if you have been following what we have been doing, you will have seen that our letters from September or October onwards are much more detailed. They have much more information that we put out.

I moved then to meet twice a week, on a Tuesday and a Thursday, virtually, and that has certainly helped the flow through.

In the second phase, after Christmas, we did a number of things. First of all, we tackled the data problem that I think the Committee had been concerned about. Prior to the arrangements, Members received a file electronically each week with details of the applications, which included quite personal information. That did not seem to be very satisfactory, so we have gone on to a system now where everyone has to use a dedicated email account, and all the files are kept virtually on a drive. You will receive the link; it is a time-limited link, and now we can ensure a degree of data protection.

We also decided to look at retrospective applications, and it struck me that “retrospective applications” are a little bit too twee. We have now decided to treat them as breaches of the rules, which in truth is what they are, and since the beginning of this year, we have reported to the Cabinet Office anyone who has been in breach. Again from the beginning of this year, we have come to an arrangement whereby if anybody receiving an honour is in breach of our rules, that will be taken into consideration.

The next phase we move on to—

Q31 **Ronnie Cowan:** That was a very fulsome answer. We are starting to stray into other questions, and I know a few of my colleagues have got some, so I am sure we will come back to some of that later on.

A year ago—I think it was at your pre-appointment hearing—you said that you wanted to change the employment contracts of senior civil servants. Have you made any progress on that?



Lord Pickles: Well, there is a degree of promise, and that is one of those things that I have been discussing that I get the impression they want to do. Given the rapid turnaround, I think you could get quite a big change in the ethos of how things are run relatively quickly: certainly within a five-year period you would be able to get some change. That would seem reasonable, and we would hope that working in conjunction with the Government, we would be able to get there. ACOBA in itself cannot change it, but I am interested in this, and I have made a number of suggestions. The Government seem to be very responsive to those suggestions, and I think I would like to get on with it.

- Q32 **Karin Smyth:** We have a series of questions, Lord Pickles, that will build on what you have started to say, and I want to return to my previous point about culture. Our predecessor Committee was concerned about the culture of the bodies that are covered. Do you agree with our predecessor Committee, first of all, that the culture is a problem?

Lord Pickles: I think culture is a problem. I would not say that I am entirely endorsing the predecessor Committee, because I might not be as familiar with all the various things that they said. There are some things I very much agree with Sir Bernard on, and there are some that I perhaps do not.

- Q33 **Karin Smyth:** One of the things you started to outline is about retrospective applications that now count as a breach of rules, which I think is a strong indicator of culture, isn't it? What other steps in that vein have you taken to resolve some of the problems addressed by our predecessor Committee?

Lord Pickles: Maybe I can give you some facts that would perhaps give an indication. In 2019-20, there was a total number of 204 cases. Out of that, 97 were Ministers, and there were four breaches and 25 withdrawals, or nulls, by the Committee—that 25 is pretty constant. This past year, we have dealt with just short of 240 cases. Just short of 90 were Crown servants; 141 were Ministers, and there have been 10 breaches. I think the breaches might be a reflection of us taking a slightly tougher view, and already in 2020-21, there have been around about 25 withdrawals or nulls by the Committee.

- Q34 **Karin Smyth:** Earlier, in response to me when I pressed you about whether you did go to the leadership—to the Prime Minister or Secretary of State—you felt that you were getting good responses.

Lord Pickles: I do.

- Q35 **Karin Smyth:** Do you feel that the culture was being responsive and that it was changing?

Lord Pickles: Yes, I think so. I certainly don't think we should get the impression that somehow the culture is rotten. The standard of the civil service and of public life remains pretty high, but I think things have been allowed to drift. I don't think anybody involved in politics, whether Labour, Conservative, Lib Dem or Scots Nat, should feel smug about this, because we all share an equal blame.



Q36 Karin Smyth: How can those two things be true? You said earlier that advice can always be sought, but you also talked about it not being clear where the boundaries lay. In fact, you said that you didn't think in the case of Mr Crothers that there were any boundaries at all. If we think there were no boundaries at all, but you also think the culture has changed, how can those two things be true?

Lord Pickles: I don't think it is even vaguely difficult to reconcile those two points, because I was saying that within the context of where I thought there were a number of anomalies. It was within those anomalies that I said there were no boundaries. Clearly, there is no proper ethical structure set up for people who come in as consultants or on secondment. It was in that context that I thought it had to be addressed.

Karin Smyth: But as we also said earlier, there are boundaries because we are all adhering to the Nolan principles, which have been with us for a couple of decades.

Lord Pickles: Yes.

Karin Smyth: So do you think there are more steps you need to take to address the culture?

Lord Pickles: Yes.

Q37 Karin Smyth: What do you think they are going to be?

Lord Pickles: I think I have already outlined in quite a bit of detail what it is necessary to do. I look forward to receiving the recommendations of the Committee, which has a very important role to play in ensuring that the public have trust in public authorities.

Q38 Lloyd Russell-Moyle: Our predecessor Committee and you, Lord Pickles, have said that the rules around consultants are not clear enough. You mentioned maybe having a memorandum of understanding, but do you think there is a case to extend the rules fully to consultants or to anyone who has any form of official role within Government, so that there is no confusion?

Lord Pickles: Theoretically, the rules do apply. Whether they are applied by ACOBA is another matter. You need to separate the business rules from ACOBA.

Q39 Lloyd Russell-Moyle: Would ACOBA be able to apply for everyone then?

Lord Pickles: ACOBA is a tiny organisation. It employs four people and it deals with 100 people a year when 34,000 civil servants are leaving. I am worried about the whole system and ensuring that there is consistency. To be really blunt with you, I don't really care whether ACOBA does it; I just want to make sure that somebody does it. If the Cabinet Office or the Departments have a good system set up, I would be very happy. At the moment, I am not entirely convinced that all Departments have, and I want to see some consistency there. I am not seeking one ring to unite them all, but I think anybody who is involved in public life has to have a concern about this.



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Q40 **Lloyd Russell-Moyle:** Do you think that there have been occasions where it has been deliberate that someone has been made a consultant and not a Spad or put in another position, to avoid the scrutiny that is meant to be applied to all?

Lord Pickles: That is an interesting thought. I have no evidence to suggest that has taken place. I think that would be a fairly serious thing to have happened and quite a short-sighted thing to happen. I kind of understand that in Government sometimes things have to happen very quickly, and sometimes there is catch-up with ethics and controls of how business rules are applied, but I do think we should apply them quickly. I want to be clear: my suggestion of getting memorandums of understanding was something that we could actually do quite quickly, while a more fundamental reform might take place.

Lloyd Russell-Moyle: More fundamental reform is needed, I think we all agree.

Chair: Thank you very much indeed, Mr Russell-Moyle. Can I bring in John Stevenson, please?

Q41 **John Stevenson:** As I understand it ACOBA does not monitor compliance with the rules, and you have talked about 34,000 civil servants leaving the civil service. Have you any idea of the number of people who are not complying with the rules?

Lord Pickles: No, because we don't monitor. We have, since we started to give more information on our website on individual cases, had to follow up a number of cases that have been raised by newspapers, and even by other Government Departments. When that happens, I write to the individual, I say that there appears to be a breach, and I say that we will be publishing about this on our website. I give them a couple of weeks to respond, and if they want to put their case across we will publish their letter at the same time. By and large people do start to move about a little bit when they get those kinds of letters; but to do monitoring we would require a change in the rules, a mandate from Government and quite a lot of cash. I think there is perhaps a danger that we spend an enormous sum of money trying to slay a paper tiger, or paper dragon. Most people obey the law; most people obey the rules; most people just get on with it, and it is only a tiny minority that cause a problem. I think you need to build a robust system that doesn't involve putting other great layers of bureaucracy on the top without any material gain.

Q42 **John Stevenson:** In your judgment, do you feel there are a large number of people not complying, or do you think—in your judgment; I accept there are no actual figures to back this up—that most people are complying?

Lord Pickles: Most people are compliant. We have a rule that we will tell people "This is not suitable" and they withdraw, and those discussions are private; but if they breach, and take up the position, ignoring us, we will produce all the information that we have and make it public. We have only had to do that once.



Q43 **John Stevenson:** If the system was to have teeth, do you think having the potential for some comeback against these individuals who do not comply would be beneficial?

Lord Pickles: Well, define "teeth". I worry sometimes about the way in which we go about reforms. These kinds of reforms, when you think in terms of MPs' expenses, tend to be brought in at a time of intense panic, and we always jump to find some structural way of dealing with it. We like grand designs, where actually what we need is a little bit of application, and dealing with the problem and starting to bear down. So what do you mean, "teeth"? Do you mean criminal—do we want to make it a criminal offence? Do we fine people? What do we do? If we are going to do that, we are going to go down to an immensely expensive process. If we extend the two years we start to move into areas of restraint of trade, and then you start getting into things like gardening leave and, where we have something that now costs £320,000 a year, you are going to end up with things that are going to cost millions of pounds, without any real material benefit. We need to demonstrate that if you break the rules, there are consequences. There are a number of consequences we can come to without going to the thermonuclear option.

John Stevenson: Thank you.

Chair: Back to John McDonnell, please.

Q44 **John McDonnell:** Let me just lead on from that, Lord Pickles, because I don't want to get into any situation you would describe as a sense of panic. Of course not. But I consider this to be a very serious matter that we are not dealing with, and I think you do as well. I was in Parliament when the MPs' expenses scandal took place. I hasten to add that I was described as one of the angels by *The Daily Telegraph* in their examination of the scandal. In the current situation, we need to address the matters of lobbying, the almost insider dealing regarding policy advice, and this way in which some elements of the civil service are behaving. Just as the MPs' expenses scandal destroyed confidence in the integrity of MPs and the system itself to a certain extent, I am fearful that unless we deal with this seriously and get it right this time, we will undermine people's confidence in political decision as well as the basic administration of our civil service.

I think you agree with that, don't you? Therefore, I am concerned that we don't have the regulatory system. I understand your concerns about expense. But the problem with ACOBA is that it falls between different roles. It is not, as you say, a regulator, because it is not on any statutory basis. It doesn't have any sanctions, other than informal ones—reputational damage, the denial of possible honours in the future. As a result of that, we do not have an effective regulatory regime. I think ACOBA could have a much more significant role if it were on a statutory body and if there were effect sanctions. What do you think?

Lord Pickles: I noticed Mr Wragg's desire to become the AC-12 of Parliament. I suppose under that regime I would become Ted Hastings. It is obviously an appealing prospect in terms of that amount of power. But



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you would need an enormous amount of staff to operate a regime whereby you check, audit and investigate. I sip my tea on a Sunday night and watch that programme, and there is an awful lot of people in that room. We currently have four. If you are going to impose sanctions, you undoubtedly are going to start to involve the courts. If you are going to go beyond the two years, you are undoubtedly going to have to pay gardening leave.

You would not be talking about £300,000; you would be talking about millions. Just working it out in my head, if, say, you had 50 staff including solicitors, accountants, investigators, the necessary high tech to go with it, as well as paying gardening leave, you wouldn't get much change out of £35 million to £40 million a year. I am not entirely sure I would like to be the person who wanders on the "Today" programme to explain that this civil servant who was on an enormous pension is now going to be paid for a number of years to do nothing.

We need to look at this proportionately, and we need a proportionate response. You are right about ethos. In terms of the MPs' expenses, there was a different ethos. It was quite different to that of today. I do remember it vividly. It does go back to the point I was making earlier about the forgotten, neglected part of the Nolan principles, which is all about leadership. This Committee can play a very important part in bringing leadership. All of us who have the privilege to be in the Palace of Westminster can do that.

- Q45 **John McDonnell:** I appreciate your point about cost and scale of operation. Mind you, we are not completely sure about what sort of cost there is at the moment, by way of the system operating, that falls on taxpayers as well by not receiving the correct advice. There may also be issues around probity, so that has to be balanced out, but there has to be some midpoint surely where we have a much more effective regulatory regime and appropriate sanctions. From the evidence that has been demonstrated so far—I actually think that the list that David Jones recited this morning may well be just the tip of the iceberg—there must be something better than we have now. Surely that is what we need, as you say, to be brought into effect rapidly now to maintain, or restore, confidence in the system. This is beginning to smell, isn't it?

Lord Pickles: Were I to offer some advice, which is of course why I am here, I would start from the point of what the sanctions are. Once you have decided what the sanctions are, you can build a regime around it. I suspect that for the most part, for the kind of officials and politicians ACOBA is dealing with, reputation is everything. If it was a combination of honours, further public appointments, and membership of the House of Lords, that would not in any way constrain the Prime Minister in appointing whoever he wants. It would be like how the tax office is consulted before people get an honour, and the like. The PM could be perfectly within his rights to ignore that advice, but then the PM would have to justify that on the Floor of the House of Commons.



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If you decide that you want to move more towards Ted Hastings and the AC-12, it becomes enormously expensive. I had hoped to be able to look at what other countries are doing. To offer some advice, I would have a look at what President Biden has just announced with regard to lobbying. I would also urge you to have a look at what is happening in Australia. I do not have quite as much information as I would have liked on Australia, but they are going through a similar dilemma. Of course, the Australian system is much closer to ours.

- Q46 **Jackie Doyle-Price:** Coming back to your observations in reference to sanctions, you mentioned whether breaches would affect someone's ability to be awarded an honour. Could you perhaps share what other sanctions could be considered? I come from the perspective that damage to reputation for people who have held very senior positions is quite a big penalty to pay, actually, but have you given any thought to any other sanctions that could be deployed?

Lord Pickles: Yes. I think that we could look at future Government appointments, in terms of special envoys and in terms of serving on various public bodies—quangos and the like. I think we can look at people going into, say, the House of Lords, but I would not want you to run away with the feeling that I think that that is the answer to everything. I don't, because as you get further down the grade level in the civil service it is not that kind of thing. You need to look in terms of contracts. You need to look in terms of codes of conduct. You need to ensure that within Departments there is rigour and consistency in applying this.

I fundamentally believe that British public life is honest, and it is right that we are making a fuss over Greensill and the like. But there is a danger that we are seeking to slay something that is not there, and where actually if we start to apply to and bear down on the system, we could get to a situation that starts to change ethos. I think that kind of thing is important. I remember having a history teacher and he would say, "Would Stanley Baldwin have done this?" I actually do not think that is a bad test.

Jackie Doyle-Price: That is a very good test. It is the ability to stand back and say, "Is this proper?"

Lord Pickles: And just to demonstrate I am not being partisan, I would also say, "Would Clement Attlee do this?"

- Q47 **Jackie Doyle-Price:** Quite. This goes to the heart of it. We have got to be very clear about what the problem is that we are trying to fix. Given that some of your judgments are about people who are still in employment, then obviously that goes back to the employer—whether that be the civil service Department or, in the case of a Minister, the Prime Minister.

You mentioned about whether it would affect future Government employment. Of course, we have had occasions where Ministers have been criticised for breaking the rules but then have subsequently re-entered Government. In a way, there ought to be some reflection. This is an honourable thing and it ought to be taken seriously by everyone in



public life.

The issue, however, that we are looking at now from the perspective of Greensill seems to be more about how particular Government Departments are applying the rules, as much as about the behaviour of individuals. Because we are looking at things from the perspective of making judgments on individuals, we could be looking at the wrong thing when we are looking at this particular set of examples.

Lord Pickles: I think it requires enormous clarity to understand what is happening. I think it is really important to really bear down on what the problem is. Unless you do that—if there is grandstanding, which I am sure this Committee would never do, or if you are pretending it is worse than it is, demanding action this day and asking, “Why have the Government not done this?” then you are not going to get anywhere. You have got to bear down. It is a harder thing to do. It is probably the less glamorous thing to do. I have got confidence that this Committee will take that position very seriously.

Q48 Jackie Doyle-Price: If I look at this in the round, my first conclusion is not that the regime is unfit for purpose and not that things are inadequate, because most people are compliant, so why would you add to a burden on people who behave well?

It feels to me that we have got to fix the culture in the Cabinet Office, which appears to have morphed over time as the interaction between business and Government has changed, and that perhaps the rules or, more to the point, the application of those rules has not kept pace. Do you have a perspective on that?

Lord Pickles: We live in peculiar times. The Government have done some quite extraordinary things very suddenly and have got on with the process. Some things they have done extraordinarily well and some things they have not, but they are trying. In that process, perhaps the ethics regime has lagged behind. I do not think it was a conscious decision for it to lag behind.

I think we need to build a system in which, in an emergency, the ethics regime follows you. I do not mean that everything has got to go out to tender and we have got to do this or that when actually things have got to move along at a reasonable speed, but you should not forget the ethics regime going with it. That is why it is tricky to put this together. Forgive me, I did not want to keep pushing these memoranda of understanding, but they could well be the building blocks that give a degree of adaptability to rapid change. The most important thing is transparency.

We have been talking lobbyists, and, although no one has said it this morning, it is almost like you are talking about organised crime. There is nothing wrong with lobbyists. What is wrong is unregulated lobbying, secret lobbying, people getting an undue advantage. Our entire political careers have been built by lobbying for some goals, whether it's the school action committee that wants to do something about school parking, or the like—that is how people get organised. It becomes wrong when it is not



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properly regulated, recorded and transparent. People should not have the view that you can just whip around the corner to your mate's, or go to some London club, and it's a deal.

- Q49 **Jackie Doyle-Price:** Memoranda of understanding are a tool, but clear accountability is also a tool. Just as a permanent secretary is the accounting officer for the Government Department, and has to be able to defend everything that happens on a financial basis, perhaps there is a case for making the permanent secretary absolutely accountable for all the management of these particular issues within the Department. That would force the issue for them to own it.

Lord Pickles: I am open to correction, but I thought they were—there is an ethics department. On the way in which a Department is run, clearly the Minister has a responsibility, but the permanent secretary must ultimately be where the buck stops. They must be.

- Q50 **Jackie Doyle-Price:** If the regime has been found wanting in this context, the buck stops with the permanent secretary?

Lord Pickles: Well, ultimately, that has to be the case, doesn't it? It might not actually be that person's fault, but they preside over the system.

Jackie Doyle-Price: They own it.

- Q51 **Tom Randall:** Lord Pickles, at your pre-appointment hearing, you suggested that you wanted to review ACOBA's activities to ensure that it was focusing on key areas. Earlier this morning, you mentioned some of the steps you have taken to reform ACOBA's work, such moving to a risk-based system and increasing transparency. Could you expand on that work? Did you conduct that review, and have you made any other changes as a result of those changes and reforms?

Lord Pickles: I outlined the main case, and I think the key is greater transparency, both from the Department and from the individual. The risk-based system is immensely important; meeting twice a week is immensely important. That creates a degree of rigour, and we are getting through the cases very quickly. The simpler ones will probably go on a single pass, but many of the more complicated will take three or four times.

Business aside, the people who sit on the committees are pretty hardworking. They are not rubber stamping; they are looking in enormous detail at the conditions and making suggestions. We often go back to the applicant for more information; we may talk about some aspects of the applicant that are unacceptable; and we sometimes go back to the Government Department for more information. I think that, to a degree, it has worked to concentrate on really difficult cases.

I was kind of stopped just after Christmas, so I will go from before Christmas. One of the big things that we did was that now we report, so the Government now have to decide. There is a piece of paper, and they have to decide: "Are we going to do something about this breach or not?" If they decide not to, as indeed they have on some occasions—indeed, the

First Minister for Wales decided to do nothing with a clear breach—that is a matter for them, not for ACOBA. They have to justify it to the public. The data thing was actually quite a big deal.

What is the next phase? The next phase is another one-day conference, and we are going to be looking at a number of issues raised by members. Principally, we are going to have a look at academic posts, both paid and unpaid. A number of issues have come up in recent years. We are going to look very carefully at the conditions there and how to apply. Gus O'Donnell was rather offended because we rapped him over the knuckles for not applying for permission, so even someone who was in charge at the very top of the rules can sometimes forget.

We are also looking at people who move from Government into another part of the public sector—local government, health authorities and the like—and what is permissible about lobbying. Now, we thought about this long before lobbying came up. I think it is going to raise all kinds of implications about what is permissible and what is not.

Say you take a director who moves from Government and becomes a leader of my old council in Bradford. We will apply a two-year rule on them that they can't lobby the Government. If they are, say, the chief executive of local government, what are they going to say about the revenue support grant? What are they going to say about these various things? They have got to talk to the Government. So, it is a work in progress, but I am looking at ways in which somebody in that position can lobby, but can lobby in the open. I am very clear in my mind what that person cannot do—they cannot come down to London and go round to a coffee shop and make an arrangement on what should be. That is clearly not what they can do. But if it is done in the open and it is recorded, and it is with officials, that is something I want to look at. As I say, it is a work in progress, and we haven't come to a final decision and we will probably spend a day trying to work something out. Once we have done that, there are a number of other issues that I would like to pick up.

You talked about the five-year appointment. The five-year appointment is important. I do not think it should be renewed, under any circumstances. It should always be for a fixed term. No one should ever look over their shoulder and think in terms of whether they are going to be appointed again—you should try and make your mark in that five-year period.

Q52 Tom Randall: We have touched several times on the fact that you are doing this work with a modest budget and a relatively small number of staff. Do you think you are adequately resourced for the work that you are doing and that you want to do?

Lord Pickles: To be honest, I was dizzy with excitement that we moved from three to four. It has made a big difference.

It would depend. It is important to look at function. If we were to take on an audit function to look at the Departments, we would need extra resources, but if we were working in conjunction with the Cabinet Office to



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do that, we would not need extra resources. I honestly don't care how it is badged—I just think something should be done. If we went through to a way in which we were involved in monitoring prosecution and enforcement, you would be looking at a very expensive regime and we would need lots and lots of civil servants to be able to do that adequately.

In terms of how it is put together, and the annual bid, I do not feel in any way as though we have been constrained, but it is very much on what we do and not on what people think we do.

- Q53 **Tom Randall:** Your resources come via the Civil Service Commission. Can you expand on how the budget is established and what discussions you have with the Cabinet Office about those resources?

Lord Pickles: I suppose I am about to have my first round of this at some stage. The extra resource was a result of the good work of my predecessor. I am an old hand at negotiating with the Government for money, either as a council leader or as a Department leader, as the Secretary of State.

- Q54 **Lloyd Russell-Moyle:** Lord Pickles, when appointing independent members to ACOBA, what do you think constitutes independence?

Lord Pickles: That is a really good question, and I will answer it, but obviously we need to put it in context. We saw the article in the *i* this morning talking about Mr Cumpsty, who was appointed as an independent member, and whether or not somebody who was a Conservative activist a number of years ago can ever be an independent. I think that is an interesting question, and I will come back to it, but in the interests of transparency, I want to explain what happened.

The consideration of whether that person was independent or not was not a matter for me; it was a matter for the Cabinet Office. I did not appoint him: we were given a list of 120-odd people who had applied and qualified as an independent member. It did not seem odd to me, because I know him very well and I know he had not been engaged in politics for, I suppose, the best part of nine years, maybe even a smidgen longer—I am not entirely sure, but it is of that magnitude. I was more concerned because I know him; I know him very well.

- Q55 **Lloyd Russell-Moyle:** You had been colleagues at the Enterprise Forum together.

Lord Pickles: That's right, yes. I am the president—the honorary, non-paid president—and he is the chairman, so I knew him very well. I sought to talk to the other people in the interview, and I talked to ethics about whether or not I could actually be part of the interview. I knew other people who had applied, and indeed the people who were doing the interview knew others, so we adopted the process of asking everyone the same question, and where we knew somebody, we did not lead on the discussion.

My object throughout that was to give the Minister an opportunity and some choice. I wanted to achieve either of two things: I wanted to see a



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big increase in the number of women, for three members to come in and for all of them to be women, to redress some of the balance. I urged—and the Committee was very happy—that for three places, we put up six names, and those six names were very strong candidates. Actually, we had two reserves who were just as good. I was very relaxed—any of them could have been appointed—but I also wanted to give the Minister the option of having someone who had experience of lobbying. I thought that lobbying was an important thing. We have a clear skillset there on ethics, we have lawyers and the like, but we did not have anybody who was involved in lobbying.

We put the six names up without making a recommendation for the three, and the Minister chose to put Andrew Cumpsty into that position. I think he was brave to do it, because I felt that sooner or later, a newspaper would turn him over, and indeed that is exactly what happened yesterday. However, it is not as though that newspaper did intensive research; it was not Woodward and Bernstein. *[Interruption.]* All the information is on the site—all the information is there. I think I would support the Minister's decision. I think it was sensible to get someone with some experience, and he has proved very useful on these issues and I think will prove enormously useful elsewhere. I can't quite hear; sorry, am I interrupting you?

Q56 Lloyd Russell-Moyle: I gave you a long time to answer because it was important for you to get the record as you wanted it. Other organisations, such as the Electoral Commission, deal with it by making sure there is a representative with a background from each of the parties, to provide some balance, and others would exclude them. Is there maybe a case to rethink how you ensure independence? Independence is sometimes about what is seen from the outside, rather than just the detailed process that you have talked about here. Perception is sometimes as important as—

Lord Pickles: I understand that, but I also think honesty is important. People need to understand why we did it. We might not have made a correct decision, but that was the motivation. We have a former information commissioner, a former civil service commissioner, an international ethics adviser, a former senior legal partner, a local government public affairs person and someone who was the general secretary and a former civil service commissioner, but we did not have anybody with lobbying experience. Obviously, he will have to be the most exemplary of all the lobbyists. As I said earlier, being a lobbyist is not a dishonourable profession. It should be regulated and it should be in the open. So—

Lloyd Russell-Moyle: Thank you. I am keen to allow others in, but I take your point.

Q57 Mr David Jones: Lord Pickles, you have described your day-to-day working, or week-to-week working. Is your workload getting heavier or is it static? How would you describe it?



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Lord Pickles: It is like all things. It is almost like one of those things where you persuade a councillor in your constituency to do something. You say to them, "It's not going to take over your life. It will only be a few hours a week." The last few weeks have felt like I have been doing it full time, so there has been one heck of a jump in the numbers. Steady state in terms of cases in 2018-19: 142. By 2019-20, they had jumped by 204. We thought it might have eased off in the pandemic—no way whatsoever. It has jumped to 240. The one thing I dread, Mr Jones, more than members of the Cabinet, is a reshuffle, or, God forbid, a reorganisation of the top civil servants. But we are managing. We are just bearing down on individual cases. It perhaps has not eased the pressure, but I think we are putting pressure where it should be.

Q58 **Mr David Jones:** Do you feel that the factors that do impact on your workload are properly taken into account when your budget is struck?

Lord Pickles: I cannot imagine we are going to run out. It is not like it is seasonal. Cabinet reshuffles are a bit like London buses. You can wait for ages and ages and then two will come round very quickly. They must have been enormously busy with the changeover from Cameron to May and May to Boris.

Mr David Jones: Thank you very much.

Chair: Ronnie Cowan again.

Q59 **Ronnie Cowan:** The last time you appeared before this Committee, we briefly discussed the performance metrics. What metric should we be looking at when judging ACOBA's performance?

Lord Pickles: That is something that I think we need to come back to. Currently, I am really unhappy about the performance metrics where we look in terms of turnaround. If you are looking at a metric, it needs to be something that you can personally control. If you are spending ages waiting for the Government Department to reply, which I am afraid is something that is very irritating, I don't think you can have a decent one. If people are seeking to do very difficult jobs, they cannot expect us to nod it through. We are going to put them through the wringer and give them a degree of rigour. I think you make a very reasonable point, but I am not sure I can give you any guidance at this stage. It definitely comes under the category of "to be decided".

Q60 **Ronnie Cowan:** I genuinely hope you get a better response from the Cabinet right now than most MPs are getting. Understandably, covid has put a lot of pressure on a number of response times. It has been absolutely abysmal of late.

Lord Pickles: Yes, and you have to take that into consideration. I would have wanted to do a lot more international gathering of information, but I felt, during the pandemic, the people I was trying to contact would have just wondered where my priorities were. So we have cut them some slack. We do understand it is really difficult.

Q61 **Ronnie Cowan:** What sort of metric are we looking at? Is there anything



specific you could tell us about?

Lord Pickles: No, it is to be decided. The next time we all gather together, I might be in a better position. In truth, the most complicated thing we introduced was the risk base and that took forever to do. There may be something in that that we can demonstrate—for example, ones that are at a very low risk level. We might be able to find something through there, in terms of how quickly we go. Looking at the more difficult cases, I think it might give an indication as to where the service is going, where people are going after their period in Cabinet or as a Minister or at the top of the civil service.

Q62 **Ronnie Cowan:** Can I respectfully suggest that if you do make progress in the development of metrics, then, rather than waiting a year for your annual review with us, you could write to the Committee on that and keep us informed?

Lord Pickles: Yes, absolutely. We fulfilled our promise of getting an annual report out, and it was good that Angela last year got it there. But you have to remember: we have an extra person and we are able to do this. Frankly, I was quite ruthless in putting everything into getting the reforms through, and I think that has worked.

Ronnie Cowan: Thank you.

Chair: Thank you very much. There will now be some concluding questions from Rachel Hopkins.

Q63 **Rachel Hopkins:** Thank you, Chair, and thank you, Lord Pickles. I am just reflecting: our predecessor Committee was concerned that the demographic from which ACOBA typically draws its membership is too narrow to instil public confidence. How far do you think that criticism is fair?

Lord Pickles: I read that, and the Committee made a number of recommendations. It said that we should increase the number—"Why not hairdressers? Why not bus drivers?" And I looked through the whole list and I am very sorry to tell you there wasn't a single hairdresser or bus driver who had applied. Does that mean that I think a hairdresser and a bus driver couldn't apply for this? No, I ruddy well don't! I think you need to have a sense of what is right and what is important. But I make this point: I am worried—not in so high numbers—that if you are on a relatively low income, and given the amount of work, it is simply not worth your while to be a member of ACOBA. The honorarium is tiny. It has been the same honorarium, I think, for 25 years; it has simply not increased. I want to be absolutely clear; I don't want anybody to be unclear on this—I am not asking you or the Government to increase it. I think that would be thoroughly unwelcome in a period when people are recovering, but it is something that at some stage, at some future time, and maybe under another chairman, we will have to consider, because it is not a cushy committee to be on; you are worked really hard. Every Tuesday and Thursday, we meet virtually. We look at things; we exchange emails; we look at conditions and the like. And it is a matter of some pride that the



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Tuesday meeting is generally resolved by the Friday, and the Thursday meeting is generally resolved by the Monday. I think that has made quite a big difference.

- Q64 **Rachel Hopkins:** Thanks. The points you have just made are useful for the Committee to hear when we are thinking about everything, in the round. We have both been local councillors, and there is the whole issue about councillor allowances and how they are used to improve the diversity of councillors. That could equally apply here. What is the correct balance? How is the correct balance to be struck between having the relevant expertise and a perception of, maybe, insiderism or people of similar ilk? How do you tackle that?

Lord Pickles: I read out that there is a move towards expertise on ethics. I suppose it's a small thing, but I am really pleased that I increased the number of women on the committee from one to three. I think that is important. We have some very strong women, and one of them is internationally renowned on ethics. She is so good. She lives in the United States, but she fully participates in the rhythm of the meetings.

It is important that others could do it. I don't want to get too folksy, but I think about my old grandad, who was a railwayman. I said that I'd get into trouble for nepotism, but he is exactly the kind of person I would want. He had a very clear moral compass, so I would welcome a more diverse range of people. Hopefully the next time we go round we might be able to find somebody, because it is important that institutions should be about others and not them. They should reflect.

- Q65 **Rachel Hopkins:** I appreciate your points about increasing the element of diversity of the committee, but diversity comes in many forms. How do you propose to continue to address this, not just with women but with other angles? How far do the criteria for judging applications militate against any such proposals, given that you have to go through the front door of the Cabinet Office to get your application?

Lord Pickles: I am pretty sure that you can fill it out online.

- Q66 **Rachel Hopkins:** You said earlier that you had 120 applicants given to you by the Cabinet Office; that is what I was getting at.

Lord Pickles: They applied. That was just a figure of speech. What I meant was that they handed them to us, but it was possible for people to apply online.

- Q67 **Rachel Hopkins:** So were they were just administering it?

Lord Pickles: Absolutely. We interviewed a number of people with a disability and a number of people from ethnic minorities. I cannot quite remember, but they were quite close to being there. That would make a difference, because these kinds of committees should reflect Britain as it is. I would fully welcome seeing non-whites on the committee because it has to reflect a multicultural society.

- Q68 **Rachel Hopkins:** Do you have any recommendations you could make to



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enable that to happen, so that it is not always “not quite”?

Lord Pickles: You make a reasonable point, but I would be really surprised next time. The quality is just so good out there. Out of the 120-odd applications, a good 60 were appointable. I have an obligation to offer to the best candidates. It is a five-year term and it will depend on when the next post is up for renewal, but I think I take your chiding. I think you are right. I will put a lot more effort into ensuring that we at least make a conscious effort to get a wider selection in.

Q69 **Rachel Hopkins:** Are there recommendations about enabling them to meet certain criteria? It is about that whole pipeline and enabling people to be at that level. What recommendations could you make back to the Cabinet Office?

Lord Pickles: I will come back to you before the next tranche. You have chided me, and I think you are quite right to chide me.

Rachel Hopkins: It is about the modern world. It is not chiding; it is just recognising diversity in our communities. I am really grateful to you for being frank. I look forward to your reporting back and coming back to the Committee to tell us how that is progressing.

Chair: Thank you. With those final questions, can I thank you, Lord Pickles, for appearing before us this morning and answering our questions? There are a number of issues about which you will be in touch with us in writing in the not-too-distant future. No doubt we will be in touch again when we have the terms of reference of our following inquiry, which will be launched next week. In the meantime, thank you very much for attending and thank you to colleagues for their contributions as well.

Lord Pickles: Thank you very much for allowing me to speak. The chairman of ACOBA traditionally doesn't do interviews, so it has been really good to vent. I feel it has almost been like a therapy session. Thank you very much indeed.

Chair: We have appreciated it.