

# Public Administration and Constitutional Affairs Committee

## Oral evidence: [The Dunlop Review and the UK Government's union capability, HC 39](#)

Thursday 20 May 2021

Ordered by the House of Commons to be published on 20 May 2021.

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Members present: Mr William Wragg (Chair); Jackie Doyle-Price; David Mundell; Karin Smyth.

Northern Ireland Affairs Committee members also present: Simon Hoare; Fay Jones; Ian Paisley.

Scottish Affairs Committee members also present: Andrew Bowie; Wendy Chamberlain; Pete Wishart

Welsh Affairs Committee members also present: Geraint Davies; Ben Lake; Robin Millar.

Questions 1 - 101

### Witnesses

I: Lord Dunlop.

II: Rt Hon Michael Gove MP, Chancellor of the Duchy of Lancaster; Sue Gray, Second Permanent Secretary, Cabinet Office.

### Examination of witness

Witness: Lord Dunlop.

Q1 **Chair:** Good afternoon and welcome to a joint session of the Public Administration and Constitutional Affairs Committee, the Welsh Affairs Committee, the Scottish Affairs Committee and the Northern Ireland Affairs Committee. We have all waited patiently for the publication of Lord Dunlop's review into UK Government union capability, a review that was begun in July 2019 and was delivered to the Government before the end of that year, so it has indeed been quite a long wait. As all four Committees have an interest in the review and the Government's



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response, we are working jointly to question our witnesses today. We will be beginning with Lord Dunlop himself, and our second panel will consist of Michael Gove and Sue Grey.

Lord Dunlop, could I ask you to introduce yourself for the record please?

**Lord Dunlop:** I am Andrew Dunlop, Lord Dunlop, member of the House of Lords Constitution Committee and author of the Dunlop review.

Q2 **Chair:** Thank you very much. I will kick off with a broad question, Lord Dunlop. What did your review find out about Whitehall or how Whitehall has adapted to devolution over the past two decades?

**Lord Dunlop:** First of all, Mr Wragg, can I thank you for inviting me to give evidence and for the interest that your Committee and the other committees have taken in my report? The main thing I would say is that, over the last two decades, devolution has been a major constitutional development and a lot of power has been transferred from the centre to the devolved institutions. What my review found was that Whitehall has not really changed at all in response to that. It has been much commented on that we have had “devolve and forget”. Really, my report is focused on how we get devolution and the union running through the bloodstream of the Civil Service.

Q3 **Chair:** Were you content with the scope and the timing of your review? I wonder if you could reflect on the delay in publication as well.

**Lord Dunlop:** To take the timing first, as you rightly pointed out, Mr Wragg, my report was delivered to the Government at the end of November 2019, but there was a lot going on with the negotiation of the final Brexit agreement and then immediately after that we were in Covid, so it is understandable that perhaps minds were concentrated elsewhere.

Yes, everybody has been focused on publication, but for me the most important thing is seeing my recommendations implemented. Since my report was delivered, we have seen the Government getting on and making progress in taking forward the recommendations that I made. Clearly, one important aspect is the whole reform of intergovernmental relations and that is not entirely in the gift of the Government. It has to be negotiated and agreed with the devolved Governments. It is not a surprise that they have not been able to reach a conclusion yet on that, but I hope the Governments can make progress quickly on it as well.

Q4 **Chair:** Do you think that the thrust of your report is still fit for purpose, to coin a phrase, after the passage of time and occurrence of events?

**Lord Dunlop:** Not only is it fit for purpose, but it is more relevant today even than it was when it was commissioned. The reason I say that is that we have been through the whole pandemic. For many people, one of the surprising things that have occurred during the pandemic is that people have become much more aware of the realities of devolution and the importance of Governments across the United Kingdom working together.



**Q5** **Pete Wishart:** It is worth noting the significance of this get-together. It is the first time ever that the national territorial Select Committees have been in the same room, under the Chair from PACAC, and we are all grateful for that. Welcome, Andrew. It is good to see you again. As the Chair said, we have all been looking forward with great anticipation to your report, delayed as it was. We have it now.

Can I ask about what we could consider to be the headline takeaway from your report? This is the idea of a new figure of a Secretary of State for intergovernmental and constitutional affairs. Can I just say that this was something that we recommended in the Scottish Affairs Committee? You are probably familiar of our report. In fact, quite a lot of the things that have ended up in your review are things that we concluded and recommended in our Scottish Affairs Committee report a few years ago.

Given that you think there would be a necessity for the territorial Secretaries of State, what you have left us with, Andrew, is a new Secretary of State, Secretaries of State for Northern Ireland, Wales and Scotland, and we are still not sure exactly what the role is going to be for the Chancellor of the Duchy of Lancaster. This does not sound so much like strengthening the union; it almost sounds like an invasion force. Why is all this necessary to do a simple job of making sure that the relationships across the UK can function effectively?

**Lord Dunlop:** The relationship between the territorial Secretaries of State and the Cabinet Minister who has responsibility for the union is very symbiotic. The job of the territorial Secretaries of State is to represent Scotland, Wales and Northern Ireland in the Cabinet, and the UK Government in Wales, Scotland and Northern Ireland. The union Secretary of State role, if I can use that shorthand, is different. It is to drive change within Whitehall and to manage the very important intergovernmental relationships between the UK Government and the devolved Governments. Those are two different roles.

**Q6** **Pete Wishart:** Do you envisage a chain of command? Would the person with the authority and the decision-making responsibilities be your new Secretary of State? Would all those different Secretaries of State be accountable to them? How does that, therefore, deal with Cabinet responsibility?

**Lord Dunlop:** You have absolutely answered the question. We operate a system of Cabinet Government with collective responsibility and, as you all see, one of the recommendations of my report that has been implemented swiftly by the Government is to establish a very small Cabinet Sub-Committee that has both the territorial Secretaries of State and the Chancellor of the Duchy of Lancaster.

In fact, we now have two Committees: one chaired by the Prime Minister that looks at union strategy; and then one chaired by the Chancellor of the Duchy of Lancaster, which is how you implement and drive through that strategy. Those are both very small strategic committees. It is that



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collective working that you need, as I say, to drive culture change. That is what is required: culture change within Whitehall.

My own experience when I worked at the heart of the UK Government was broadly speaking when you had the territorial offices, the Cabinet Office, the Treasury and No. 10 all singing from the same hymn sheet, you could actually drive through that change in Whitehall.

**Q7** **Pete Wishart:** It does seem a bit cumbersome and top heavy but, anyway, we will leave that aside. You mentioned the culture and I would just like to ask you one last question in this session, which is going to be short. What participation and what views did you secure and receive from the devolved Assemblies about your report? If they came to the conclusion that all of this was unnecessary and maybe even disruptive to devolution and to intergovernmental relationships, should this just be dumped on them anyway, regardless of what they feel and think about this?

**Lord Dunlop:** In the course of the review I spoke to the then Cabinet Secretary for the Constitution in the Scottish Government. I also spoke to the First Minister of Wales and to figures in the Northern Ireland Executive. Their views have very much informed my recommendations. A common view was that we needed to try to reform, improve and strengthen the way that Governments across the United Kingdom work together. There is no friction there. I hope everybody can agree that that is the right thing to do.

**Q8** **Pete Wishart:** Do you think there would be any value in maybe getting you to do the case for Scottish independence now?

**Lord Dunlop:** I am fully occupied, Mr Wishart, and perhaps there are others who are better placed to do that.

**Q9** **Fay Jones:** Good afternoon, Lord Dunlop. It is a pleasure to meet you. I want to just tease out briefly some of the things we just touched on there with Mr Wishart's question. Did you ever consider, as opposed to having one union Minister, to use your shorthand, that surely all Ministers should be union Ministers? Would that not be a better way of achieving the desired effect?

**Lord Dunlop:** I totally agree with the thrust of your question. People have advocated that you need a Department for the union. My view is that you do not need a Department for the union; you need a Government for the union. You are absolutely right. Every Secretary of State and every Minister should have devolution and the union rushing through their bloodstream, but we have to recognise that that requires a fundamental change of culture. Anybody will tell you, and it is my own experience, that in any organisation you can make structural changes, but the most difficult and important change to achieve that is culture change. Until you get to that steady state, you need, for want of a better word, a Secretary of State for the union who is really focused and driving that change.



Q10 **Fay Jones:** This is something that we are going to explore with the CDL later on, but I just wonder if you might reflect on the role that a Secretary of State for the union would have played in the coronavirus pandemic, in a hypothetical situation.

**Lord Dunlop:** Michael Gove, to a certain extent, as part of his portfolio—it is only one part of his portfolio and we might come on to explore that in more detail—has played a very important role. We have seen that particularly during the pandemic when he has taken on the role of liaising with Ministers in the devolved Governments to achieve a common understanding and agreements that allow the UK four-nations approach to really be effective. There has been much comment on the differences, but actually the broad approach has been pretty much the same. That illustrates the importance and the role that I am talking about.

Q11 **David Mundell:** I should declare that I appear on the list of persons contacted during the course of Lord Dunlop's review. One feature that you highlight in the review, Lord Dunlop, is that there was a broad consensus that the UK's intergovernmental relations machinery is not fit for purpose. That is a view that I would share. What do you consider to be the best intergovernmental relations mechanism at Prime Minister and First Minister level, particularly for resolving disputes?

**Lord Dunlop:** The Government at the end of March tabled draft proposals for reforming intergovernmental relations, which very much draw upon my report and align with the recommendations I made in my report, so that is a pretty good package. The interesting thing about it is that it is a package that is already largely agreed. There are some gaps in it and some text that is in square brackets, which suggests it has not been agreed, but large parts of it have been agreed.

The key point that I would make is that, if those reforms are to succeed, it is very important that the Prime Minister gives a strong lead. If there is one aspect of the package that disappoints me, it is that the role for the Prime Minister appears quite limited. It is limited to one meeting a year and it is a meeting that he could delegate to somebody else. In my view, the bare minimum is two meetings a year that the Prime Minister should absolutely chair, because this is about building better relationships. I would regard that as one of the key tests of how seriously the Government take the job of strengthening the union.

Q12 **David Mundell:** Do you think that that is one of the reasons that that paragraph remains in square brackets—because of this potential to have a deputy and not have the direct involvement of the Prime Minister?

**Lord Dunlop:** I can only speculate, but I would not be at all surprised if that was one of the reasons that it is in square brackets and that the devolved Governments may have expressed concern about that. Having said all that, I did feel it was very encouraging that, after the recent elections, the Prime Minister reached out to the devolved leaders to suggest a summit on Covid recovery, which was absolutely the right thing



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to do. I was also encouraged by what the Cabinet Secretary had to tell the House of Lords earlier in the week, when he said the Prime Minister was indeed going to be front and centre of helping to improve the whole system of intergovernmental relations. I will certainly be watching carefully to see whether that happens.

**Q13 David Mundell:** To summarise, essentially, you are saying that the Prime Minister's direct involvement in intergovernmental relations is essential for them to be effective.

**Lord Dunlop:** It is absolutely essential and I will tell you the reason why. If the Prime Minister does not appear to have it as a high priority, you cannot expect that other Ministers or the Whitehall machine will make it a priority either.

**Q14 Robin Millar:** It is good to meet you, Lord Dunlop. Thank you for taking the time to join us. It is very interesting to see your comments here about intergovernmental relations, for one reason. I was very interested in the concept and notion of sovereignty. It seems to me that there are at least three different versions of that at present. There is the idea that sovereignty flows from the UK Government out to the various other Parliaments and they derive their sovereignty from that. There is an argument, which is vested in Scotland, that is to do with sovereignty coming from the people. In Wales, we have heard comments separately from the First Minister there of a pooled sovereignty and a shared responsibility.

Is that a characterisation that you recognise? Is that something that you discovered while you were investigating this? I am keen to see how that is reflected in the structure that you are proposing and the tensions within it.

**Lord Dunlop:** I would answer it in a slightly different way. There will be great debates about parliamentary sovereignty and the limits on parliamentary sovereignty. I have taken a very practical approach to this and the reality is that, under devolution, we have a division of responsibilities. The UK Government have huge responsibilities across reserved areas of policy and the devolved Governments have competence in their defined areas.

What I am recognising in my report, which we have seen through Covid, is that for the UK Government and the devolved Governments to be fully effective, to a certain extent, they depend on each other. Therefore, you do need mechanisms that encourage and facilitate co-operation, joint decision-making and agreement. That is really where my focus was.

Mr Mundell's experience, and my experience as a Minister, was that the Joint Ministerial Committee was not fit for purpose. It became a forum for raising grievances and for information-sharing, but not really for sitting down and actually reaching agreement where competencies overlapped and where there were common interests. That is what we need going forward.



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Q15 **Robin Millar:** Of those three examples I gave you, there is actually only one that is recognised in law, which is that sovereignty flows from the UK Government. Therefore, for example, the arrangements of the JMC, which allow for a discussion of but not a resolution of, would fit with sovereignty vested in the UK Parliament. You seem to be suggesting that that should change, in your line of reasoning.

**Lord Dunlop:** No, I do not think so, because the power of the devolved Governments flows from laws that the UK Parliament has made. My own view is that, if we are going to build what I have called a co-operative union, it is very important for all sides to respect the responsibilities of the other. That is really the spirit that needs to be promoted as we move forward.

Q16 **Andrew Bowie:** Good afternoon, Lord Dunlop. It is a pleasure to have you in front of us this afternoon. You have already spoken today about the need for a change of culture in Whitehall. I know that in your report there is talk of a need for a change within the Civil Service. Do you think that change needs to come from the Civil Service or do you think it needs to be politically led?

**Lord Dunlop:** It definitely needs to be politically led. It is not just something for the Civil Service. It requires leadership at a variety of levels and the ministerial level is in many ways the most important. As I said earlier, if it is important to the Prime Minister, you will know, Mr Bowie, having operated at the centre of Government, that the rest of the Government and civil servants will sit up and take notice, and will be motivated to follow that lead.

Q17 **Andrew Bowie:** Yes, absolutely. How would you describe then, Lord Dunlop, current UK Government Ministers' understanding of the union and devolution, and how it operates?

**Lord Dunlop:** I think it is a lot better than it was 18 months ago. Covid has been a terrible crisis and a collective ordeal for everybody, but one positive thing, which may be inadvertent, is that a lot of Departments, such as the Department of Health, the Department for Education and DCMS, that have not had a lot of exposure to working with the devolved Governments have had a crash course, in the last 18 months, in devolution. They have had real life experience of working through something that may have taken months or years to get ingrained in those Departments. There have always been some Departments that understood devolution well and worked with it well, and others less so. Over the last 18 months, we have had much more uniform capability across Whitehall.

Q18 **Andrew Bowie:** I just want to touch on one thing. You have already spoken about your view that it is very important that the Prime Minister is at the centre of all this and chairs any intergovernmental council that was to emerge or be within the JMC. When you were adviser to David Cameron as Prime Minister between 2012 and 2015, you were his



devolution adviser. I do not believe that such a post exists at the minute. Should that be addressed and is that a position that should exist within No. 10, so as to advise the Minister for the Union, who right now is the Prime Minister, on aspects of devolution?

**Lord Dunlop:** It is up to the Prime Minister how he receives his advice, but, if this is, as it should be, a top priority for the Prime Minister, he should have access to good, experienced advice on these matters.

Q19 **Jackie Doyle-Price:** Approaching that question from the other end, a lot of this has to do with behaviours within Whitehall. You have rightly highlighted the role of the Prime Minister to lead from the front about how we make these things work, but, operationally, these relationships happen within Departments much lower down. As you have mentioned, this is a two-decade process of reform that has been grafted on top of a 200-year-old Civil Service, which has got well used to its way of working. What more can we do to alter the behaviours of civil servants in Whitehall about this? I ask this question from my experience as a Minister in the Department of Health, where, frankly, when we had a discussion about this, officials were quite happy to admit that they had been quite arrogant about it in the past.

**Lord Dunlop:** I am pleased, in terms of the Government's response to my report, that they are already moving forward with a number of the recommendations that I made. This dispersed model for the Civil Service, getting the Civil Service out of Whitehall into the nations and regions of the United Kingdom, is a very positive thing to do and will expose civil servants to different experiences. I am also pleased that they have identified a departmental board member and non-executive director who will take responsibility for these issues, and that they are beefing up the learning and interchange experiences that civil servants can get.

If you want me to say where more needs to be done, it is strengthening that accountability for performance. In my report I say that, if you cannot measure something, you cannot improve it, so they need to develop some performance metrics, so that they can judge how they are getting on in improving things. That would be one thing.

There need to be stronger incentives for the ambitious fast-streamers who want to get to the top of the Civil Service, such that actually acquiring this capability is something that they need to do to get to the top. There are some warm words in the response to my report, but it is a bit opaque at the moment.

I am very pleased to see that Sue Grey has been appointed. Again, it was another of my recommendations that there should be a Permanent Secretary for this role. I can think of no one better to do this job. I hope she will not mind me saying, but she is a superb Whitehall warrior and she will shake things up. That is absolutely what is required.

Q20 **Jackie Doyle-Price:** That is excellent. The movement is in the right





direction, but we cannot just let it all be about process, can we? It has to be more of an emotional response, because it depends on managing relationships, ultimately, and that is all about behaviours. We can put processes in, but the only way they are going to be effective is if they are really driven through. That really goes beyond the Prime Minister, does it not? It needs to go through all leaders in government. It has to go through the Cabinet Secretary particularly, but it also has to be pushed through by Ministers. Particularly, English Ministers have a huge role to play here, because behaviourally they just take a lot of this for granted and do not think about it.

**Lord Dunlop:** I will give you a very short reply: I agree with you. This is all about leadership. If I could just touch on one of my other recommendations, we discussed the Cabinet Minister with responsibility for the union. My very strong view is that that needs to be a full-time role. I have tremendous admiration for Michael Gove, but if the union is a top priority, as it is, this is not just about managing another issue. It is about transforming an issue and moving the dial. If that is not a full-time job, I do not know what is. Again, that is another test, for me, of whether the Government are really serious about effecting the sort of change that you are talking about.

Q21 **Karin Smyth:** Picking up on that theme, politicians and civil servants talk about the four nations, by which they mean Northern Ireland, Scotland, Wales and the United Kingdom. Do you think, if we had more specific language about England and representation of England in this discussion specifically, that that would help some of that cultural change that we have been talking about?

**Lord Dunlop:** I keep going back to the pandemic. One of the interesting things that came out there is distinguishing, when UK Government Ministers are talking, whether they are talking across the United Kingdom or about their responsibilities that apply to England. Language is very important. You are absolutely right about that.

I will be honest. My report, in the time that was available to me, did not tease this out sufficiently, but in all the intergovernmental machinery how does the English voice get heard? There need to be fora where elected mayors and other local and regional leaders have an opportunity, before big decisions are taken, to be consulted and their voice heard, but that is an area where further work is required. I know a lot of people are giving thought to that.

**Karin Smyth:** We are. Thank you. You anticipate a possible later question, if we have time.

Q22 **Geraint Davies:** Lord Dunlop, you have rightly said that we need proposed funds to strengthen the union, but at the same time you have mentioned in the Internal Market Bill that there is an incursion into devolved competence that could destabilise devolution, because money is bypassing the devolved Administrations. In particular, I know in Wales we



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have the shared prosperity fund, the UK community renewal fund, the levelling-up fund and the community ownership fund all firing around. It is giving rise to a lot of confusion, complexity and perhaps a lack of strategic focus. What is your view on how to balance the internal market and funding to build coherence?

**Lord Dunlop:** You are quite right, Mr Davies. I am on public record with my views about this, but let me just set out what I think. There is not any disagreement on the principle that the UK Government should be able to invest in devolved areas. They have been doing so for quite some time. You only have to look at the city and growth deals, and the spending that the UK Government have been doing on cultural projects in Wales, Scotland and Northern Ireland. I recognise that the approach I set out in my report is slightly different from the emphasis that the Government have put on it.

The reason why I set out my proposal, which was for a much more collaborative approach, was that I wanted that investment to be part of the incentives to support joint working. I regard my approach to it as more ambitious than the Government's. I want one plus one to equal three, not one plus one to equal less than two. I worry that, if we have two entirely parallel tracks of spending that never meet, it is going to be less effective than it might be.

The other issue I would raise is that there are delivery issues. There has been lots of talk in Scotland about improving the A76 to Stranraer and the A1 north of Berwick, but the means of delivery for that investment are in the hands of the Scottish Government. They are the ones who are responsible for the maintenance, upgrade and improvement of those roads, so it does require working together. That is the theme, as far as I am concerned. I have to say that I am encouraged by what Michael Gove and other UK Ministers have said about their intention to exercise their powers in UKIMB in collaboration with not just local authorities, but the devolved Governments as well.

Q23 **Geraint Davies:** In Scotland, they have devolved power for infrastructure investment in the railway system and in Wales we do not. As a result of that, in Wales, we only get 2% of the rail spending for 5% of the population and the Scots get a proportionate share. In terms of building the union, do you not think there is a case for perhaps devolving more rather than less in Wales?

**Lord Dunlop:** I am sure you will make that case very powerfully, Mr Davies.

Q24 **Robin Millar:** Lord Dunlop, you said yourself earlier that it is about building better relationships and I could not agree more. The union is a relationship. It is bound by covenant, but not by contract, and that is where some of these difficulties align. We are very focused on a contractual arrangement, including things like money. Could you expand on that a little? A lot of the measures you proposed are very necessarily



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structural and financial. Do you have any thoughts on this idea that there is a relationship at the heart of it, please?

**Lord Dunlop:** In terms of reforming intergovernmental relations, my view of it at the moment is that it is a very defensive, “everybody in their foxhole” sort of business. How do we manage challenges? I would like to see it very much more as what the opportunities are that we can seize. There are lots of issues where competencies are divided between the UK Government and the devolved Governments, but there are common interests. One thinks of how we improve the performance of the economy, tackle climate change or deal with drug deaths. All of these things require us to put our heads together. I just think that, if you also have a flow of funds to assist and encourage that process, you are going to get better results.

Q25 **Ian Paisley:** Lord Dunlop, you say in your report that you would set aside a fund for UK-wide projects to strengthen the union. I am sorry to ask the vulgar question, but how much were you thinking of?

**Lord Dunlop:** You would have to remind me what I said in the report, Mr Paisley, but I recall thinking that the levels of investment that have been put into the programme of city and growth deals, which is now getting towards £2 billion—someone will correct me if I am wrong about that—is the sort of level, over a period of time, not in one year. It needs to be significant, but not so large that it upsets the normal funding mechanisms through the block grant and the Barnett formula that already exist.

Q26 **Ian Paisley:** I am glad you mentioned the Barnett formula. You would see this as standalone, then, from the Barnett formula.

**Lord Dunlop:** I would see it as outside that system, yes.

Q27 **Ian Paisley:** Then on the issue of branding and maximising the strengthening of the union piece, approximately 60% of the people of Northern Ireland are employed in the public sector in Northern Ireland. In other words, they are paid for by the state. All of the money that the Northern Ireland devolved Parliament spends is British money. It is just distributed by a devolved Administration. How do you brand that differently to strengthen the union?

**Lord Dunlop:** I approach the whole issue of branding from the point of view of democratic accountability. I mentioned earlier the cultural projects that the UK Government have invested in. I will give you one example, the V&A Dundee, which is a great project. Both the UK Government and the Scottish Government used their budgets to invest in developing that project. As the V&A Dundee was rising on the quayside in Dundee, all the hoardings around it included acknowledgement of the role of the UK and Scottish Governments in that project. I would see very much the same in Northern Ireland. The Northern Ireland Executive have a budget and they decide how they are going to use that. Therefore, that should be acknowledged, but additional funds that are coming in from the



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UK Government is where you would need the UK Government acknowledged.

Q28 **Ian Paisley:** It is just that money that the Northern Ireland Executive spends is actually UK money. It is administered by the devolved region. I am just wondering how we get the bang for the buck, so that the soft diplomacy statement of that is, "This is here because we are in the UK".

**Lord Dunlop:** You are absolutely right in terms of source of funding but, in terms of politics being the politics of choices and decisions, the priorities are established by the devolved institutions. Having been Northern Ireland Minister, I would say there is a balance to be struck between the UK Government supporting and encouraging the devolved institutions, but not seeking to usurp them and elbow them aside. We all have an interest in seeing the devolved institutions in Northern Ireland maturing and becoming fully embedded and a stable part of the governance of Northern Ireland.

Q29 **Simon Hoare:** Lord Dunlop, I am a Welshman representing an English constituency chairing the Northern Ireland Affairs Committee, so sometimes I get confused, but I have a residual concern about the potential for an increase of English nationalism and the "if you think you can all go it alone, give it a go" school of thought. In the world in which we are living of sophisticated and developing devolution, are we sensible to still have the Barnett formula, set up in the late 1970s, never envisaging a devolution scenario? Should we not have something far more modern and fit for purpose?

**Lord Dunlop:** In terms of this being a session on my report, you will have seen from the terms of reference of my report that one of the areas that was specifically excluded was looking at the funding arrangements.

Q30 **Simon Hoare:** Why was that? It is very hard to understand why that would be the case.

**Lord Dunlop:** That is something you may want to ask the next witnesses, because that is a decision that the Government took. The only comment I would make about it is that people often say the Barnett formula needs to be swept away and replaced with something else, and a lot of the people who say that are people who, when they were in Government, actually did not take the opportunity to get rid of it. There is probably a reason why the Barnett formula has endured and perhaps I will leave my comments at that.

**Chair:** Lord Dunlop, thank you very much for your time this afternoon and for your report. You are welcome to stay on the call to hear the next panel, but, on behalf of the Committee, thank you very much indeed.

Examination of witnesses



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Witnesses: Rt Hon Michael Gove MP and Sue Grey.

Q31 **Chair:** We now move seamlessly to our next panel, who are with me here in the Committee room in Portcullis House. I wonder if I could ask them to introduce themselves for the record.

**Michael Gove:** I am Michael Gove. I am the Chancellor of the Duchy of Lancaster and Minister for the Cabinet Office.

**Sue Grey:** I am Sue Grey. I am the Second Permanent Secretary in the Cabinet Office, leading the work on the union and constitution.

Q32 **Chair:** Thank you both very much indeed. Mr Gove, why did the Government take so long to publish Lord Dunlop's review?

**Michael Gove:** There were two reasons principally. The first was the focus on dealing with the Covid pandemic, but the second was our desire to make sure that, at the time of publication, we could show that we had taken seriously the recommendations that Lord Dunlop had made and had made progress in implementing them.

Q33 **Chair:** Are you concerned perhaps that, by acting upon unpublished recommendations, you could be accused of lacking transparency or accountability?

**Michael Gove:** No.

Q34 **Chair:** Accepting that some of those recommendations have been adopted, when will you publish a full response to the review that sets out perhaps why you have not acted upon all of the recommendations?

**Michael Gove:** We have acted on all of the recommendations. There are two areas where we have taken a slightly different approach to resolving the issues that Lord Dunlop identified. Lord Dunlop's report is an excellent report and I am grateful to my predecessor, David Lidington, for working with Theresa May in order to commission it. As Lord Dunlop said earlier, it is more relevant now than ever. As you say, we have adapted one or two of the recommendations to deliver them in a slightly different way, but I am happy to say that we have set about implementing not just the spirit but the letter of almost all of what Lord Dunlop recommended.

Q35 **Wendy Chamberlain:** Mr Gove, I want to take a little bit of a view from a Covid perspective. We know that the plenary Joint Ministerial Council last met in December 2018 and it did not meet during the early stages of the pandemic last year, although COBRA and ministerial implementation groups—MIGs—did. We heard evidence at Scottish Affairs last year that they then petered out. Given the UK Government were talking about a four nations approach, what was the plan to deliver that four nations approach at an early stage without those pillars in place?

**Michael Gove:** There are a number of different ways in which the Administrations across the United Kingdom work together, on both how we combated the pandemic and how we seek to recover from it. You are



quite right. There were extensive meetings of ministerial implementation groups and I was privileged to chair the ministerial implementation group on public services. That meant that daily, at the height of the pandemic, or near daily I was meeting with devolved Administration and UK Government Ministers.

Then, as we reached a stage after the initial action that was required to galvanise our response, where we had a shared understanding of how we were proceeding, the tempo of meetings was less intense, but it is now the case that, on a weekly basis and sometimes more than weekly, I meet with the First Ministers and Deputy First Ministers of all the devolved Administrations to discuss our response to Covid and to discuss recovery.

In addition to that, there are regular meetings chaired by Matt Hancock with Health Ministers from all of the jurisdictions. On top of that, the Prime Minister has invited First Ministers and Deputy First Ministers to a conference to discuss exactly how we can work together more effectively on recovery. We can always do better, but I have certainly benefited from the advice and perspectives of Ministers from all of the devolved Administrations in regular meetings.

**Q36 Wendy Chamberlain:** That is an evolving picture. What are you going to take forward from that as we move out of the pandemic? These still sound very much like things being done in response to it.

**Michael Gove:** There are two things. First, during the time that I have been in post, we have been seeking to conclude the review of intergovernmental relations, so that we have a robust and formal but also flexible structure for Ministers in the UK Government to meet, discuss, share ideas and perspectives and, indeed, wherever possible, reach a common position with our colleagues in the devolved Administrations. It is also the case that the Prime Minister, at the conference with First Ministers, will be outlining some thoughts on how we can deepen that co-operation, but in the very nature of co-operation we want to make sure that the views of the devolved Administrations help us to shape exactly what that structured dialogue, co-operation, collaboration and consultation should look like.

**Q37 Wendy Chamberlain:** I have one last question. Lord Dunlop in his evidence earlier described Covid as a crash course in devolution for Departments such as Health. I am just wondering whether that lack of co-ordination has potentially contributed to the impression at differing levels around the UK Government and the role of devolved nations, where, despite similar steps and, dare I say it, outcomes, there has been a perception among the public of attributing UK initiatives, such as furlough, to the competence of devolved Administrations rather than to the UK Government. I just wonder what your reflection was on that and whether, if things had been done differently, perhaps there might have been a better recognition of what the UK Government have done.



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**Michael Gove:** That is a very fair point. The first thing that I would say, which is not a criticism, just an observation, is that in the period immediately after devolution in 1999 the then Labour Government tried to mediate many of the relationships between devolved Administrations and Westminster through party structures rather than necessarily through intergovernmental structures. That situation has adjusted over time.

It is also the case that, within the UK Government and within parts of Whitehall, because so many of those issues were being mediated through party structures, there was a loss of muscle memory, as it were, in a number of areas. We are working hard and, indeed, my predecessor, David Lidington, worked incredibly hard to make sure that all Whitehall Departments properly understand their responsibilities and think of themselves as UK-wide Departments in every sense.

Your third point is a very fair one as well. Furlough is a consequence of the UK Treasury's broad shoulders being able to provide support across the United Kingdom. Not just within Whitehall, but also among citizens, there is sometimes a lack of clarity over exactly what the responsibilities of Westminster and the devolved Administrations are. The point was well made by Lord Dunlop in the evidence he gave earlier that, when it comes to, for example, branding spending, spending in Northern Ireland, which is distributed by the Executive, comes from the Exchequer. Drawing a distinction between the decisions that are made by the Executive to prioritise spending and the UK Government enables both to be held to account more effectively.

Q38 **Geraint Davies:** Do you think that, when the Prime Minister announced "stay alert" in substitution for "stay at home" without consulting or notifying the devolved Administrations, that was a mistake?

**Michael Gove:** No.

Q39 **Geraint Davies:** You do not think it gave rise to confusion. Do you not think that, in the spirit of co-operation and consultation, we should be all telling each other what we are going to do, even if what we are going to do is slightly different?

**Michael Gove:** Yes.

Q40 **Geraint Davies:** Therefore, it was a mistake, was it not?

**Michael Gove:** No.

Q41 **Geraint Davies:** Okay. Do you think the level of devolved competence in dealing with the pandemic has been successful and that there is not a need to strengthen the grip in London and Whitehall?

**Michael Gove:** The response to the pandemic across the United Kingdom was a blend. It is the case that there are different geographies and different administrative competencies. The devolved Administrations have all worked energetically, and the Health Ministers in those



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Administrations, Vaughan Gething, who has now moved, Jeane Freeman, who has now retired, and Robin Swann, who is still in place, all worked very well in their Governments to provide the right response. They worked very well with Matt Hancock.

Perhaps the biggest success in the fight against Covid, the vaccine programme, was one in which the NHS worked energetically to get jabs into arms, but the success of the vaccination programme reflected the Prime Minister's decision to establish the vaccine taskforce. Working successfully with a figure from outside Government, we were able to procure vaccines in numbers to make sure that there were jabs in arms across the UK. It would be churlish of me not to mention the huge role that was played by the UK's armed forces in enabling the effective rollout.

**Q42 Geraint Davies:** You probably know that the demography of Wales is a poorer, less healthy and older nation that you would expect to have a higher Covid death rate, but, in fact, the rate of death above the five-year average has been about 13% in Wales, compared to 20% in England. Do you think it would have been wise perhaps for Boris Johnson and the UK Government to learn some lessons of caution from Wales in order to save more lives in England?

**Michael Gove:** There will be a full public inquiry, which can look at all of these questions. It is worthwhile not to try to pit one part of the United Kingdom against the other, but to acknowledge that we can all learn from one another. There are indeed things that, as I mentioned, Mark Drakeford and Vaughan Gething have done that we can admire and learn from, but there are also many things that the Prime Minister and Matt Hancock have done that have been instrumental in putting the United Kingdom in such a strong position to recover.

**Q43 Geraint Davies:** In terms of optimising for the UK across the board, would you agree with me that it is very much a two-way street and we should be learning from each other on an equal basis, rather than a dominant Prime Ministerial rail where they do what they like and maybe other people do other things? In the round, we often find that what is happening in the devolved Administrations may be better in some instances. Would you agree with that?

**Michael Gove:** Yes.

**Q44 Geraint Davies:** Finally, are there any further lessons to learn from the Covid pandemic in terms of co-operation and co-ordination or do you think the relationship is reasonably sound?

**Michael Gove:** It is good, but we are always open to learning more lessons about how things can be improved. The Covid pandemic has hit the world, but it is also the case that almost every advanced developed democracy has faced challenges at different times. There are two particular lessons I would draw out. First, when we think about public health, we need to think about prevention and protection. You alluded to





demography earlier. Prevention is partly making sure that we have the right policies, given our respective demographics, in order that people are supported to lead healthier lifestyles.

Protection often relies on the effective exercise of resources, like, for example, the genomic sequencing facility at Porton Down. That often comes from the pooling of resources and the concentration of resources that you get across a polity the size of the United Kingdom. Devolution and the strength of the UK provide us with the best of both worlds when it comes to dealing with any crisis.

- Q45 **Simon Hoare:** Good afternoon, Chancellor. We are talking about the four nations, but clearly with the common travel area and the open north-south border, in some respects, particularly with regard to the pandemic, it is five nations, taking into account the Republic. What lessons have been learned with regard to the challenges of robust devolution in Northern Ireland, the Government of the Republic and Westminster when trying to deal with something like a pandemic, given things like the common travel area?

**Michael Gove:** You are absolutely right that the nature of the common travel area is something that the citizens of all of these islands prize, but when you are dealing with a pandemic, and you have travel restrictions or rather movement restrictions even within somewhere like, say, London at certain points, that creates new challenges for all of us. The best thing to do is to have strong relationships and good conversations. One of the things that we have done regularly and informally, alongside the more structured conversations that we have had across the United Kingdom, is engagement with the Irish Republic.

I know that Matt Hancock has talked to his counterpart in the Dublin Government and I have had conversations with Simon Coveney about everything from international travel to prospective green lists, how we can ensure that we share data and so on. We do not always agree with the coalition Government in Dublin, but they have taken a very pragmatic and constructive approach on these issues.

- Q46 **Simon Hoare:** Given the fact that many of those issues are devolved to Stormont, it is all well and good Westminster having a robust and friendly good-faith conversation with Dublin, but what has been learned about potential lessons for dealing with the mechanics of trying to triangulate the three, in order to have a common-sense and seamless approach within the island of Ireland while respecting the constitutional integrity of both parts?

**Michael Gove:** I touched on the question of data sharing earlier. This has been a challenging area, but it is the case that Brandon Lewis, on behalf of the UK Government, has worked with Arlene Foster as First Minister, Michelle O'Neill as Deputy First Minister and Robin Swann as Health Minister to engage with the Irish Government on this question.



Ultimately, the point was made in evidence earlier that relationships are what matter. You can set up formal structures and formal structures create good habits of co-operation, but, if you have people who are committed to operating in a constructive way, progress can be made. All of the Ministers I have mentioned, over the course of the last two months, notwithstanding occasional disagreements, have worked constructively in the face of this crisis.

**Q47 Simon Hoare:** Chancellor, you mentioned in an answer to an earlier question that one of the fault lines of Labour's approach when devolution was setting down its roots was that it was almost solely relationships on a part basis rather than formal structures that had the transparency and the accountability, et cetera. Your answer to my second question seemed to also suggest that relationships there were very important. Should there be some sort of Irish dimension, COBRA-type entity that could easily be brought into use to get that commonality of approach rather than, as beneficial as they may be, relying upon the outcomes of relationships?

**Michael Gove:** I am open to any suggestion about how we can work better with our friends in the Republic of Ireland. As you know, Simon, and everyone on the Committee knows, there is a British-Irish Council, which was set up as part of the institutions of the Belfast/Good Friday agreement. It is meeting in Fermanagh next month.

I have attended only one full British-Irish Council, chaired by the First Minister of Scotland. It was an incredibly useful way of exchanging information at the height of the pandemic and the more that we can build on that institution, the better.

**Q48 Chair:** In relation to the Covid response and the passage of the Coronavirus Act, was that relied upon rather the Civil Contingencies Act so as not to aggravate the relations with the devolved authorities?

**Michael Gove:** No. As I recall, the legal advice we were given was that the circumstances in which the Civil Contingencies Act could be deployed were not operative in the context of the pandemic. That was I believe the basis on which that decision was made.

**Q49 Chair:** It was the pandemic rather than the devolution settlement that prevented its use.

**Michael Gove:** Yes.

**Q50 Robin Millar:** Good afternoon, Chancellor. Can I take this opportunity to say thank you for what you are doing for the union in your capacity? Speaking as a north Wales MP, we are already seeing the benefits and the changes that are happening here, and I am very excited for what comes down the line as a result of that. Having said that, I have a question about the union as a whole—and I stress the union as a whole here. I know that some might characterise it as a collection of bilateral agreements between England and Scotland, England and Wales, England



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and Northern Ireland or even a single bilateral relationship between England and a Celtic fringe. I refute all of those. I am really interested in the overall strategy on devolution and the union. Will the Cabinet's Union Strategy Committee be publishing an overall strategy on devolution and the union?

**Michael Gove:** At the moment we are acting rather than strategising. What we think is the most important thing to do at the moment is to concentrate on recovery from the pandemic, but it is important, as Lord Dunlop pointed out, to make sure that we have relationships between the devolved Administrations and the UK Government that are healthy, robust and set up in a structured fashion.

More broadly, the case for the United Kingdom has been reinforced by the way in which all of our institutions worked together to deal with the pandemic. I could, if the Committee wanted me to, say a little bit more about why the United Kingdom is a force for good. If you look across the world, there are very few states that are as inclusive and diverse as the United Kingdom. We are a multicultural, multinational and multi-ethnic state. We show a welcoming face to the world. We are a force for good internationally.

If you look at the composition of the UK Parliament, it is hard to think of any democratic assembly that is as diverse. You can certainly look at the Canadian House of Commons or the New Zealand legislature, and, indeed, their respective Cabinets, and you will see similar diversity, but in the UK we have shown how we can overcome particular differences and be stronger together.

The fact that, for example, we can have a climate change conference occurring in Glasgow that is coming to the United Kingdom because it is the UK, and that that same climate change conference is going to learn from the experience of those who are in the renewables sector in Wales, from the engineering expertise of people on the east coast of England and from those in the oil and gas sector who are pioneering a transition in Scotland, is just one example of many where we work effectively well together. The most important thing consistently is to demonstrate that co-operation of this kind means that we are all better together.

- Q51 **Robin Millar:** May I direct my next question, please, to Ms Grey? The question I have is about strategy development, implementation and oversight. You will recognise that those are the critical aspects of any strategy and the Chancellor has just said also that it is more about action than strategy at this point. As a new Permanent Secretary, what will be your approach to those three critical stages of strategy, which, just to reiterate, are development, implementation and oversight? How does that decision-making, for example, within the Union Strategy Committee flow outwards into the rest of Government? What are you doing to build that, please?



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**Sue Grey:** First of all, I would say this is day four for me, so it is very early.

**Robin Millar:** Welcome.

**Sue Grey:** Thank you. Although I have previously been in the Cabinet Office, I have been away for three years, and so it is quite a different Cabinet Office that I have returned to. I am currently trying to get on top of the structures within the Cabinet Office, but also within Whitehall Departments. I have set up meetings with the Permanent Secretaries in all the Departments to understand how we in the Cabinet Office can best support them, how we can best be involved in the development of policies and delivery, and how we can then reflect that with the team that I will have working, I hope, very closely with the devolved Governments and people on the ground in Scotland, Wales and Northern Ireland to understand what it is that will work.

Hopefully, this will all come together. Strategy, implementation and delivery are going to be very important. Having had three years' experience in a devolved Government, I have to say it is fantastic. I have thoroughly enjoyed it and I have learned so much. Three years ago, I would have had a different view sitting in Whitehall to the view that I have today. I will take that learning into the way that I am going to work.

Q52 **Robin Millar:** I was excited to read your backstory and your experience. I am very encouraged to hear what you have just said. As a quick further question, do you have an indication of timescale? At what point do you think we might expect to be able to have some of that structure you have talked about? Are there any key milestones we should be looking forward to?

**Sue Grey:** I would like to think very, very quickly. I am not necessarily a patient person, so I would like to think very quickly. From my own experience, I was in the Department of Finance in Northern Ireland and the working relationship we had with the Treasury was very strong. It was one of the relationships that probably worked better. The Chief Secretary and the Chancellor made every effort to discuss with us and at official level we were very strong. I have some ideas, but they are quite early on. I am very keen to get moving pretty quickly.

Q53 **Andrew Bowie:** Good afternoon, Chancellor of the Duchy and Ms Grey. Thank you for giving up your time this afternoon. Chancellor, not a day goes by when I am in Parliament without a Minister, colleague or friend stopping me in the corridor to ask what they or their Department should be doing to strengthen the union. That gladdens the heart, as I am sure it will yours and everybody's on this call, but it speaks to a slight lack of understanding of an overall Government strategy as to what they each should be doing in their Departments to strengthen the union. I was wondering if you might be able to explain what the strategy is and what each of our Secretaries of State should be doing in their own Departments to strengthen our United Kingdom.



**Michael Gove:** Send them to my study and I will take them through a long list of things that they could be doing. More to the point, we had a meeting of the Union Policy Implementation Committee earlier this afternoon. In it we had a report back from the Secretary of State at DHSC, Matt Hancock, who has been doing a great job.

Again, the conversation that we had there exemplified exactly what we should be doing. He was reporting back on the way in which we are encouraging interchange in staff across the whole of the United Kingdom, within the NHS and within the Department of Health in Northern Ireland, making sure that doctors, nurses and NHS managers from different parts of the UK share expertise and see that they have a common career track.

He was also talking about the co-operation, in particular, that we are undertaking in making sure that we develop a better understanding across the United Kingdom of backlogs that we face. There has been a prioritisation of dealing with Covid. That has meant that elective operations in the NHS across the United Kingdom have, unfortunately, had to be less of a priority. Now, as we come out of Covid, we will be focusing on that. We will be saying much more about exactly how we propose to do that, and we want to share data and information across the UK, so that we can learn from one another.

As many people will be aware, a significant part of Wales's population is on the border between Wales and England. We need to make sure that those people in Wales who may benefit from being treated in hospitals in England and, indeed, sometimes vice versa have the opportunity to do so. These are practical areas and every member of the Cabinet either has been or will be coming before the Union Policy Implementation Committee, in order to show how practically they are making a difference in all of these areas.

Q54 **Andrew Bowie:** Thank you for that answer. Lord Dunlop, when he was before us earlier, spoke about the need for a culture change within the Civil Service and Whitehall, and to a certain degree within Departments and among Ministers themselves. Have you noticed a culture change of late, Chancellor? Are Ministers now more cognisant of devolution and the role that we play at a UK level in engaging with the devolved Administrations and also directly with the people of Wales, Scotland and Northern Ireland?

**Michael Gove:** Yes, absolutely. To be fair, this was happening before I was in post. It was happening when David Lidington as my predecessor and Theresa as Prime Minister were in post. There was a particular focus and determination then, going back to the points we discussed earlier about the establishment of devolution in 1999. It was often the case that issues in Scotland would be left to the Scottish Labour Party to sort out rather than necessarily every Department in Whitehall playing its full role. That has changed and is changing.



It means that, for example, the Department for Education and BEIS both have an interest in universities across the whole UK. The whole way in which students are funded is devolved, but when it comes to thinking about research, innovation and academic exchange, it is important for the Department for Education and BEIS to be involved in those conversations.

The Prime Minister has reinforced that there is no Department that should think of itself as an England-only Department. We are the UK Government. We respect devolution and competence, but we have to think all of the time about the welfare of citizens from Aberdeen to Aberystwyth, and that needs to be part of it.

There is still some way to go. One of the things that Sue, straight from the off, has been doing is looking at how we make sure that there is that knowledge, that domain competence and that policy-making heft in order that we operate in the right way, because, again, we want to avoid clumsiness and duplication of effort. We want to be smart, agile and supportive across the UK in helping citizens to flourish. All of the evidence, to my mind, suggests that people want to see both Governments working together in every part of the UK.

**Q55** **Andrew Bowie:** Chancellor, who is co-ordinating this within the Government? Lord Dunlop was David Cameron's devolution adviser. Then we had the union unit, which—we will not go into the reasons why, and we should not, certainly, believe everything we read in the newspapers—no longer exists. Now we have the strategy committee, which is a great development. Who is co-ordinating it from the centre?

**Michael Gove:** It is being co-ordinated by Sue. The key thing is that the Cabinet Office should act as a sort of gearing mechanism or force multiplier for No. 10. When the Prime Minister was elected, he deliberately chose to make himself Minister for the Union, because this was a key priority, for the reasons we have just been discussing. He then wanted to use the Cabinet Office, as Prime Ministers do, to give effect to his priorities. He set up the strategy committee, which he chairs.

There is an implementation committee, which is supported by a secretariat in the Cabinet Office. There is a union directorate, which has a superb team of civil servants leading there. It is also the case that we are gathering information and analysis from policy fellows, academics and people in civil society in order to inform that. As you would expect, it is about building capacity so that every part of Government understands its responsibilities better.

**Q56** **Jackie Doyle-Price:** I do not know whether you heard, Chancellor, the evidence from Lord Dunlop. He expressed his disappointment that the Government have not accepted his recommendation for a new Secretary of State for intergovernmental and constitutional affairs as a standalone Ministry. Could you perhaps give us your views and observations on that?



**Michael Gove:** Andrew's point that we need to make sure there is an individual who is responsible for these areas in government is right. That lies with me as Minister for the Cabinet Office. If I were to be removed at any point, I know my successor would take these responsibilities equally seriously, just as my predecessor, David Lidington, did.

It is in the nature of the Cabinet Office's role as the Department of State that is responsible for the constitution, among other things, to be the obvious place where this is located. The work of co-ordinating the roles of the Scotland Office, the Wales Office and Northern Ireland Office with other UK Government Departments, not because it is me but because it is the Cabinet Office Minister, is a natural fit in the Cabinet Office.

I should say, actually, that it was not just David Lidington. When Damian Green was doing this role and when Ben Gummer was doing this role, they saw their remit very much in this light as well.

Q57 **Jackie Doyle-Price:** I understand that. Of course, that makes perfect sense. The Cabinet Office is at the apex of that. However, we are talking about making a system work that by definition has to be about more than just process. It has to be about leadership, culture and good relationship management. Ultimately, we can only sustain the union with an emotional union, if you like. As an English MP representing a constituency in south Essex that you know very well—you are familiar with my constituents—I do not feel that we are making the union live as an entity for the rest of England, let alone how things sit in the four nations.

Quite often, we are asserting the importance of the union without demonstrating it. What more could we do from the point of view of leadership within Government to really make it live, not just for our constituents but also Members of Parliament, who probably take it for granted more than anyone else?

**Michael Gove:** That is a very good point. Again, it is a balanced argument. On the argument about whether there should be a specific Secretary of State for intergovernmental relations, my worry, even though I recognise that there are strong arguments for it, is that there might be a temptation for other Government Departments to think, "It is somebody else's work. It is his or her work. I do not need to be thinking UK-wide in the same way. Whoever is doing that job will do it." It is my job to co-ordinate and make sure everyone acts in the right way rather than saying, "It is all on my shoulders or all on my team's shoulders."

Your broader point is a very fair one. We need to make sure that people across the United Kingdom see demonstrated in their daily lives the additional strength that comes from all of us working together. One of the things I have tried to stress is that we are a family of nations and a nation of families. As well as the social ties that bind, look at the vaccine programme as a case in point. It was procured by the UK Government. Valneva in Livingston is one of our principal vaccine producers. It is the Wockhardt factory outside Wrexham in Wales where the filling and



finishing goes on. The UK armed forces have played such a big role in distributing it. It is a case of the union in action, but there is a responsibility—you are right—on political leaders to make sure that the strength of those ties is demonstrated all the time.

We should be proud of the fact that the United Kingdom is, for example, a welcoming home to British nationals from Hong Kong. There is something about the UK acting as a beacon in areas like that, which means that people from Hong Kong will be settling everywhere from Thurrock to Thurso. We should celebrate that.

- Q58 **Jackie Doyle-Price:** We are talking about a process that is two decades old, or perhaps even older than that. It has by definition become managerial. Hopefully, the pandemic co-ordination has perhaps rebooted the machinery, in that it has had to respond. This is perhaps a good time to reflect on that. If we view this in the context of what happened five years ago, we had a political establishment that largely took UK acceptance of membership of the EU for granted and thought it would follow its leaders in wishing to keep it. Ultimately, the people of England decided that they believed in Britain rather than Brussels.

Perhaps I would just say to you that the kinds of conversations I have on the doorstep, which used to be fruity conversations about Brussels, are now fruity conversations about Scotland. Those of us who do believe in the union need to do a lot more than just assert it, or else we could end up losing the union by benign neglect, just as happened with Brexit. I will leave it there.

**Michael Gove:** That is a very fair point, Jackie.

- Q59 **David Mundell:** Like Lord Dunlop, I welcome very much Sue Grey's appointment. My recollection of Sue is of someone who can be very robust with Cabinet Ministers. I am sure that will be an essential component of her new role, so a warm welcome, Sue, to that post.

Michael, I wanted to ask you about intergovernmental relations. You set out in some of your earlier answers why we got to the position we are in, particularly because during those first Parliaments these issues were dealt with through party channels and they only started to evolve, certainly in the Scottish context, when there was a Government of a different persuasion from the Government in Westminster. That led to its own challenges. In his evidence, Lord Dunlop was very, very clear that the Prime Minister, whoever that is at any time, has to be at the heart of the intergovernmental relations process. Do you agree with that?

**Michael Gove:** Yes, totally. The decision that the Prime Minister made to invite the First Ministers and Deputy First Ministers to a conference to look at Covid recovery is an example of that in action. It is the case that we will be seeing intensified co-operation in our recovery effort, and the Prime Minister will be leading that from the front. He wants to be in a position where he can ensure that all of the devolved Administrations





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recognise that their concerns and interests are being heard in Downing Street and that he is shaping solutions that work for everyone.

**Q60 David Mundell:** That is very welcome. I very much welcomed his initiative on recovery post the elections. It is not reflected, therefore, in the drafting of the proposals for the UK Government and devolved Administrations council if a deputy can take forward the meetings in the council instead of the Prime Minister.

Do you not agree that it would absolutely underpin the commitment and demonstrate action, as you set out, if it were very, very clear in those proposals that the Prime Minister will chair and be an integral part of these arrangements?

**Michael Gove:** It is always better when the Prime Minister can chair a body such as this, absolutely. Sometimes, however, politics being politics and events being events, the Prime Minister has to have a deputy chairing a critical committee at certain moments. Indeed, just last night, when we met to discuss the next stage of Covid recovery, the First Minister of Scotland, for understandable reasons, was not able to join the call. Her deputy, John Swinney, very ably filled her shoes.

At certain times all First Ministers or Prime Ministers have to have someone deputise for them, but, as a general rule, yes, you are absolutely right, David.

**Q61 David Mundell:** The paragraph in your proposals is in square brackets. How do you see it moving to a position where the square brackets are removed and it comes into being?

**Michael Gove:** We paused work on intergovernmental relations just before the elections in Scotland and Wales and the local elections in England. We have made a significant amount of progress, but there are still one or two areas to resolve. In a way, publishing how much agreement had been reached but also showing where there was still agreement to be reached puts pressure on all of the Administrations to go the extra mile in order to conclude them. Elected representatives in Westminster and elsewhere, I am sure, will cajole each of the Administrations to do their bit to close that gap, and, from my own point of view, the sooner, the better.

**Q62 David Mundell:** I am very happy to play my part in doing that, and I take positively your commitment that the Prime Minister will be integral to those arrangements. That will greatly help those of us who want to make that happen. The devolved Administrations can legitimately look back and suggest that sometimes these meetings have not been given the seriousness that they merit within the hierarchy of commitments that a Prime Minister might have.

**Michael Gove:** I absolutely take your point. The past year, for reasons that we all know, has presented unique challenges for all Governments,



but I absolutely take your point. It is important that we do everything we can to show we are working co-operatively together.

Q63 **David Mundell:** On a more technical point, over the years there have been a number of disputes. I well remember a long-running dispute about funding that related to the Olympics and whether it should have been Barnett-ised in relation to the housing element of it. How do you think what you have proposed will provide a better form of dispute resolution?

**Michael Gove:** We propose to have an independent secretariat backing up the work of the intergovernmental relations architecture. The approach that we put forward for the capacity for independent advice on dispute resolution should help. Ultimately, the more we get into the habit of working co-operatively, the easier it will be to resolve these issues without necessarily escalating to dispute resolution. Of course, the opportunity is there, when required.

Q64 **Ben Lake:** Thank you, Chancellor. I wish to begin by following on from Mr Mundell's question there about the dispute resolution mechanism. Clearly, we would like to think that there will positive co-operation between the four Governments, but we do know, of course, that the relationship can be challenging at times. Indeed, quite recently the First Minister of Wales stated to the Welsh Affairs Committee that devolution is being changed "by the aggressive unilateral action of the UK Government in rolling back the frontiers of devolution".

This concern was quite prominent in the Welsh Government's attempt to challenge aspects of the UK Internal Market Act in the courts. I am quite interested to know how confident you are that the new provisions and measures for internal dispute resolution will be sufficient to solve these types of dispute before, as I say, they are escalated, especially escalated to the courts.

**Michael Gove:** I hope that will be the case. I take seriously the points that the First Minister of Wales makes. I respectfully disagree with him about the UK Internal Market Act, and I hope that we will be able to demonstrate in the way in which we use financial assistance powers that we are seeking to co-operate at every level in a constructive way. He will remain to be convinced, but I hope we can convince him.

More broadly, wherever we can avoid the courts, that is a good thing. Again, the evidence will be the way in which we work practically together and the way in which, if we do have to escalate to dispute resolution mechanisms, those can be seen to be fair by all. Ultimately, it is about demonstrating good will. Then voters themselves can make a judgment about whether they think that any individual politician has judged this right.

Q65 **Ben Lake:** You may have heard in the previous panel the discussion about sovereignty and the understanding of sovereignty in the UK. I believe it was Mr Millar's questions that elicited some of that in the



previous panel. I am not sure whether you are familiar at all with a paper that has been co-authored by the Welsh Government's newly appointed Minister for the Constitution, Mr Mick Antoniw. If not, he makes an argument for a "radical federalism" and argues that the UK must become "a voluntary association of devolved nations where sovereignty is held by each and then pooled for common purposes". It is quite an interesting conceptualisation of sovereignty in the UK; I am sure we can agree on that, but I wonder how closely that aligns with the UK Government's thinking on the future of the union.

**Michael Gove:** I have not read the new Minister's report, and I will with interest. I would just say two things. The first is that I am always open to thoughts about how the UK can evolve. The UK has evolved in the past; the UK can evolve in the future in order to work for all its citizens. When I look at the cases for what is called federalism, some of them take what is a common home that we all share and turn it into a sort of flat share or a transactional relationship.

My own view is that the UK is a home in which we can all feel comfortable rather than, as I say, a flat share, a hotel or a B&B. I would draw that distinction, but of course not everyone will agree with me.

Q66 **Ben Lake:** Finally, to your point that the UK's constitution has evolved in the past, one of the arguments that Mick Antoniw, the Minister for the Constitution, makes in his paper is that Wales and the Welsh Parliament should assume greater responsibility for greater aspects of Wales's economy, infrastructure and aspects of welfare. With that in mind, if the Minister were to come knocking on your door, what sort of reception might he get for those ideas?

**Michael Gove:** I would want to scrutinise all those proposals. The question I would ask about all of them is, "Do they contribute to making life better for Wales's citizens?" Let us look at everything that has been done in devolution so far, have an honest conversation about what has worked well and what has worked less well, and then see what we can do.

My view is that the acid test is whether it works for the benefit of citizens not just in Wales but across the UK. Obviously, for Mick Antoniw, the first question will be about the people he represents and how he can get the best possible outcomes for them, which I respect.

Q67 **Pete Wishart:** Welcome, Michael. It is good to see you at this Committee session this afternoon. Could I start by asking what happens if Scotland does not want to the union to be strengthened?

**Michael Gove:** The view of most people in Scotland is that they want to have the best possible relationship with all the friends, neighbours and others who share these islands. In that sense, I recall the words of Alex Salmond, who said he believed in a strong social union between all the people of these islands. Indeed, he talked about other unions as well, the civic union, the family union and so on, all of which he said he thought



should be strengthened. He wanted to separate Scotland from the political union with the rest of the country. I think that would have harmed the union overall.

The difference that we have now is that the Scottish Government are making the case not just that they want to end the political union; they want to end the economic union with the rest of the UK, too. I think that would be damaging, but of course different folk will take a different view of that.

**Q68 Pete Wishart:** I asked that question, because not even two weeks ago we had quite a decisive and emphatic election result. My take from that—I am interested in yours—is that there does not seem to be all that much desire for strengthening the union. It seems to me that perhaps Scotland is looking for something else.

**Michael Gove:** Different people have drawn different conclusions from the election results across the United Kingdom. The first thing I should say is congratulations, of course, to the First Minister on her re-election and to the team she has assembled in the Scottish Government, which is full of goodhearted people.

That having been said, it was the case that more people voted for parties that were pro the UK in the constituency ballots than those that were in favour of separation. As my colleague the Secretary of State pointed out in evidence to the Scottish Affairs Committee, there were clearly people who were voting for the First Minister because of their personal admiration for her and her approach towards government, rather than because they necessarily endorsed a case for independence.

Indeed, when the First Minister was taking part in a debate on the BBC, she was asked by the BBC political editor what she would say to someone who did not want independence but did want her to continue as First Minister. What should that voter do? The First Minister was generous and said, "That person should vote for me." I am sure that was the case in a number of constituencies when votes were cast.

On that basis, one can conclude that there are a range of views that enabled the First Minister to secure re-election, but she secured re-election against a backdrop where more people voted for unionist parties than had been anticipated or expected at the beginning of the campaign, and where the Scottish Conservatives recorded their strongest ever electoral performance since devolution was established.

**Q69 Pete Wishart:** Imagine being popular in politics. That is something else. I will pass on your congratulations to the First Minister. We could trade all sorts of statistics from that election, but a majority of parties that supported independence actually won the regional list vote. That is the first time that has ever happened.

Can I just point to one of your major problems? This has been an approach of the UK Government towards Scotland over the past few



years. Would you not agree that this disastrous muscular unionism has just helped alienate Scotland, its Government and its Parliament? Who thought it was a good idea to bypass our democratic institutions, ignore our views on legislative consent motions and effectively do whatever you wanted to do within the whole terrain of Scotland?

**Michael Gove:** The first thing I would say about the regional list is, of course, that the Alba party was on the regional list, which distorted the position in some constituencies. I know you were very keen to ensure that people were not tempted down that path in voting for Alba, so it is important to bear that in mind.

The second thing I would say is that I know and have admired for many years the way in which you can make a polemical point with grace and wit, but you are exaggerating ever so slightly when you talk about muscular unionism. We have seen Scottish politicians in the Scottish Government and in the Scottish Parliament working with politicians from across the United Kingdom during the pandemic to the benefit of all. The First Minister again quite rightly said, not just during the election campaign but immediately afterwards, that the first priority at the moment has to be working together across the UK in order to recover from the pandemic.

In that sense, whether it is a large U or a small U, the spirit of unity across all of these islands in the face of a challenge is one that the overwhelming majority of our citizens would endorse.

Q70 **Pete Wishart:** I am going to give you a little bit of a clue and a sense of direction about how relationships could be improved, and it starts with respect. It starts with respecting democratic institutions right across the United Kingdom. Maybe we should start with respecting Scotland's democracy. One of the ways that we could do that is to respond positively to the democratic will of the Scottish Parliament.

If a majority in the Scottish Parliament vote for an independence referendum to be held, will the UK Parliament respect that vote and will it assist by facilitating that referendum?

**Michael Gove:** Again, I would say two things. The first thing is that the First Minister said it is not her priority to do that. Again, it is not for me to say, but the impression I get is that the newly formed Scottish Government and SNP MSPs are all committed to the First Minister's agenda of putting the recovery front and centre, and do not want any diversion or distraction from that by talking about other issues.

The second thing is, as we have always said, that there are appropriate means whereby, if we need to look at constitutional arrangements, we can do so, but I do not want to pre-empt any of the important work that needs to be done over the course of the coming months to focus on recovery.

Q71 **Pete Wishart:** Forgive me, Secretary of State, but people listening to



that response will not have an absolute clue about what you were attempting to tell me in answer. Why can the UK Government not be clear about this? You have said yourself that it is perfectly legitimate for Scotland to become an independent country. You will not tell us how we are supposed to achieve that, if the UK Government are not prepared to facilitate this. Will the UK Government facilitate the democratic will of the Scottish Parliament, if that is what it decides?

If it does not, for example, you have also said that you would not take the Scottish Government to court if it had to design its own independence referendum. Could we just get a bit of clarity? What is the view and the response of the UK Government to the democratic will of the Scottish Parliament when it comes to an independence referendum? Just tell us.

**Michael Gove:** It is to put recovery first.

**Pete Wishart:** Chair, I have tried. Several people have tried with the Chancellor of the Duchy of Lancaster on that one.

**Chair:** We have conducted ourselves in a very gentlemanly fashion. That is all I ask for, Mr Wishart.

Q72 **Geraint Davies:** Mr Gove, would you accept that strong devolution in fact does encourage a strengthening of the union?

**Michael Gove:** Effective devolution with good Ministers working effectively together is in the interests of the UK, yes.

Q73 **Geraint Davies:** When Lord Dunlop in his report and his commentary says that he is concerned about the internal market having incursions on devolved competence and perhaps destabilising devolution, do you share that concern? Do you believe that, the less we do that, the more we will have a stronger union?

**Michael Gove:** No. As we discussed when Ben Lake and I were chatting, the First Minister in Wales has outlined some concerns. I have great respect for the First Minister there. What I hope to be able to do is to show that those sincerely held concerns do not need to be—what is the word?—bodied forth in real fears. We can demonstrate how the powers of the UK Internal Market Act can work in everyone's interests and we can show that the financial assistance power can be used in a way that enables us to work with the Welsh Government as well as with civil society in Wales, local government in Wales and others.

Q74 **Geraint Davies:** You would accept that we now have a situation whereby we have the shared prosperity fund, the UK community renewal fund, the levelling-up fund and the community ownership fund. These are all new funds arriving in Wales from the UK Government, giving rise to confusion and a lack of strategic focus on need. The First Minister of Wales, Mark Drakeford, at some point mentioned that such behaviours are stoking the fire of nationalism by interfering in areas of Welsh Government competence, when in fact the settled will of the Welsh people was to



re-elect the Welsh Labour Government, of course. It is not bust; why fix it?

**Michael Gove:** One of the criticisms that has been levelled against the levelling-up fund is that it is funnelling money to so-called Tory areas. Actually, that criticism is misplaced. As you quite rightly point out, the levelling-up fund will mean that, in Wales, which, as you quite rightly pointed out, voted for Mark Drakeford and his re-election with an increased number of Labour Members of the Senedd, funds will be funnelled there as well.

Investment in strengthening Wales's infrastructure, supporting Welsh enterprise and helping Welsh communities to recover from Covid can only be a good thing. I want to make sure that, from Merthyr to Merionethshire, we are working with Welsh politicians in order to build back better.

Q75 **Geraint Davies:** You appreciate that some of this money is a replacement for EU convergence funding, which was historically focused on the most deprived parts of Wales. A commitment of the Government is to give us as much money at some point in the future, but to spend it in different parts of Wales with different priorities. It is going to different areas, as you pointed out. Is there a concern here that, if individual constituencies are bidding for money, we may end up with the situation where the poorest and neediest areas, which need the most support, get less than they did before?

**Michael Gove:** No, I do not think so. I am very, very keen to work with the Welsh Government and Members of the Senedd to make sure that the money we are targeting is there to help all communities. You made a point earlier about entrenched poverty in parts of Wales. We want to work with everyone in order to tackle that and improve opportunity. Opportunity for young people in Wales is greater as part of one UK market and one strong United Kingdom, with a chance to stand on the shoulders of others across the UK.

The levelling-up fund is there—the clue is in its name—to ensure that people who have not had all the opportunities that they deserve but who have just as much talent as anyone else have the chance to succeed. As we know, unemployment in some valleys communities, for example, is a scourge. We need to work together to provide new opportunities for people in Torfaen, Ogmore, Merthyr and elsewhere.

Q76 **Geraint Davies:** I am all in favour of the union, and I am in favour of investment from the UK into Wales. Is it worth looking at the fact that Wales, for example, gets 2% of rail enhancement investment for 5% of the population, while the case in Scotland is more proportionate? Would that be something that would help strengthen the union?

**Michael Gove:** I would have to look at the specifics there, but, certainly, improving connectivity between different parts of the United Kingdom is



important, as is improving connectivity internally within different parts of the United Kingdom.

For example, making sure that rail routes from Ynys Mon through north Wales and into the north of England are improved is important, as indeed is improving rail routes there. While it is the case that routes from north Wales into England and south Wales into England require investment and improvement, routes north-south in Wales definitely require improvement as well. The A470 and others have to be our focus.

**Q77 Geraint Davies:** On that, there are obviously a lot of mountains in the middle of Wales, which is a slight problem. In terms of the 3 million people who live in Bristol, Cardiff and Swansea, is there a strong case for union connectivity to be improved by improving rail frequency and speed there? Would that help the union?

**Michael Gove:** Yes.

**Q78 Geraint Davies:** That is good. In the Queen's Speech, it says that legislation will be brought forward to ensure the integrity of the union. I am a unionist, so we are clear, but there is a concern that legislation will come forward that will stop any democratic or legal route to having an independence referendum in Scotland. Again, I am all for Scotland being part of the union, but are such fears founded? Will you legislate to stop any prospect of any choice for independence in the future?

**Michael Gove:** We will not be legislating to prevent all future referenda, no.

**Q79 Geraint Davies:** Finally, in terms of procurement and Covid management, we found in Wales that we would be using the public sector for testing, tracking and tracing, for isolating, for buying PPE and for food parcels. We found that we were much more efficient and cost-effective than in England, where there was a lot of private sector use. Can I just confirm that there will not be any move to enforce what happened in England on Wales, against the interests of the public finances? Is that right?

**Michael Gove:** There will be procurement legislation coming forward. That procurement legislation means that we can take advantage of additional freedoms from being outside the European Union. Some of those freedoms mean that we can invest more in domestic producers, start-ups and businesses and people who will make a big difference to prosperity in Wales in the future.

As ever, the best thing to do is to make sure there is a wise blend between the private and the public sector in the provision of things like, for example, PPE. One of the best public-private sector partnerships we have seen recently was the work of the vaccine taskforce. No one can doubt the role that Kate Bingham played. She has a distinguished private sector background and has been revolutionary. The combination of someone with Kate's entrepreneurial private sector background, the





generosity and leadership of AstraZeneca and the commitment of our NHS workers seems to me to be the way to go. Public and private are working together; Wales and the rest of the UK are working together. If we force people into binary choices, we work against the great British spirit of co-operation.

**Q80 Geraint Davies:** On that, by way of example, if England decides to ban three single-use plastics and Wales wants to ban nine, which is the case, you will ensure that the Internal Market Act will not be allowed to stop that. You will encourage diversity, innovation and, as you put it, not binary choices.

**Michael Gove:** I will look at the specific issue that you mention. I cannot imagine that my former colleagues in Defra would want to be anything other than on the same page when it comes to measures against single-use plastic. Again, without looking at the precise provisions, I cannot be more detailed on that. I will go away. As I was going to say, Geraint, you have been a consistent campaigner for higher environmental standards and, indeed, clean air. When I was at Defra, we worked together to improve our approach to them. I am sure that our colleagues in Defra will want to emulate, if not exceed, the standards anywhere in the world.

**Chair:** Mindful that in the next area of questioning there are four members wishing to catch my eye, can we perhaps up the pace slightly? I know that Simon Hoare will not disappoint at all.

**Q81 Simon Hoare:** Hope springs eternal, Chair. Chancellor, you—thank God—and Lord Frost jointly authored the protocol with regard to Northern Ireland, giving that strategic advantage to the Northern Ireland economy of having a foot in both camps, with the opportunity to exploit the opportunities of the internal market of the UK and the EU single market. Can you just advise us how you are making sure that the protocol is understood across Whitehall, particularly in the work of BEIS or sometimes, I fear, the lack of work of BEIS in communicating to GB business what it needs to do? On that point, how are you making sure that the voice of Northern Ireland is heard across Whitehall?

**Michael Gove:** You make a very important point, Simon. Responsibility now for implementation of the protocol is principally in Lord Frost's hands. I have a responsibility—you are quite right—to make sure that every Government Department understands every part of making the UK's economy work. One of the things we have been doing is making sure that BEIS, Defra and all Government Departments are aware of those responsibilities and are communicating to businesses in GB and beyond, so that they know how to navigate their particular challenges, but also how to work with business in Northern Ireland to look to the future and to look to opportunities. I absolutely take your point that we continue to need to do more, and it is my responsibility to make sure we do that.



**Q82 Karin Smyth:** On that point, it was perhaps surprising that Lord Frost said last week that the Government and Ministers did not perhaps understand the protocol that they had indeed drafted. I am someone who asked numerous questions from 2016 of all Ministers about backstop protocols and so on, including in the run-up to the protocol, from the Front Bench at that point, to Mr Lewis, the Northern Ireland Secretary, about the preparation of British businesses, businesses in my Bristol constituency included, to navigate their way through the protocol. Ministers consistently talked about unfettered access. Some Ministers talked about east-west deliberately, knowing that they then did not have to talk about west-east.

I actually agree with Lord Frost. The level of ignorance among many Ministers speaking at the Dispatch Box about the United Kingdom—not understanding the very different situation of Northern Ireland—has really been quite shocking. There are some Ministers who do understand it, but, given what you have just said to Mr Hoare, how can you support civil servants' understanding of this complicated relationship when, with due respect—the same would apply across my own party; this is not a party-political point—United Kingdom Ministers are really quite deeply ignorant about the special circumstances of Northern Ireland?

**Michael Gove:** I appreciate the fair-minded spirit in which you ask the question, Karin. I am not sure that your characterisation of David's comments is quite right, but put that to one side. It is a very fair and serious point that you make. As we touched on earlier, there has sometimes been a tendency to compartmentalise knowledge about the precise operation of Government, laws and institutions in Scotland, Wales and Northern Ireland. There has been, in the past, a tendency to subcontract either to the NIO or to political relationships some of the knowledge required, but, over the last few years, there has been a significant improvement across Whitehall.

I should say that some of the officials with whom I have worked in the Cabinet Office have an unrivalled knowledge of the challenges facing and the opportunities open to people in Northern Ireland. People like Brendan Threlfall, Mark Davies and others with whom I have worked are peerless. One of the reasons why I am so glad that Sue has been appointed is that Sue brings direct experience of working in the Executive, running the Department of Finance in the Northern Ireland Civil Service, and experience of running some of the most sensitive and important areas in the Cabinet Office prior to that. As Andrew Dunlop pointed out earlier, she is an experienced and highly effective Whitehall warrior.

The challenge—

**Q83 Karin Smyth:** Just to interrupt you there, my point is really about the politicians, is it not? Maybe Ms Grey would like to answer. How do we get UK Ministers to be more knowledgeable?



**Michael Gove:** I would say two things. First, as David Mundell pointed out earlier, Sue's record shows that she is not afraid of talking truth to power. The second thing I would say is that we all need to work harder at every point to understand the nature of relationships across the whole United Kingdom. That is one of the things that we have been encouraging in the work of the Union Strategy Committee, the union implementation committee and others, and it is part of that process.

Q84 **Ian Paisley:** Like Karin, I agree with what Lord Frost has recently said: that the protocol is not sustainable. I even agreed two years ago with the Prime Minister that it should be binned. Unfortunately, words are not enough. How is the Northern Ireland protocol going to strengthen the union when every single unionist, possibly with the exception of Simon, appears to think that the Northern Ireland protocol is an absolute and total unmitigated disaster for Northern Ireland?

**Michael Gove:** It is a huge issue. That is the first thing to say. The second thing to say is that the Northern Ireland protocol contains significant challenges, and David has been working with Maroš Šefčovič to deal with those. It also is the case, as a number of business organisations have pointed out in Northern Ireland, that a properly functioning protocol can bring benefits to businesses in Northern Ireland.

Q85 **Ian Paisley:** That is jam tomorrow, is it not, Michael?

**Michael Gove:** Well, it is important that we deal with the challenges and keep an eye on the opportunities. David has been right in his approach, which is to stress to the EU that it has a responsibility to help deal with it. I will not rehearse the problems we had when the EU invoked article 16. It dropped it again after a few hours. That was a misjudgment on its part. To Karin's point about the lack of knowledge about Northern Ireland in Westminster, in the Commission, with one or two honourable exceptions, there is an even greater lack of knowledge and sensitivity to what has been happening in Northern Ireland.

I should also say that, in recent discussions in private, politicians who themselves are not unionists, from the Alliance and others, have expressed dismay at the lack of sensitivity shown by some in the EU. A critical thing is that there are folk in the EU who have tended to see the Belfast/Good Friday agreement just in terms of north-south relations, and they have not appreciated both the balance within Northern Ireland and, particularly, the importance of east-west relations. David is doing good work in making sure that more people in the EU appreciate the responsibilities.

Q86 **Ian Paisley:** I welcome what you have said, I must say. It was noted yesterday that there was even agreement—maybe that is too strong a word—between the Loyalist Communities Council and the SDLP about opposition to the impact that the protocol was having.

The core element of this document that we are discussing today, the spine of it, is respect for devolution and, of course, respect from the



devolved regions for the centre. Is it the haphazard application of policy to the devolved areas such as the protocol, maybe such as social policy, that is doing more to damage the union?

**Michael Gove:** I take your point. There are profound sensitivities here. Following on from the point that Karin made, politicians like me have an obligation, sitting in Westminster, to weigh carefully the views of politicians and those they represent in every part of the United Kingdom. Sometimes it will be the case that the UK Government, exercising responsibility in retained areas, will make a judgment with which politicians within any devolved Administration may disagree with. Before we make those decisions—and sometimes there will be disagreement—there is an obligation on us to do everything possible to develop the best possible understanding and sympathy.

Again, one of the roles I have been playing within the Government is encouraging all UK Government Ministers to spend more time in every part of the United Kingdom, talking to representatives of every part of the United Kingdom. There has been a welcome uptick, notwithstanding some of the challenges of Covid, in just that. But, of course, there is more to do.

**Karin Smyth:** I just wanted to correct what I think went on the record. Mr Paisley might have inadvertently suggested that I agreed that the protocol was unsustainable. I certainly do not. I think that Northern Ireland has the opportunity for the best of both worlds. I just wanted to make sure that was very clear on the record.

Q87 **Geraint Davies:** Mr Gove, the Good Friday agreement has a facility whereby, if the mood in Northern Ireland is one where they want a referendum on unification with Ireland, they should have one. Given that, in the event of the reunification of Ireland, they would all be part of the single market and the customs union, although they have that benefit now, and there may be a changing mood there. Is that something that the Government would contemplate allowing, if the mood shifted to wanting to be part of Ireland and part of the EU?

**Michael Gove:** I hesitate to contradict you. Under the terms of the Belfast/Good Friday agreement there are provisions under which a border poll can be called, but it is less a matter of mood. There are some slightly stricter tests than that.

The majority of people in Northern Ireland vote for parties that believe in the UK, even parties that are not explicitly unionist, like our friends in the Alliance party. They draw their strength from people who want the United Kingdom to continue, although of course they have different views on a variety of issues. It is also striking that, while the coalition Government in Dublin is anxious to improve working across the island of Ireland, they are also very clear that, to coin a phrase, now is not the time for any sort of border poll of that kind.



## HOUSE OF COMMONS

Speaking entirely personally, I am proud of the fact that a majority of people in Northern Ireland want to remain part of the United Kingdom. It is fantastic that over the course of the last 100 years we have benefited so much from Northern Ireland being part of our country. Some of our most important cultural figures over the last 100 years in Britain have come from Northern Ireland: Louis MacNeice, C. S. Lewis, Seamus Heaney and Sir Van Morrison.

So have some of the great sporting stars who are part of the Great British story. Willie John McBride, one of the finest rugby players born in these islands, is from Northern Ireland. If we look back at the heroic struggle of the Second World War, who were the two most important figures in the land conflict then? They were Alan Brooke and Montgomerie, both from Northern Ireland.

If you look now at the contribution that the people of Northern Ireland are making to the UK in healthcare, at Queen's University in cyber research or in the work that so many people are doing in the FCDO on international development, we are so lucky to have Northern Ireland as part of the United Kingdom.

Of course, the future of Northern Ireland is for the people of Northern Ireland to decide, but I just hope that they stay part of the UK, because it is wonderful for us to be working together with the people of Northern Ireland.

**Q88 Geraint Davies:** The majority of people obviously voted to stay in the EU, and they are not in the EU as such now. In the event that in the future there was a view that they wanted a change, that would be permitted and facilitated by the UK Government. Is that right?

**Michael Gove:** It is the case that, under the Belfast/Good Friday agreement, there are specific provisions, yes, but there are certain high and clear bars that need to be taken into consideration.

**Ian Paisley:** I have a question for Sue Grey. I am going to add to the triumph of people who have now congratulated you. Thank you for the work that you did to contribute to Northern Ireland. For the record, I will just say that you are greatly missed already, even though you have only been here for four days. In all sincerity to you, our Civil Service structure in Northern Ireland is weaker for our loss of you. Hopefully, being here, you will help strengthen that again.

**Sue Grey:** Thank you.

**Q89 Ian Paisley:** Should Whitehall money bypass Northern Ireland's devolved Departments and fund projects directly in order to support, say, local authority projects as a way of enhancing the proposals put forward by Lord Dunlop?

**Sue Grey:** First of all, in Northern Ireland many of the powers are very different. You have to be very clear that it will all work. The thing we



need to do, and we do this, is talk to people, talk to the Executive Departments, talk to people on the ground and develop proposals—CDL and I have been discussing this—about trying to do our very best for people in Northern Ireland, Scotland, Wales and England. It may not be that one size fits all. It may be that we have to have different proposals.

**Q90 Ian Paisley:** Is there a way of bridging the gap? Each year, unfortunately, some Departments in the Executive in Northern Ireland hand money back to Whitehall. How can we stop that? Is there a new mechanism that can be put in place so we can hold the money and roll it over or, indeed, make sure that it is properly allocated and spent? Ulstermen and Ulsterwomen do not like giving money back. I have learned that in political life.

**Sue Grey:** I learned that very much in my three years. In the spending review that the Treasury is going to be embarking on, multiyear budgets are absolutely essential for Northern Ireland. That would help with that issue.

**Q91 Robin Millar:** Chancellor, I have written before—and I know that you know this—that our union is a relationship bound by covenant, not contract, but no relationship can survive decades of keeping scores or the incentive to find fault. I would like to develop this idea that there is much more to our union than a contractual relationship between the parts.

It has been very interesting for me today to hear in the evidence that you, Ms Grey and Lord Dunlop have brought an emphasis that these are relationships that we are trying to nurture. Yet Lord Dunlop in his own report, necessarily perhaps, focuses on structure and finance. Inevitably, in many of the questions we ask we focus on structure and finance. It is a slightly philosophical question, but is there a way that we could usefully reframe the way that we have these conversations such that we emphasise the fact that this is a relationship? Relationships thrive on, for lack of a better word, love and nurturing, not cost counting and score keeping.

**Michael Gove:** I could not agree more. I know that in your previous session people touched on the Barnett formula and so on. Simon suggested that the Barnett formula be modernised. The reason I mention it is that it is about finance. I would say two things. One, as a Tory, modernisation is not always required. Sometimes, the things that we inherit are good.

More broadly, in terms of a spirit of love—I stand to be corrected—people in England think it is fantastic that Scotland, Northern Ireland and Wales are a part of the United Kingdom: Scotland because of its geography and demography; Wales for the reasons that Geraint mentioned earlier; Northern Ireland for reasons that none of us needs to rehearse. All of them receive, and rightly so, a level of investment higher than the per capita level of investment in England. That is because, even though it can



be measured in cash terms, what is immeasurable is the sense of solidarity, sharing and pooled endeavour that we have.

In the same way, in a family, if a family goes out for a meal, it is not the case that one of the parents then says, "You had this, and you had that. Can we have your contribution? I have divvied it up in this particular way." If a family did that, it would not last for very long. We accept that it is about the fact that we benefit more by working together than we ever could if we were separated.

Yes, there will be better, more lyrical and more powerful examples that you, Robin, and others can deploy to show how working together is such a powerful thing. One of the areas I would mention is the fact that, if you look at UK citizens abroad contributing to international development efforts, you will find that, when people are working there, they do not think of themselves as representing Northern Ireland, Wales or Scotland; they are representing the UK as citizens who are part of an effort to alleviate poverty in those parts of the world where it is most profound.

**Chair:** On the theme of love, we will go to Mr Wishart, please.

Q92

**Pete Wishart:** We are on a more steady foundation here in terms of relationship building when we get to the concept of love. There is a great amount of love throughout these islands. I certainly love all my compatriots, regardless of where they live in the United Kingdom. Isn't the greatest demonstration of love the understanding that sometimes relationships may just have to reconfigure into something new and something different? It is respecting the other partner in that relationship to make their own decisions about the way they want to go in the future; it is respecting that and facilitating that. It is about deciding, among ourselves, that there is maybe a better way for that love to be expressed.

**Michael Gove:** Of course, but all I would say, Pete, is that, as I look at your handsome room, I see behind you a series of gold discs. Those gold discs came about when you were in Runrig. Runrig, as a group, worked brilliantly together. Sadly, for obvious reasons, Runrig broke up. Its constituent members, you, Donnie Munro and others, have all achieved amazing things. But since Runrig broke up I do not think you, Donnie or anyone else has secured a gold disc. In the same way as a band that plays together with brilliant talent can achieve more than the individuals can even when they are soloists, so our UK is stronger together when we are singing the same songs together while, at the same time, respecting our different talents.

**Pete Wishart:** Maybe tell that to Robbie Williams.

**Michael Gove:** Take that, some might say.

**Chair:** What a splendid ensemble. We will now go to the fine baritone voice of Simon Hoare.

**Simon Hoare:** I am actually a tenor, Chair, but for you maybe just a



five. We will see. Could I ask a question or two, please, to Sue Grey? Welcome back, Sue, to Westminster. I echo what Mr Paisley was saying: you will be missed.

Your appointment surely shows the acceptance of Lord Dunlop's recommendation on civil servants having experience of devolved Administrations. I wondered what you hoped to achieve in your new role, but I also wondered whether you could comment upon the potential structural weaknesses you leave within the Civil Service in Northern Ireland. Your disappointing, I am afraid to say, non-appointment as head of the Civil Service was, to use your words, maybe because you were too much of a challenger and a disruptor. I wondered what you thought that legacy might be.

**Sue Grey:** First of all, in relation to my appointment here, I have gained an experience by working in a devolved Government, and I would encourage many of my colleagues to do the same. It is hugely beneficial. Sitting in Whitehall, you can never get that experience. To experience it is brilliant.

Listening to Mr Paisley, I have made many good friends, but I have not been afraid to go out on the ground, hear what is happening and take those views back to the development of the policies and services that we were developing. It is fantastic. I will be encouraging my colleagues to do this as well. The interchange scheme that we already have is a week. Proper experience needs to be longer than that. That is what I would be encouraging.

The Northern Ireland Civil Service—this is not about me—is better for having people come in, spend time in it and work there. We also need people from the Northern Ireland Civil Service coming into the Civil Service in England, Scotland and Wales. We would just be so much stronger for doing all of that.

I hope I will be able to represent that experience in my work with Whitehall Departments, with Ministers and with officials, but I am going to be in Scotland, Wales and Northern Ireland every month—that is my plan—to work with my colleagues in those Governments but also to be out on the ground and carry on what I have been doing.

Q93 **Simon Hoare:** Could I urge you to reflect upon, certainly, a recommendation that a recent NIAC report made of formalising those exchanges of civil servants around the devolved Administrations and Westminster? It is a way of sharing best practice, common experience, learning, ideas and innovation. You acknowledged the weaknesses of it. A week's work experience is barely scratching the surface, is it not?

**Sue Grey:** No, absolutely. In fact, for the last few months the Cabinet Office has established a group, under the chief people officer in the Cabinet Office, to work with the devolved Administrations. We would have monthly or six-weekly meetings to talk about how we can





strengthen our links. A good interchange and secondment programme is absolutely a part of that.

Q94 **Simon Hoare:** Finally, referring back to the position of head of the Northern Ireland Civil Service, by definition the political set-up of the Executive is very finely balanced to reflect the traditions. Many of us believe that a single head of the Northern Ireland Civil Service will have the opportunity to bang heads together to get some direction, decisions and progress to benefit all of the people of Northern Ireland, particularly reflecting on the interregnum of three years of Stormont not sitting. What will you be doing to encourage that sort of dynamic leadership within the Northern Ireland Civil Service?

**Sue Grey:** Another competition is underway for a permanent head of the Civil Service. When that person is appointed, I will obviously work very closely with them, as I will do with my colleagues in the Scottish Government and the Welsh Government to encourage better collaboration, working together and learning. There are some good things going on in the Northern Ireland Civil Service. We should take them and share them, and we should be sharing good practice from England, Scotland and Wales. We should just be more open to all of that.

Q95 **Simon Hoare:** Do you think there should not be a de facto head of the Civil Service for the First Minister and a head of the Civil Service for the Deputy First Minister?

**Sue Grey:** No, you have to have one head of the Civil Service.

**Ian Paisley:** From the other end of the telescope, as a practising politician, to be able to go to a civil servant in a Northern Ireland Department, sitting in Clare House or the castle, and for them to be able to open the doors to the Civil Service and activities here in Whitehall, made my job so much easier and created activity on the ground that helped our constituents. That is the practical outworking of a long-term appointment in Northern Ireland that then comes back to Whitehall.

**Chair:** Thank you for putting that on the record, Mr Paisley.

Q96 **Karin Smyth:** Before I ask my question, I just want to agree. I am vice-chair of the British-Irish Parliamentary Assembly. The visits and interactions with all Parliamentary Assemblies, Governments and their civil servants has been hugely beneficial to my work as a politician. I would thoroughly recommend it for politicians as well as civil servants to experience that.

Mr Gove, if I can come back, my question is about England. Mr Mundell and I bristle every time a civil servant or a politician says "the four nations". They do not mean the four nations; they mean Scotland, Northern Ireland, Wales and the United Kingdom. If you could stop people saying that and help them get it right, I would be terribly grateful. What we ignore is the role of England and democratic accountability to our English constituents.



Lord Dunlop started to talk about the omissions and the other work needed based on his report, but can devolution across the other nations really work without a real devolution of power in England, in your view?

**Michael Gove:** Yes, it can, but it is better if we have effective local government, effective devolution, strong Mayors and strong councils delivering for their communities. You would expect me to say this, but the recent examples of Ben Houchen's re-election and Andy Street's re-election show that effective mayors who do a good job on bread and butter issues are demonstrations of how effective devolution can work within England.

Q97 **Karin Smyth:** I look forward to you working well with Dan Norris in the west of England on that basis. We await the new changes to English devolution. Can you give us any insight on when there may be more reforms and changes coming forward so that we have proper worked-through devolution and power in England?

**Michael Gove:** I would say two things. It is in the nature of England that we have different answers in different parts of the country. What is appropriate in the Tees Valley or the West Midlands may not be appropriate in Surrey, for example. All that having been said, both MHCLG and No. 10 will be saying more later this year as part of our levelling-up programme. I cannot pre-empt exactly what is going to be said, but there will be more and it will be significant.

The second thing I would say is that, obviously, local government is a devolved matter in Scotland and Wales. One thing that would be good is a debate in Scotland and Wales in which everyone can engage about how we strengthen local government across the whole United Kingdom as well. It is striking, for example, that one of the local authorities most lauded recently for delivering effectively for its citizens was Aberdeen Council. Its leader, Douglas Lumsden, now elected to the Scottish Parliament, has worked across party divides. It is a joint Labour-Conservative council. It has done great work. I am sure that, were the Government in Holyrood to want to work with a stand-out council like Aberdeen Council to give Aberdeen Council more powers in certain areas, that would be warmly welcomed by people in Aberdeen.

That is a matter for the Scottish Parliament and the Scottish Government to decide, but your broad point, which is that we should be encouraging strong local government across the United Kingdom, is a very good one.

**Karin Smyth:** My broad point is really about English devolution and empowering our English constituents, but I very much look forward to your forthcoming proposals.

Q98 **Chair:** Could I conclude with a question to Sue Grey? Your role previously, and indeed going forward, in speaking truth to power has been rightly pointed out. This is a totally different yet topical matter.

Could I ask whether you were involved in any discussions about the role



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of Mr Lex Greensill in advising the Government with either the late Jeremy Heywood or Mr Cameron?

**Sue Grey:** It is a long time ago. I was involved at the outset. I did not have any involvement with Mr Cameron, as far as I can recollect. I was involved, very early on, when Mr Greensill was going to come in as an unpaid adviser. My recollection is that he declared his interest to me. That was probably it.

Q99 **Chair:** That was the end of any discussions that you had on the matter.

**Sue Grey:** As far as I can recall, yes. I may have seen a couple of emails. He came in around 2011 or 2012. I may have seen a couple of emails later on, but nothing much.

Q100 **Chair:** Was there anything that was a cause for concern in that declaration?

**Sue Grey:** At that time, his interests were very much based in Australia, as far as I can recall. There were farming interests. I cannot quite remember the whole thing.

Q101 **Chair:** Finally, were you satisfied, with your role in propriety and ethics, that his involvement, whatever his involvement indeed was, was satisfactory?

**Sue Grey:** I cannot recall the exact role that he had—that first role. His interests at that time were not of a concern, given that they were quite local, I would say.

**Chair:** I thank you for answering those questions, because it was me bowling a googly at the end of the Committee.

**Sue Grey:** Yes, that is my recollection.

**Chair:** That is helpful. In conducting that inquiry, I know PACAC may well be in touch in the future.

Can I thank both you and Michael for coming this afternoon and giving evidence to our joint Committee? Thank you to all my colleagues from around the country and across these four Committees for their involvement as well? Thank you all.