

# Public Accounts Committee

## Oral evidence: Lessons from Greensill Capital, HC 1368

Thursday 13 May 2021

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Members present: Meg Hillier (Chair); Gareth Bacon; Shaun Bailey; Sir Geoffrey Clifton-Brown; Barry Gardiner; Peter Grant; Mr Richard Holden; Sir Bernard Jenkin; Craig Mackinlay; Sarah Olney; and James Wild.

Gareth Davies, Comptroller and Auditor General; Simon Reason, Director, National Audit Office; and David Fairbrother, Treasury Officer of Accounts, HM Treasury, were in attendance.

Questions 69 to 144

### Witness

[I](#): Rt hon. David Cameron.

### Examination of witness

Witness: Rt hon. David Cameron.

**Chair:** Welcome to the Public Accounts Committee on Thursday 13 May 2021. We are here today to question Mr David Cameron, the former Prime Minister, about his interactions with Greensill Capital, but particularly in our area of focus, which is about how Greensill Capital's access to Government may have contributed to some policy decisions by Government in terms of handling corporate relations.

We listened to the Treasury Committee's earlier hearing, so Mr Cameron will not need to answer any of those points. He can refer to those previous answers where that is appropriate, although we may still probe. I would also flag that our sister Committee, the Public Administration and Constitutional Affairs Committee, is also conducting a wider inquiry about the issue of lobbying, so that is also not really our main focus today.

Mr Cameron, we are hoping that we can dispatch this within an hour or so, with your support in swift answers where that is appropriate. I will hurry things along as necessary, but we do need the time to ask the questions and you need to have the time to answer them, so we appreciate that that might not quite run exactly to timetable.



Without further ado, I am going to pass to the deputy Chair of the Committee, Sir Geoffrey Clifton-Brown, to kick off.

- Q69 **Sir Geoffrey Clifton-Brown:** Good afternoon, David. You have had a long session with the Treasury Committee, so we are going to keep this fairly brief. In your time in office, when did you first become aware of the possible use of supply finance in the public sector?

**David Cameron:** Lex Greensill was employed—I think Jeremy Heywood was responsible for bringing him into Government, in 2011. I don't think I met him until 2012, by which time he had worked up one initiative, which was two things: it was a mixture of private sector companies that were going to use supply chain finance to ease credit conditions for their suppliers to help with the credit crunch, which I was all in favour of, and there was this one Government scheme to enable NHS pharmacies to be paid more quickly under supply chain finance rather than by the NHS.

I announced that package in October 2012. I don't think I had any other engagement with the issue while I was in office. My understanding is that other such schemes and ideas were looked at, but none came to fruition, so I had a relatively limited experience with it, but in terms of the one issue that came forward, I would describe it as beneficial.

- Q70 **Sir Geoffrey Clifton-Brown:** But Lex Greensill did not suddenly arrive in No. 10. Somebody must have briefed you at some stage on supply chain finance. Who was that, and when was it?

**David Cameron:** I suspect that it would have been Jeremy Heywood, and I would have been informed at some stage that this appointment was being made. I don't think I played any part in the run-up to the appointment. As I understand it, all the Cabinet Office papers are being looked at and the Nigel Boardman inquiry will be looking at this, but I am sure I would have been informed that he was coming in to look at this issue. As I say, then my interaction with him was really around 2012.

- Q71 **Sir Geoffrey Clifton-Brown:** You were asked by the Treasury Committee what its use was, what advantage it was in the public sector, given that there are public contract regulations, and given that Government on a departmental basis pays most—in the high 90%—of its bills in 30 days, and in the high 70% in five days. What is the necessity, or what is the advantage, of supply chain finance in the public sector?

**David Cameron:** I think there are two or three important points to make about why it has an application, and the NHS pharmacy scheme is a good example. You will have heard in the Treasury Committee figures being quoted for it saving the NHS £100 million a year, because they are not having to reimburse the cost of capital of NHS pharmacies, and also pharmacies themselves saying how much they liked having the early cash, because it eased their cash flow and meant that they were not having to borrow so much from banks.

So I would say, in looking at the public sector, there are a couple of points. The first thing is that although public bodies say they want to pay their bills



early, huge progress has been made and a lot of credit needs to go to those organisations, there is in some public bodies just a level of bureaucracy and paperwork that is involved in generating invoices and paying bills that means there is a delay. The NHS would be a good example of that. Using an outside provider who can pay the pharmacies or other small businesses immediately and then reclaim the money from the Government—there's an advantage in doing that, because instead of being five days, it can be, effectively, one day. That's point No. 1.

The second point is that you can, as we did with NHS pharmacies, actually go one better than paying as soon as an invoice is generated. You can predict what NHS pharmacies are going to be prescribing and pay them in advance, and that is what has happened with the NHS pharmacy scheme. So that's point No. 2.

Point No. 3 is complicated but, I think, important. In his evidence to the Treasury Select Committee, Nick Macpherson said, "Yes, of course the Treasury is in favour of early payment, but do remember that early payment does mean the Treasury having to produce more cash, borrow more money and therefore pay an interest charge on it, so there's a cost to the Treasury." I think the point that Mr Greensill made in the Committee, which I would repeat, is that of course, if you use an outside supplier of that finance and you pay your suppliers early—remember: you are paying them early, but with a discount—they are, effectively, paying for that early payment, rather than the Treasury.

I think those three reasons are good reasons for considering that this is not some sort of bizarre idea, but actually has a real-world application.

Q72 **Sir Geoffrey Clifton-Brown:** If it is so desirable, why did only one major scheme get off the ground in your time?

**David Cameron:** That is a very good question, and I don't know the answer to it. I think it would be necessary to ask either Mr Greensill, who was working in the Government at the time, or perhaps some of the Cabinet Office folk who were working with Jeremy Heywood, who very sadly is no longer with us.

I think lots of other applications were looked at, but the NHS pharmacy one was a really straightforward—not straightforward, but a really good one, because the benefit was going to these, effectively, small businesses. But I can't really answer that question—



**Q73 Sir Geoffrey Clifton-Brown:** Isn't the real answer that the Treasury were always pessimistic and even opposed to supply chain finance for the very reasons that you have already laid out—that they have to pay out the money and pay the interest?

**David Cameron:** I think they—no. Of course, if you are using supply chain finance, the Treasury are not paying out the money—that's the whole point when you use supply chain finance. For instance, at the moment the NHS pharmacies are being paid by—well, it was the case before the company went under, so they were being paid immediately by Greensill, and the Government, the NHS, was paying Greensill back after 30 or 60 days. So it wasn't Treasury money.

I think the reluctance in the Treasury relates to two points, which are both important. One is that, as Nick Macpherson said, if you do pay very early, that means you are borrowing more money and paying an interest charge on it—that's the Government paying early. I think that's the first point. The second point is that they are, I think, nervous about using an outside supplier, because of course the Government's cost of money is lower than anybody else's.

**Q74 Sir Geoffrey Clifton-Brown:** Exactly.

**David Cameron:** But of course the Government's cost of money is not always transferred from the Treasury to individual Departments. Individual Departments' cost of money is a weighted cost rather than necessarily the Government cost.

So I think there is merit in looking at these schemes. Some people have said, "It's all totally pointless." I don't accept that. I would say, "Listen to what the pharmacies say. They have enjoyed this scheme and had merit from it."

**Chair:** Thank you very much, Sir Geoffrey. We now go to Barry Gardiner MP.

**Q75 Barry Gardiner:** When you were Prime Minister, Mr Cameron, Lex Greensill had access to you as an unpaid adviser. Can you set out how that came about? Apparently, there is no documentation of his role at No. 10, and the public might think it incredible that a guy can have a desk in the Cabinet Office with no salary and yet be off the official radar. I assume he must have had a pass and security clearance. How did it all come about?

**David Cameron:** My understanding is that Mr Greensill was brought in by Jeremy Heywood, who had known him from a previous job. Jeremy was an outstanding civil servant, and he was conscious of the fact that the civil service can benefit from outside advice and input. My understanding is that he brought Mr Greensill in with this remit of looking at how Government can do better at paying bills faster, particularly to small businesses, and whether there was an application for this approach. He had an office in the Cabinet Office.



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I am sure I was informed that he was coming, and I would have said, "Yes, let's have outside experts," but I haven't yet seen a paper trail for that. My understanding was that he was given an office, given a pass, brought in by Jeremy and would have been reporting in some way through the Cabinet Office.

**Q76 Barry Gardiner:** As you said to the Treasury Select Committee, Sir Jeremy, an amazingly fine civil servant, is no longer here to explain and defend himself. When Mr Greensill accompanied you to a Federation of Small Businesses conference, you gave him what I think is known as a shout-out, saying, "Lex, where are you? Give us a wave." You told the audience, "Lex is sorting out the whole supply chain issue for us," so you clearly knew him quite well by that stage. That was 2014—three years on.

You will recall Liam Fox's resignation letter to you over his unpaid friend and adviser Adam Werritty. In that letter, he said that he had mistakenly allowed his personal and professional responsibilities to become blurred. Do you think that perhaps the same happened with you and Lex Greensill?

**David Cameron:** No, not at all. My recollection is that between 2011, when Lex Greensill arrived in Government, and the time I stopped being Prime Minister, I'm pretty certain that I met him no more than twice. I think the two times were when we met to discuss the announcement in October 2012 of the initiative that I just spoke to Sir Geoffrey CliftonBrown about, and the second meeting was when we went to this Federation of Small Businesses speech.

I remember thinking that the supply chain finance initiative was a good one, and I remember the event in Downing Street where there were lots of UK corporates that had agreed to use this approach. I liked it because we were in a credit crunch at the time. The banks weren't lending in the way that we wanted them to, and this was a way of extending credit to small businesses, because effectively they were using—if it was Vodafone—Vodafone's ability to borrow money to borrow money themselves, to put it simply. So I think the shout-out, if indeed there was one—I have been told about it, so it must be true—was because I thought this was a good initiative. I remember announcing it, but I don't think otherwise I had any interaction with Lex Greensill at all.

**Q77 Barry Gardiner:** So that was just your natural bonhomie in a crowd.

**David Cameron:** Well, I like to think so. I don't actually recall it, but I have been told about it, so I'm sure it is true.

**Q78 Peter Grant:** Good afternoon, Mr Cameron. Can I move on to your decision a few years after you left office to go and work with Greensill Capital? What was it that you attracted you to work for them rather than, presumably, one of a number of organisations that might have been quite keen to recruit you?



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**David Cameron:** I met up with Mr Greensill after I left office, and he told me about the business that he had created and was growing. As I said in the Treasury Select Committee, I had some pro bono charitable work with Alzheimer's, dementia and fragile states, and I wanted to do some business interests as well.

I took quite a long time to make up my mind, but what I thought was interesting about Greensill was this core product of going to big businesses and saying, "Let us pay your supply chains immediately, and then you pay us after 60 or 90 days. In the meantime, we raise the money on the capital markets." What I liked about that is that it was helping small businesses with cash flow, which is a key concern. So to me it was like many of these things that are happening in our economy—taking one thing that the banks have done and not always done very well and trying to make it better, cheaper, faster, digital, paperless and all the rest of it. It was, if you like, a UK fintech potential success story.

That is what I thought was interesting. I thought about it very hard before joining. I did some due diligence, as I explained to the Treasury Committee, and obviously I am very sad that this company ultimately failed, but that was what I was thinking. I was interested in it. As Prime Minister, I tried to promote fintech and make sure we were a fintech leader. Here was a fintech success story and I thought it would be interesting to get involved.

**Q79 Peter Grant:** Was your decision influenced to any significant extent by the dealings that the Government had had with Mr Greensill previously, or was it entirely the conversations that you had after you had left office that made up your mind?

**David Cameron:** That is a very good question. Just to be absolutely clear, while I was in office there was no conversation with Mr Greensill about potentially working for him. As I said, I met him twice and that was never raised with me. When he did come to see me after I left office and talked about his business, and then talked about me potentially being an adviser, the fact that I had announced something in Government and had taken up this technology and pushed for it did have a bearing on my understanding of what he was trying to do.

It meant that I wasn't coming to this whole idea cold. That was a point of shared interest, if you like. He said, "You seemed to warm to and understand what this industry is about when you were Prime Minister," and of course I had the recollection of the announcement we made and what I thought had been a positive effect. But there was no other connection, as it were, between the two events.

**Q80 Peter Grant:** Thank you. And looking at it from the other side, apart from the fact that you were a recent former Prime Minister, what do you think they saw in you that made you a better pick than a number of other people they could have approached?



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**David Cameron:** That is really a question for them rather than me. I think that as a company that was small but growing, was competing with big banks, and wanted to expand internationally and win over new clients, that was the attraction. It was having someone who would roll up their sleeves and help expansion in China or India, or help win clients in Australia or America. It was very much about that.

The public sector side of the work was very much later. When I joined, it was really focused on winning these big corporate customers, and I think they thought I would bring some enthusiasm and ability to that. But it would be better to ask him, really.

Q81 **Peter Grant:** In your evidence earlier to the Treasury Committee, you said that you weren't employed as a lobbyist; you were employed in a different role for Greensill. But at some point you effectively became a lobbyist, making representations directly to UK Government Ministers and others. Who initiated the process by which you became a lobbyist within the UK system, as opposed to the role that you had originally been appointed to?

**David Cameron:** I think there were two developments. The first was the potential economic crisis following from covid, where suddenly the issue of how lending and credit could be supported became a very live issue, and an important issue for Greensill because we were funding a lot of companies' supply chains.

I can't remember exactly how the conversation came about, but I think it was really that we saw the Bank of England talk about helping to finance supply chains, we saw this scheme—the CCFF—come about, and Greensill thought, "Well, we have a great idea for improving it," so the need was to try and get that in front of Government. I think that is where I became involved.

The second development was that in thinking about how to pay suppliers early and why it was a good thing, it was an obvious leap to say, "Well, the most important supplier for any business is the workforce, and if you can use technology through companies' ERP systems to pay their suppliers early, why can't you use the same technology to enable workers for that company to draw down their salary as they earn it, rather than wait till the end of the month?" I thought that was a fantastically exciting development and Greensill decided that in the NHS, for instance, and in the public sector, this should be done for free—free to employer and employee.

Why that was so important was that in any of these schemes that allow salary advance to companies, if you charge the employee even a small amount, it is still a big APR—it is still a big interest charge—so this was always free to the employee, which attracted me a lot, but free to the employer as well. I thought it was a tremendous giveback to the NHS and public sector workers, and I was very keen to talk about that. There is no secret about that: I became a big explainer and a big enthusiast for it.



**Q82 Peter Grant:** Thank you, Mr Cameron. I hear what you are saying but, with respect, you did not actually answer the specific question, which was not about the circumstances that made it appropriate for Greensill to be contacting the Government, but about who decided that you would be the person to contact the Government. Did you suggest that to them, did they suggest it to you, or can you not remember how it came about?

**David Cameron:** I cannot remember exactly. I expect it came out of a conversation between me and Mr Greensill about how to try and make this Government scheme work better.

**Q83 Sir Bernard Jenkin:** This Committee is concerned not about the lobbying inquiry that PACAC will be doing—we are concerned about value for money—but the revolving door question is of concern because it perhaps compromises the value for money that people in public office might be able to obtain because they are thinking about what jobs they might get in the future.

You have made it very clear, Mr Cameron, that that was not in your mind at all, and I perfectly accept that. But I think what we have to ask is: what message do you think your appointment by Mr Greensill after you left Government—you went through all the proper procedures and it was all within the rules—sent to officials, and even to Ministers who might have been dealing with Mr Greensill at the time, about their future employment prospects if they were nice to Mr Greensill from their public office? Do you understand the concern that this raises?

**David Cameron:** I do understand the concern. I think all I would say is there is an appointments process. I said to the Treasury Committee how we could improve it—make it more mandatory, make it compulsory, make it enforceable, maybe change the rules and make them stronger.

After you leave office, it is perfectly acceptable to take up some commercial roles. There was a gap in terms of this one; there was very little connection between me and Mr Greensill when I was in Government. It was not for me a particularly live consideration, because I thought, “Okay, I made one announcement about supply chain finance as Prime Minister. Now I am going to go and work for this company.” It wasn’t as if there was some deep connection.

**Q84 Sir Bernard Jenkin:** I am not making that accusation at all. I think we need to ask ourselves how appropriate it is for people who had dealings with a particular business while they were in office being subsequently employed by that business—not because something bad has definitely happened, but because it complicates the relationship in terms of people—

**David Cameron:** I understand that. I think this is very difficult.

**Sir Bernard Jenkin:** It is.



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**David Cameron:** I am sure you would agree that we do want an interchange of people coming out of the private sector and into the public sector and of people going from the public sector into the private sector.

Off the top of my head, if you think of someone who has worked in the finance area in the Treasury, would that preclude them, when they leave after 10, 20 or 30 years, from going to work with a bank? I can see the principle of what you are saying. We have to think of the real-world examples. I am in favour of interchange between the public and private sectors, and so you have to be careful that what you do doesn't make that impossible.

**Q85 Sir Bernard Jenkin:** I agree with that. While you were in office, we on the Public Administration and Constitutional Affairs Committee produced a report that addressed all this and raised all these concerns. I am afraid that you—not you personally, but your Government—rejected all our recommendations. Now the chair of ACOBA is suggesting that it should be put on to a statutory footing and that there should be a much more formal process, because there is so much more interchange between business and Government.

I hope that, when you appear in front of PACAC, you will have read that report and the subsequent report that the Public Administration and Constitutional Affairs Committee did in 2017—I would say a rather better report—and that you will consider those issues before you appear in front of the Committee. I will leave it there on that point.

**Chair:** I will bring you back later, Sir Bernard. Sir Geoffrey Clifton-Brown?

**Q86 Sir Geoffrey Clifton-Brown:** Mr Cameron, you attended the launch of the pharmacy early payment scheme in 2012, two years after Lex Greensill had come into No. 10. At what point did you become involved with that scheme? Was it the normal prime ministerial briefing just before the launch, or had you been involved at an earlier stage of its design?

**David Cameron:** I do not have the paperwork, but my guess would be that this initiative was worked up, it would have gone into my box, and I would have agreed it and agreed to the announcement probably at the same time. That is what I think would happen. As I say, I thought it was a good piece of work and, broadly speaking, still do.

**Q87 Sir Geoffrey Clifton-Brown:** So, you were well briefed on the scheme before you went to the launch in 2012. You were still Prime Minister for another four years at least. Given that you have waxed lyrical, both to the Treasury Select Committee and this Committee, about the benefits of

that scheme, why were there no other schemes?

**David Cameron:** I don't know the answer to that— **Sir**

**Geoffrey Clifton-Brown:** But you were Prime Minister.



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**David Cameron:** Supply chain finance is a relatively niche area in life, and for a Prime Minister it is very niche. As I say, I was more interested, frankly, at that stage, in the private sector, commercial part of it, because the pressure in Government, if you remember at the time, was that the economy was beginning to restart, but the banks were not lending. There was the credit crunch, so ideas that could get capital into private sector firms so that they could create jobs were at a premium. That is why I was so keen on the scheme.

I am sorry to give an unsatisfactory answer. I think it would be better to ask the Cabinet Office, the Treasury and perhaps Mr Greensill himself about why those other schemes got stuck. Were there no other applications? Which things did you look at? That is a very worthwhile question, but I don't personally have the answer, I am afraid.

**Q88 Sir Geoffrey Clifton-Brown:** You have just said that it was a very niche idea; I am still slightly curious about why Lex Greensill was given an office in No. 10, rather than somewhere in the Treasury, the Cabinet Office or somewhere. What was it? Why did he need to come into No. 10, if it was such a niche idea?

**David Cameron:** I think he was in the Cabinet Office, not in No. 10. It is niche, but as I said, there was the private sector part of it. We were spending a lot of time trying to get funding for lending and loan guarantee schemes going. We had what I think was called the Merlin agreement with the banks, which was all about trying to get them to commit to a certain amount of small business lending. Here was this idea that seemed to extend credit to small businesses in a different way, so that was the bit that I was enthusiastic about. I am sorry to give an unsatisfactory answer on the other part.

**Q89 Sarah Olney:** Good afternoon, Mr Cameron. Back in 2011 or 2012, was there a specific problem with getting payments to pharmacies, which you were aware of?

**David Cameron:** I think there was a problem in that they got their payments quite late, because of the bureaucracy. If you look at what has happened since, I think it is a success story. The figures I have seen—

**Q90 Sarah Olney:** Mr Cameron, sorry, were you aware that a large number of pharmacies were getting paid late as a result of bureaucracy?

**David Cameron:** I do not think it was something that I would previously have been aware of, but—I have to be careful here, because it was a long time ago—having examined what the proposal has done, I can see that it has been a success. I can, if you like, give you examples of pharmacies who have waxed lyrical about it—

**Q91 Sarah Olney:** Sorry to interrupt you again, Mr Cameron, but would you say that this scheme was introduced because the solution existed, rather than because the problem existed?



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**David Cameron:** I think both—there wouldn't be a solution if there wasn't a problem. As I said to the Treasury Select Committee, one pharmacy told Greensill at the time that its annual charges had gone down from £7,000 a year to £400 a year. A lot of extra cash was given to pharmacies more quickly. I think there was both a problem and a solution.

Q92 **Sarah Olney:** You referred to the pharmacy scheme in an answer at the beginning of the session; you were saying that it costs money for the Treasury to borrow the money required to make prompt payments.

Is it not true that, through this scheme, you are actually asking these community pharmacies—these small businesses in our town centres—to bear those costs, rather than the Treasury having to bear those costs, even though it must be considerably cheaper for the Treasury to do it?

**David Cameron:** Of course, supply chain finance works on the basis that pharmacies get the money up front, but at a discount; they get less than the full amount, but they get it early. So yes, they are paying for it, but when you look at what pharmacies pay for banking, credit, bank loans and all the rest of it, it is far cheaper. That is why it was a success with pharmacies.

The point I was making about the Treasury was that one reason why the Treasury has been quite resistant to even prompter payment is that, as Nick Macpherson explained to the Treasury Select Committee, it does have costs for the Treasury.

Q93 **Sarah Olney:** But the costs for the Treasury are presumably cheaper than the costs for the pharmacies of the discount that they had to take in order to take advantage of this scheme.

**David Cameron:** Yes. This is where it gets very complicated. If, in an ideal world, the Treasury advanced the money as the supply chain finance provider does immediately to the pharmacy with no delay, that would probably be cheaper all round. So we ask ourselves the question: why does that not happen? The answer is, first, bureaucracy, and secondly, that the Treasury does not like bearing even that cost. That is why this solution is a good workaround for that problem.

One reason why it is worth thinking about is that a lot of Government payments are not to small businesses like pharmacies but to very big suppliers. I think it is a good point to make that if the Treasury pays the really big suppliers early, it incurs a cost, because it has to borrow the money, whereas if a supply chain finance provider pays the big suppliers, the big suppliers are effectively paying a little bit for the benefit of getting the money early. I hope that makes sense. To find a way through this sort of thicket, it is important to understand those dynamics.

Q94 **Sarah Olney:** In your earlier evidence, though, Mr Cameron, you said that this scheme was of benefit to small community pharmacies, but now



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you are saying that actually it is good because the bigger chains have to pay a greater share of the costs, rather than the Treasury. Can you identify the real beneficiary of this particular scheme?

**David Cameron:** The beneficiary of the NHS pharmacy scheme is twofold. First, pharmacies, which are small businesses, worried about cash flow and working capital, were getting their money—minus a discount—up front, which was good for them. I can give you the percentage of the number of pharmacies that took part, and I can also give you their testimony about why they liked it. That is beneficiary No. 1.

Beneficiary No.2 was the Government, because the Government, via the NHS, was reimbursing pharmacies, in some cases, for their cost of capital, which was an extra expense. I think there was a saving to the Government of £100 million a year.

**Sarah Olney:** A saving to the taxpayer.

**David Cameron:** Yes.

Q95 **Sarah Olney:** Were you aware of any conflicts of interest in rolling out this scheme?

**David Cameron:** I wasn't aware of any conflicts of interest. My understanding of what happened—I have sort of pieced this together from some of the press reports and what I have had to find out subsequently—is that Lex Greensill came into Government and worked on supply chain finance. This particular scheme was put in place by Citibank, which he used to work for but no longer worked for. The reason for that is that I think Citibank were the Government's payment agent.

What then happens is that Mr Greensill leaves Government, and in a competitive tender, Greensill wins the contract off Citibank to provide that service—I think that was in July 2018, before I joined the company. So in terms of conflicts, you would have to ask him, but I think he would argue that he was not conflicted when in Government, because it was run by the Government's existing payment agent. Is that what you are getting at?

Q96 **Sarah Olney:** Do you not think it was slightly useful for him, while he was in Government, to be able to implement a scheme that his own company was well placed to provide the finance for at a later date?

**David Cameron:** There was a press argument about this that said, "Lex Greensill introduced a scheme from which he directly benefited". I thought that was not really accurate because, of course, his firm did not take over this contract for a further six years, and it did so in a competitive tender. I thought it was a bit like saying, "I benefited from arranging your marriage six years ago, because six years later I married your ex-partner." It seemed to me that that was an unfair argument.

Q97 **Sarah Olney:** Okay—I think I understand. When you first heard about the scheme, did you encourage civil servants to particularly push it forward and implement it?



**David Cameron:** Again, I may need the Boardman inquiry to show me all the paperwork of what I received and when as Prime Minister, so this is sort of educated guesswork. I think what I would have got is a note in my box saying, "Here is what the team have been working on with supply chain finance" and the two elements of it that I described, and I would have signed that off and agreed the announcement at the same time. That is my guess about what happened; I am hoping that the Boardman inquiry will be able to give me access to the papers so that if I have got anything wrong there, I can come back to you.

**Chair:** Thank you very much, Ms Olney. Richard Holden MP, over to you.

Q98 **Mr Holden:** Thank you, Chair. Mr Cameron, why not just sort out the bureaucracy if there was a bureaucratic element within the NHS? Surely that would have been the most sensible thing to have done, rather than bring in a different system.

**David Cameron:** Of course, in many ways that would be a sensible suggestion, but as I said, there are two barriers here. One is the barrier of bureaucracy, and it is not just the pharmacy payment: I think if you talk to businesses that interact with the NHS, they will tell you that there is quite a lot of bureaucracy—understandably, because we are talking about public money, so people are nervous about signing off invoices too quickly and all the rest of it.

The first point is bureaucracy, and the second point is that, as Nick Macpherson put it very well in the evidence to the Treasury Select Committee, there can be some resistance in the Treasury, because early payment does have a cost to them.

I would add a third element, which is that of course, in the case of the NHS pharmacies, they were not just being paid early—they were being paid before drugs were dispensed, on the basis of being able to predict via an algorithm what the prescription history was. That is a risk that Government would perhaps not want to take. So I think that for those three reasons, it is worth at least considering this.

Q99 **Mr Holden:** Just on that point, though, obviously early payments would have a cost, but it is a pretty small cost for the Treasury given the cost of borrowing for Government. Surely the bigger cost would be that the pharmacies would have to factor in the fact that they were going to get less money, so therefore they would charge more or push for a higher price for their product in order to rebalance that. Actually, the real cost is to the taxpayer at the end of the day, anyway.

**David Cameron:** I am not the world's leading expert on this, but I do not think that is correct, for this reason: if you are a pharmacy, like any small business, one of your biggest concerns is working capital and cashflow, and of course if you do not have a good working capital solution, you have to go to the bank and borrow money. That is going to be more expensive than the



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cash less the discount that you are getting from the supply chain finance provider.

That is one of the key points to this whole argument. If you are a business, there are various sources of finance to you. You can sell equity, you can raise debt, you can borrow money from the bank or you can have working capital arrangements that give you cheap capital. For a small business, that is what is so powerful.

**Q100 Mr Holden:** But you do understand the issue here, Mr Cameron.

Obviously, rather than just sorting out the bureaucracy—particularly, you could have targeted it just at the small community pharmacies that have exactly these cashflow issues—the solution you came up with was via Greensill Capital, a company you then went on to work for.

**David Cameron:** Initially, this was provided by Citibank, as I said. The Government was the payment agent, and Greensill won the contract, as I understand it, in 2018—six years after it was introduced—in a fully competitive tender, because they were offering to provide the finance at a lower cost. I think that in this early payment space, you should look at all the options. Can you get rid of bureaucracy? Can you make Government Departments pay faster? Can you perhaps change the way the Treasury works, to enable Departments to access Treasury-style cost of capital rather than their own?

These are all interesting arguments, but all I am saying is that if you have something that works—I think this early payment scheme in the pharmacies has worked—it is worth thinking about how to keep something like that going and possibly extend it.

**Q101 Mr Holden:** Just one final question. Do you accept that there would also be a potential knock-on cost to the taxpayer? Pharmacies will obviously want to get 100% of the cash, so they would just pump up the prices down the line.

**David Cameron:** The way it worked was that, as I say, there was a benefit to the taxpayer, because instead of the NHS having to reimburse pharmacies for the cost of capital, the pharmacies were getting less than 100% of the cash but getting it upfront, so they were benefiting and the taxpayer was benefiting at the same time. It was—without wanting to sound like a Chinese politician—a win-win situation.

**Mr Holden:** Thank you.

**Q102 Chair:** Before I bring in Sir Bernard again, in disclosures to the Treasury Committee, the Treasury says that “the scheme would allow participating pharmacies to access funding earlier than the standard government payment schedule but after services had been delivered.” You said in your answers that it gave money before services had been delivered. There seems to be a contradiction there.

**David Cameron:** Again, I think this is a question for Greensill Capital rather than me, but my understanding is that this scheme was improved from being something where pharmacy dispenses drug and pharmacy then immediately gets the money from the supply chain finance provider—that was phase 1—rather than waiting the 30 days for the NHS to reimburse. It moved to a system where, via an algorithm that predicted the dispensing behaviour of the pharmacy, it gave the money in advance of the drug being prescribed. Why that was able to work is pharmacies are quite predictable in terms of—

**Chair:** That is fine. That has been explained enough for now. We will be looking further into this, if necessary, as a Committee. Let's go to Sir Bernard Jenkin.

Q103 **Sir Bernard Jenkin:** It may be that this pharmacy scheme was, as you describe it, a really positive benefit to the NHS and to the pharmacy sector. It is unfortunate, therefore, that it has become tainted by what has happened and the sense that there has been a failure to manage conflicts of interest, which undermines public confidence in imaginative and good things.

I want to ask about the influence, transparency and role of, and the accountability for, Crown representatives, which were an office that was created under your Government by Francis Maude, I think, who was the champion. I rather supported this role. I thought it was a very good way of accelerating the commercial capability of the civil service and improving contracting, and I was scrutinising it as Chair of PASC at the time. But I am now concerned that they seem to have been outside the usual system of public appointments, because public appointments are usually covered by the Commissioner for Public Appointments. Who actually appoints Crown representatives?

**David Cameron:** I am afraid I am not an expert on this. I, like you, liked the idea of this—bringing in commercial people to help Government with procurement and procurement decisions seems to be a good idea. If you remember the context for this when we came in in 2010, there was a sense that there was a lot of waste in Government procurement, and that is what these Crown representatives were there to help with. By and large, it was successful, but the appointment terms and the terms of office—it is not my area of expertise, I'm afraid.

Q104 **Sir Bernard Jenkin:** What was the process by which the policy to have Crown representatives was approved in Government? Did it come to Cabinet?

**David Cameron:** I would have to go back and check the paperwork on that. As you say, I think this was a Francis Maude initiative, but I would have to check and see whether I had any involvement in it.



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Q105 **Sir Bernard Jenkin:** Because usually Ministers decide significant appointments. You have suggested that actually Jeremy Heywood unilaterally brought in—

**David Cameron:** I must be careful. I don't know. I am sure that Nigel Boardman will get to the bottom of it. I think it was Jeremy's initiative, but in terms of how Lex Greensill's contract was dealt with, his reporting lines and all of that, I don't know the answer to that.

Q106 **Sir Bernard Jenkin:** Did he have a contract?

**David Cameron:** I don't know the answer to that. I am sure Nigel Boardman will get to the bottom of that.

Q107 **Sir Bernard Jenkin:** Were you ever asked to approve his appointment?

**David Cameron:** I don't recall that. I might have been. As Prime Minister you have so many things coming through your box that you approve that are basically things that have already been well teed up and organised. I think a Nigel Boardman inquiry would be helpful because he has the full access to the Cabinet papers.

Q108 **Sir Bernard Jenkin:** Were you at any stage aware of officials or Crown representatives being employed by businesses they were contracting with or that they were double-hatting jobs? Were you ever aware of anything like that?

**David Cameron:** I wasn't aware of that.

Q109 **Sir Bernard Jenkin:** What would have been your reaction had you heard about it?

**David Cameron:** If we think about Crown representatives for a second, I think the principle that if you work in the civil service and are paid by the civil service, then there really needs to be a very good justification for any other commercial role. That is the sort of principle. Of course, you have got people who are perhaps on the board of a charity or have some other job, but for a full-time commercial job, the principle is that that would be very unusual.

I think you need to have a way of managing interests, because obviously you will have civil servants who might own a property they rent out or have shares in a business or what have you. You have to have a way of managing interests, as well as that.

Q110 **Sir Bernard Jenkin:** At one stage, John Manzoni looked as though he was going to hang on to a commercial role with a private company. In the end, I think he persuaded himself that it was untenable, even though he had been given permission to do it. Did you give him permission to stay on the board of SABMiller? Did the decision come in front of you?

**David Cameron:** Again, I would have to go back and look at all the paperwork. I don't recall that.



**Q111 Sir Bernard Jenkin:** But you can see that if these arrangements give rise to concern about conflicts of interest, they undermine public confidence in what the Government are doing, however good the Government's work is. You can see that, can't you?

**David Cameron:** I agree. I think you have got to have a transparent system for dealing with this, a clear set of rules, a clear set of procedures, and I think that is absolutely right.

To go back to my point, we have got to try and keep fluidity between public and private sectors. I would just make this point, today of all days: in a crisis, bringing people in from the private to the public sector, to help with projects—I feel extremely sorry for some people who came into Government, worked extremely hard to source PPE or other equipment for the health service, at a time of national emergency when we were running out of surgical gowns and all the rest of it, and are now getting absolutely hauled over the coals. I think that we have got to make sure that we have some exceptional procedures for exceptional times.

**Q112 Sir Bernard Jenkin:** Yes, but what was happening with Crown representatives between 2010 and 2015? We weren't in a crisis. I accept the point you are making.

**David Cameron:** As I say, I am very happy to go away and look at that, and how the policy came about and what role I played in it.

**Sir Bernard Jenkin:** I will leave it there. Thank you very much.

**Chair:** Over to Shaun Bailey.

**Q113 Shaun Bailey:** Mr Cameron, I am afraid I might get the same answer, but when it comes to formulation for policy around Crown representatives, can you recollect what conversations you had around assurance processes, particularly with regard to individuals who were taking up those roles? What was the trade-off between a good news story about value for money and robust assurance processes on appointments?

**David Cameron:** I am really sorry I can't give you a better answer. I just don't recall. I will have to go away and look and see what the consultation was at the time. The principle was, "Let's get good people in to help with procurement." My experience of the Cabinet Office was that the ethics and propriety team, I think run by Sue Gray in those days, was very rigorous, but I cannot answer your question better than that. I'm very sorry about that.

**Q114 Shaun Bailey:** In 2019 alone we can call out three examples of where that assurance process obviously had to be beefed up. Okay, you cannot necessarily recollect from that, but maybe speaking anecdotally could you accept that maybe there were gaps at the time that subsequently have had to be filled on this?

**David Cameron:** Whenever you try to involve private sector skills in the public sector and those people are maintaining a private sector role, there



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are always going to be difficulties. I am a huge fan of the non-executive directors who are helping to steer our Departments and give advice to Ministers. Of course, they are unpaid, but they are none the less working with those Departments.

You are always going to get questions asked about potential conflicts and all the rest of it. I think it would be very sad if we were to lose their expertise, so let's try to find a way of managing any potential conflicts. What we don't want is a sort of Berlin wall between the public and private sectors.

**Q115 Shaun Bailey:** Okay, so for you, Mr Cameron, where is that line drawn in terms of, as you say, not excluding that skillset but ensuring that there is probity there, and some transparency available to the public?

**David Cameron:** Transparency is the key. If you have a non-executive director who has business interests coming in to help a Government Department, you need to know what those business interests are. If you are a civil servant who doesn't have a second job but does have some business interests, shareholdings or what have you, you need to deal with that.

I think your inquiries are important. All I would say is that, in the time I spent in office, the civil service code, the special advisers code, the ministerial code and ministerial declarations—all those things—got beefed up. I was comparing the 2007 ministerial code with the 2010 ministerial code before going in front of the Committee. It is quite an impressive set of changes, so don't let's pretend that nothing has been done on this, but obviously there is more transparency and more good rule-making that can be perhaps put in place.

**Q116 Shaun Bailey:** Where does the balance lie between good, strong relationships between Crown representatives and organisations and preferential treatment? We have heard in the past that there has been this fear that perhaps Crown reps, for whatever reason, through the relationships that they develop end up developing this preferential treatment basis. I am just curious to understand from your perspective where you find that balance.

**David Cameron:** I think it is a very difficult question. When we were in opposition, looking at what we were going to try to do in Government to make procurement better, one of the conclusions that we came to was that you need to break up some of these big contracts. You need much more transparency about Government spending. I think we introduced a rule that everything over £25,000 had to be declared for new spending.

The point that I would make is that of course any new system you put in place with new people with outside expertise might have some risks, but there was an existing risk that those civil servants responsible for procurement could be captured in some way by the people they were procuring from, so it isn't a new problem.



Q117 **Shaun Bailey:** Finally, hindsight being the wonderful thing that it is, would you say perhaps in the development of this policy that it might have been helpful for you to be slightly more over the detail than you were?

**David Cameron:** I am sure I was more involved in the detail at the time, but it is now some time ago. As I say, I will go back and look and see what I did, but it is difficult. I wrote my memoirs. You go back and you look at the big policy areas, what your information was, what your advice was and what your decision was, and you can relook at it all over again. I haven't with this one, and perhaps this gives me an opportunity to do that.

**Chair:** When our sister Committee, the Public Administration and Constitutional Affairs Committee, sees you, I am sure that it will give you notice of some of its areas of questioning, and you may have time to go back and look at your Government papers, which from some of your answers today may be quite helpful.

**David Cameron:** That would be.

**Chair:** We will suggest that to our sister Committee.

Q118 **Sir Geoffrey Clifton-Brown:** Talking about detail, Mr Cameron, you were trying to sell a company that was trying to get a Treasury CCFF facility of £500 million and you were trying to get a CBILS loan guarantee of £200 million, so the taxpayer was in hock, potentially, for a very large amount of money. I think it is reasonable that the public should know what precisely you knew about the company.

You have said in many answers to the Treasury Select Committee that you were not on the audit committee and you were not on the credit committee, but surely you must have asked some questions about who the company's clients were and what amount of money they were being lent. You must therefore have had some fairly good idea of the finances of the company and whether it was sound or not. Please could you tell us what you knew?

**David Cameron:** Of course I knew about the finances of Greensill Capital. I could see the growth of the business, I could see the cash flows and the profits and those things, and when it came to the customers, I was obviously aware of who our major customers were.

When it comes to the CCFF, really what we were trying to do, particularly as we refined the approach, was to say that those big UK corporates that wanted to pay their suppliers early and use supply chain finance or commercial paper to fund that would be the beneficiaries—it was companies like Vodafone, for instance. So I was aware of who the customers were and aware of what we were trying to achieve, and I thought it was a positive idea for getting money into UK supply chains.

With the CBILS, as I explained to the Treasury Committee, I was not involved at all in Greensill's process of getting accredited by the British Business Bank, so I was less aware of that policy. Of course, as I was not



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on the credit committee making credit decisions, I had limited involvement in that. I hope that that answers your question.

**Q119 Sir Geoffrey Clifton-Brown:** On the last part of that answer, we know from Sir Tom's evidence to us that you told Sir Tom—in fact, we have the transcript—that the company had applied for a CBILS loan, so you were aware of it and presumably you were lobbying for that CBILS loan or guarantee.

**David Cameron:** No. It was a two-stage process. I was not involved in the process by which Greensill became accredited for the CBILS loan. That was with the British Business Bank; I was not involved in that. I did have a brief involvement when Greensill was saying to both the British Business Bank and the Treasury that we would like to be engaged at the higher level, so that we could do more to help those companies requiring credit. I was briefly involved in that, just to be clear.

**Q120 Sir Geoffrey Clifton-Brown:** Right. Now, I want you to be very precise in the answer to this question.

You told the Treasury Select Committee earlier that you talked to Lex Greensill at least once a week. You have told me just now that you were more aware of the finances of the company than you have previously told any Committee. At what point were you aware that Lex Greensill's company was in financial difficulties—at precisely what point?

**David Cameron:** In December 2020 there was a telephone call, I recall, between myself and Mr Greensill. He reported back that the capital raise that was planned, which in the summer and early autumn looked like it was going extremely well, was no longer going well because of issues of over-concentration on one customer that were of concern to the German regulator of Greensill Bank. It was at that moment that I was told, "This is not only a bad development in terms of the capital raise, but potentially it is going to cause a lot of difficulties for the company."

That was really the first moment when I thought there was a serious threat facing the company. Obviously, like all companies, it faced—

**Chair:** You have answered the question. Back to Sir Geoffrey.

**Q121 Sir Geoffrey Clifton-Brown:** At what point did you realise that credit insurance was a problem for the company?

**David Cameron:** I did not see that credit insurance was a problem in the summer or the autumn. I was not aware of that. I think I became aware of it much closer to the point when the credit insurance was not renewed.

**Q122 Sir Geoffrey Clifton-Brown:** But given that the company was only using one credit insurer, BCC, during the summer, should you not have been asking questions about this—when the whole business model relied on credit insurance, so that with those firms that did not pay up, the company would be reimbursed by the credit insurance? You should have been asking more precise questions, should you not?



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**David Cameron:** I did ask—before I joined the company and as I got to know the company and saw the importance of insurance, I did ask questions about it. I think I met with Marsh McLennan, the insurance broker. My understanding was that there were some 28 companies involved in insurance. As I say, I wasn't aware in the summer or autumn of 2020 that the insurance issue was a looming problem. I became aware of it later.

Q123 **Sir Geoffrey Clifton-Brown:** So, when did you actually become aware that the credit insurance was a problem?

**David Cameron:** I don't have a date I can put on that. I would have to go away and check my records. My memory—just sort of trying to give you the big picture—is that, credit conditions eased in the economy, even despite of Covid, and Greensill, as far as I could see, from the reports that I was getting and the weekly podcast I listened into, was having a relatively successful 2020. It extended as much credit in 2020 as it did in 2019. It was winning new clients. It was heading for a successful capital raise. It had been a tricky year because of Covid, but this was looking successful, and I don't remember feeling a concern about any particular large problem until that moment in December, and I think I learned about the credit insurance problems later. I don't want to give a misleading answer by getting something wrong. One's memory doesn't always get things straight. But that is my memory—

Q124 **Sir Geoffrey Clifton-Brown:** Will you come back to us? Will you look into this, Mr Cameron? This is an absolutely key question, in raising capital or anything else—when you knew that credit insurance was a problem. Will you look into that and give this Committee a date when you knew there was a problem?

**David Cameron:** I will do my best to do that. I can absolutely tell you that it wasn't at the time of March and April 2020, when we were trying to access the CCFF. I think that is an important point.

Q125 **Chair:** Mr Cameron, I have some quick questions that will hopefully only require shorter answers. You were asked by the Treasury Committee to disclose certain information. Have you disclosed all your contacts relating to your work at Greensill Capital with the Government? Is everything out there now? Is that it?

**David Cameron:** I basically answered the Treasury letter in full.

Q126 **Chair:** That is exactly my question. You answered what the Treasury asked. Is there anything more—any other contacts that you had with the Government, other than what you have disclosed to the Treasury Committee?

**David Cameron:** I would have to go away and check, but I tried to do as thorough a job as I could with the Treasury. I think I gave them more in terms of disclosure.



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Q127 **Chair:** Right, okay. They asked specific questions. So there may be other contacts you had with the Government that you haven't released to the Treasury Committee. That is just a yes or no, really.

**David Cameron:** I will have to go away and check.

Q128 **Chair:** I am not suggesting one thing or another; I just wanted to know the answer.

On the issue of Earnd—the NHS sort of payday-loan-without-interest scheme—how was it that Greensill could afford to pay NHS staff early, for nothing, for no fee?

**David Cameron:** It wasn't paying early; it was drawing down money as you earned it. Please don't attach the word "payday" to it, because it really wasn't. You couldn't get an advance on your salary; you could draw it down—

Q129 **Chair:** Sorry, but that is before it has landed in people's pay packets—sometimes before it has landed in the hospital's accounts.

**David Cameron:** I was wildly enthusiastic about this idea. Now, in terms of how it was going to be provided free, it was going to be a cost to Greensill.

Q130 **Chair:** Yes, so that is my point. It was a cost to Greensill. The NHS employs—I can never remember if it is the Red Army or the NHS that is the biggest employer in the world, but it is a pretty big employer in the world. How was it that Greensill could afford to do this, at a cost to Greensill, and not charge for it?

**David Cameron:** Because the cost was relatively low, because, of course, what Greensill and technology partners do is operate within the ERP of a company or an organisation and pay their suppliers early, so it is relatively straightforward to switch that into paying employees early. Of course, you can finance this at an extraordinary low cost of capital because, of course, the NHS is going to go on paying its staff, so there is very little risk to be taken here.

Again, I mustn't answer for the company because I was an adviser, not a director of the company, but I think they would be able to explain to you why it would be relatively inexpensive. But let's be clear: Greensill described it to me as the company's corporate social responsibility programme. We even had a conversation about this. I remember saying to him, "When you"— Sorry, I am going on.

Q131 **Chair:** This is an area that we will be looking at more once the National Audit Office has been involved further. Can I just be clear, though, in terms of your connections with Mr Bill Crothers, were you aware that he had taken a role with Greensill while you were still Prime Minister and he was in office?

**David Cameron:** No, I don't believe I was.

Q132 **Chair:** Did you have any contact with Mr Crothers prior to joining Greensill? Did he speak to you about joining Greensill Capital, as well as Mr Greensill himself?

**David Cameron:** No. I met Bill Crothers when I was Prime Minister and he was working for the Government, but at no stage did I talk to him about Greensill at that time.

Q133 **Chair:** At the time, but what about when you were joining Greensill? Did you have any contact with Mr Crothers to talk about Greensill?

**David Cameron:** When I left office and then joined Greensill in August 2018, I would have had contact with him around then, I think.

Q134 **Chair:** But after you joined or before?

**David Cameron:** I might have to get back to you on that.

Q135 **Chair:** Mr Greensill approached you about joining. Did Mr Crothers approach you about joining as well?

**David Cameron:** I don't think he did. I don't want to say anything—I will double-check that. When did Mr Crothers join Greensill?

**Chair:** In 2015.

**David Cameron:** Right. Well, I would have obviously met him if not before, then shortly after joining. To be clear, when I was in government—

Q136 **Chair:** The question really is this. Mr Greensill approached you about joining, and I wondered if Mr Crothers had approached you about joining Greensill Capital, but you are saying that you can't remember.

**David Cameron:** I don't think so. Just to be clear, when I was Prime Minister, I didn't know that Mr Crothers was—

**Chair:** No, okay. You have said that.

**David Cameron:** And when I was at Greensill, I didn't know that Mr Crothers had stayed on at the Government.

**Chair:** Right, okay. We will come back to that. I think our sister Committee may do so. Craig Mackinlay MP, a brief question, please.

Q137 **Craig Mackinlay:** Very briefly, Mr Cameron, when you were doing your own due diligence on this company, you said to Sir Geoffrey CliftonBrown that you were looking at the finances on a regular basis. Did it not seem an oddball type of whizz-bang scheme to be offering financing to NHS employees for free, given that there are going to be a vast number of transactions, banking costs, the potential for debt write-offs when it can't be recovered and debt recovery procedures?

I know you said that it is social responsibility. I haven't looked at this in great detail, but to me it is too good to be true, and when things are described in that way, they generally are. I wouldn't have touched this with



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a barge pole, personally. Or were they just trying to make themselves look very big with a five-star client so that they could collateralise a new type of debt to sell to the market and make themselves bigger? Were there concerns about that aspect of their business?

**David Cameron:** First of all, when I joined Greensill, Earnd wasn't even thought about. I did due diligence on Greensill before 2018, and I joined. Earnd really came about out of a sense that if you pay suppliers early, why not pay employees early? As I said, Greensill was able to do it at a very low cost, because accessing the capital markets and accessing companies' ERPs is what they did.

The sense I had was that Mr Greensill's view was that, instead of having some other corporate social responsibility programme—giving money to the Royal Opera House or what have you—let's focus our efforts on providing this to the NHS for free. If that costs £10 million a year or whatever, that is our give back to the UK. That was the sense I got of the social purpose of this.

Obviously, Greensill wanted Earnd to be a massive success not just in the private sector but all over the world. You have got lots of these payday apps, and most of them look good but are charging you perhaps 50p or £1 every time you access an early bit of your salary. Now, that 50p or £1 doesn't sound like much, but it is actually quite a high APR.

The beauty of Earnd was to say that we never charge the employee—we might charge the employer in the private sector. I thought it was a very exciting prospect, but obviously with the demise of Greensill, Earnd itself has come to an end, and has been sold, I think, to Wagestream, a competitor. But that was the thinking.

**Chair:** It is certainly an area that is going to be looked into considerably more.

Q138 **Sir Bernard Jenkin:** We are nearly finished. I just want to reflect on—if we report on this matter, as the Public Accounts Committee, what kind of lessons should we be drawing from all this? What do you think you would advise us to make as recommendations that we can draw from this? Obviously, it's not about lobbying; we can agree that there should be better and more transparent management of conflicts of interest. But in terms of, for example, the appointment of Crown representatives, in retrospect what would you recommend about that?

**David Cameron:** I would be very nervous about making recommendations to you. I would almost put it the other way round and say that clearly there is always work to be done on managing conflicts on transparency, on rules for the jobs people do when they leave office, on how you manage inflow and outflow from the civil service to the private sector.

Of course, that needs to be properly done, but in what you do don't lose the ability to access private sector skills, don't lose dialogue between public and



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private sectors. And on this issue that we've just been talking about—but it applies, I suppose, a little bit to the NHS pharmacy scheme— there is an immense potential for technology to improve the way we are paid, or the way we live, or the way we work and all the rest of it—

**Sir Bernard Jenkin:** I understand all that, but can I—

**David Cameron:** So I think you have to leave room for innovation.

Q139 **Sir Bernard Jenkin:** Yes, of course we do, but there are echoes of the Carillion collapse in all this, in that what we found in that was that the Government—the system and the culture—was blind to certain aspects of the risks of dealing with a company like Carillion. It looked at the accounts, but it didn't really understand the risk in the balance sheet, and here it's in the balance sheet.

For example, as for this business about the reliance on credit insurance in the rather complicated financial model adopted by Greensill, how many people in the Government do you think really understood the extent of the reliance on credit insurance and what a vulnerability to the business that was?

**David Cameron:** I do not know the direct answer to that question—how many people knew—but it underlines the need for financial expertise in Government.

**Sir Bernard Jenkin:** Absolutely.

**David Cameron:** And financial expertise—some of it—is probably going to have to come from the private sector.

There are quite a lot of senior civil servants in the Treasury who have gone out and done great work in the private sector, and what they bring back in, I think, is immensely valuable.

Q140 **Sir Bernard Jenkin:** But if Cheryl Gillan were here—bless her—she would be asking about how risk was understood and where risk lay, because very often Government have contracted things out thinking they contract out risk, but they are actually carrying a lot of risk or indeed importing a lot of risk. That was a lesson of the Greensill collapse. So do you think that is possibly one of the lessons here, that there was far more risk around than we understood?

**David Cameron:** Possibly. And that's the job of your Committee— to work out how to put those controls in place, while at the same time not losing the ability to innovate and do things in a different way.

Q141 **Sir Bernard Jenkin:** Can I just ask one last question? What do you think that you are personally learning from this? And I wouldn't blame you if you thought that actually you might carry on learning from this experience. What would you like to— I mean, put something on the record for us that you would like to put on the record.



**David Cameron:** I think that, as I said, there were extraordinary circumstances in the economy after the outbreak of Covid, and I believed, as a result, it was right to pick up the phone and make some points to Government, because I know what it's like sitting on the other side of the fence. But, as I said, ex-Prime Ministers are different. There aren't very many of us; we have to act differently, think differently. And so, restricting yourself in these matters to an email or a letter when we are not in times of crisis would be a good approach, and that is a key learning.

Obviously, the decisions you make when you leave Government, of trying to construct a life of charitable pro bono work for causes you care about and commercial organisations you are going to work with—I did take care. I did think very hard. I did consult a lot of wise and eminent people. But great care has to be taken in these things.

**Chair:** As you said to the Treasury Committee. Thank you very much. Sir Geoffrey Clifton-Brown, a very quick point.

Q142 **Sir Geoffrey Clifton-Brown:** With hindsight, Mr Cameron, do you think that you should have been asking more questions earlier on last year and that you should have known that the company was in financial trouble

much earlier than December? If you had done, would you not have lobbied the Treasury in the way that you did?

**David Cameron:** Certainly in March and April last year, I did not believe in any way that the company was in serious financial difficulty. I think I have been backed up in that by the evidence that has been given by Mr Greensill and others. When asked when he thought that the company was in serious financial difficulty, he said December 2020, so I am not sure that I can be expected to know better than the person running a company when it was in financial difficulty.

In terms of questions asked—this is a point that people make, that there were issues about the GAM fund and the exposure to Gupta, and other issues—throughout my time working for this company and before I joined it, I asked all those questions and sought reassurances on a number of those issues. As an adviser to a company who is not a board director, you do look at, “Does this company have a properly constituted audit committee?”, “Does it have a properly constituted legal function?”, “Does it have a properly constituted risk committee?”, “Who is the chairman of the company?”—

**Chair:** As you said to the Treasury Committee.

**David Cameron:** Yes, but I think that these are important points. So, all of those questions I had asked, yes.

Q143 **Chair:** Mr Cameron, when you were Prime Minister and I went to school assemblies, very often the children would say to me, “What is the Prime Minister like?” You might be surprised but I would say something reasonably positive, because these were nine and 10-year-olds. What do



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you think that I should say to those school children now, after your 56 texts to Government and the issues that have arisen over the past few months? How would you like to be remembered and described?

**David Cameron:** Well, I hope that people will look back at a record of public service, as an MP, as a Leader of the Opposition and as the Prime Minister who put together the first coalition Government in 70 years and had to deal with a very tricky economic situation—a Government that created I think more jobs over six years than any Government before or since and a Government that made a lot of changes, such as equal marriage, which made our country a better place.

Of course, this has been a difficult experience, explaining my involvement with this company and the decisions that I took but, ultimately, I made a choice to join a company that I believed could be a British success story. Sadly, that has ended badly. I made a choice to talk to the Government about important changes we thought we could make that would benefit the country. Actually, our system works, in that the Government considered the changes—everyone knows about them because of meetings that were held that were only reported because of the changes I put in place as Prime Minister—but, ultimately, the Government decided not to go ahead with them. I hope that gives you some material for talking to a school assembly.

Q144 **Chair:** Do you regret the past few months, given what you would like to describe as your legacy as Prime Minister?

**David Cameron:** Obviously, this has been difficult. Never mind difficult for me—I care much more about the fact that it has been difficult for people who worked very hard for Greensill, who really believed in the company, and who have lost their jobs and had to find other employment.

As I said to the Treasury Select Committee and as I say to you, if you work for a company that goes into administration, it is a very unhappy, distressing and difficult experience. You look back at the choices you made, and you think what you could have done differently. There will be lessons to learn. I am sure that reading your Committee's report and the Treasury Committee's report will help everyone concerned with those lessons.

**Chair:** Thank you very much indeed for your time. Apologies that we ran slightly longer than we expected.