



Political and Constitutional Reform Committee

Oral evidence: [Fixed-term Parliaments: the final year of a Parliament](#), HC 976

Thursday 6 March 2014

Ordered by the House of Commons to be published on 6 March 2014.

Written evidence from witnesses:

- [Institute for Government](#)
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Members present: Mr Graham Allen (Chair); Mr Jeremy Browne; Mr Christopher Chope; Tracey Crouch; Paul Flynn; Robert Neill; Chris Ruane; Mr Andrew Turner

Questions 148-208

Witnesses: **Rt Hon Peter Riddell CBE PC**, Director, Institute for Government, and **Akash Paun**, Fellow, Institute for Government, gave evidence.

Q148 Chair: Good morning, Peter. Good morning, Akash. Welcome to you both. You have the great privilege of winding up our evidence-taking on fixed-term Parliaments. Today is our last day and then we will consider what we want to do in terms of a report. There have been some fascinating exchanges and a lot of very valuable information. It is the first time round this course, and I think the impacts have been considerable, even so far, in terms of being able to plan, have a full fourth year and then a very interesting precedent, which is around what happens in year 5 and whether we can use that to good effect beyond the 28-day election campaign to have some serious policy discussion led by the political parties, Parliament and Government. So there are a lot of opportunities. Did you want to say anything to start us off, Peter?

Peter Riddell: Just briefly, I am Peter Riddell. I am the Director of the Institute for Government. I co-authored the work we did before and after the last election on transitions. We did a report before in November 2009 and then one in the autumn of 2011 looking at the lessons of it, which effectively covered a lot of the material of that. Akash Paun, to my right, is a Fellow who runs most of our political and constitutional stuff and in particular is running our year 5 project. We are going to be producing some working papers on international examples later this month and the report, to use the euphemism, before Easter. That is to avoid us pinning ourselves to the end of the month but we want to get it well before Easter. That will look at many of the issues you are looking at and which are in the paper we sent to you.

Q149 Mr Turner: Before looking at year 5 of this Parliament, could you give us a brief overview of the project and what you think are the most relevant elements to our inquiry?

Akash Paun: I will say a few words about that. Hopefully you will have seen the submission we put in, which does give an overview of our current work. The heart of the project and what we are interested in is this question of what the relationship between the civil service and the political parties should look like and how that should function in the final year of the coalition. Within that, there are these two issues that are often talked about separately but we are trying to bring them together. One is how the pre-election contact with the opposition party, or arguably parties—potentially the smaller parties as well—should function this time round, drawing on lessons from previous elections. Then, also in this new context of coalition, what the rights of the two coalition parties should be to access private support for their own policy development before the election, in distinction from, of course, the ongoing support of the civil service to the Government as a whole. That is the heart of it.

We are interested in it from the perspective of come May 2015 some sort of Government, whether coalition or one party or minority, will be formed and it is in our interests that that Government will be formed on the basis of a policy programme that has been properly thought through and, ideally, costed, and serious work has been done in considering implementability and that kind of issue. So we are keen to explore ways to improve the chances that that happens.

Q150 Mr Turner: Would it be necessary for the two coalition parties to separate out for the purpose of looking beyond the election, and would you expect that information, that support, to be on a similar scale as for the Labour Party at the moment? The three, looking at themselves individually, would be in a different way from what is happening now for the coalition.

Akash Paun: If I understand your question correctly, in terms of what is actually going to happen over the next year, I don't think that those decisions have necessarily been taken. My starting point is that of course you have ongoing civil service support to the Government, advice to Ministers in the normal way, an ongoing focus on implementation and taking decisions as necessary on budgets and so on; but then separately from that, I think you could start to think about there being potentially a similar offer being made to the three parties, the governing and main opposition parties.

From the international comparators that we have looked at, one place where they did something very similar to that is Scotland, which in other respects has a similar civil service-Government culture. I don't know if other witnesses have described this to you or not, but they developed a system that they called separate space, which operated in the final six months of their last coalition prior to the 2007 election. Through that system, all four of the main parties there were able to make confidential requests to get information about things like estimated costs, timelines for implementation, practical challenges, legal context where new legislation might be needed—those kind of practical issues. That was provided confidentially by the civil service and the parties could then use that to refine their manifesto plans in advance of the election and with a view to possible coalition negotiations after that election.

Peter Riddell: As we say in the paper, there is a distinction between what would have been ideal in the long term, which is to have a similar offer on future plans, to take your point, and what is likely to be achievable with only just over a year to go to an election where there is clearly a problem, because you have two parties in Government and the conventions do not apply to that. It is necessary to work out a solution that is equitable within Government, but also ensuring that the conventions of briefing the opposition parties are perceived as fair without breaching the principle

that civil servants only work for one Government at a time. There are always ambiguities in that but there are, as Akash said, proper briefing, but there is also the prospective parties in Government, what the options and what the costs are, so you don't have, which has happened in the past, the danger of a new Government coming in and rushing to make decisions without being properly informed. What we are concerned about is good government, and that is for the benefit of everyone involved.

We accept there is bound to be a bit of ad hocery before the 2015 election because of time, because there has not been a proper debate about these issues until now, and we have done our best. Whatever happens in May next year—and it ties in with some of your work on the Cabinet Manual and things like that—there is certainly a case for this Committee taking a fresh look at all these issues in the summer and autumn of next year.

Akash Paun: If I might add one other point, I think the context of coalition changes things in more than one way. One we have talked about, which is it just raises this question of how things work within the current coalition, but also if we are moving into a period where hung Parliaments and coalitions are more likely, which I think we are, it raises the potential risk that in the aftermath of an election coalitions are formed quite quickly and the programme for government has to be drawn up under quite a lot of pressure. If policies get built into a programme for government, into a coalition agreement, right at the outset that have not been fully thought through, it can be harder to unpick that later on compared to a single-party majority Government, which naturally maintains more flexibility to change and adapt to the practical problems it faces.

Peter Riddell: But also for minority Governments. Akash co-authored a very good report before the last election on minority Governments and exactly the same issues apply for many of the parties around this table for a minority Government. They are very similar problems.

Q151 Mr Turner: Are you assuming that the three parties—I am not sure why I am talking about three parties. Are we talking about parties not in Government—that is, not in Government except as a coalition—being treated equally or are they treated differentially depending on the size of those parties?

Peter Riddell: In the past what has happened is that when you had one governing party and two opposition parties—it was in practice a one-and-a-half-party system, as Mr Browne will remember from pre-2010—the Lib Dems did get access but there was a kind of sensible, practical thing. One or two individuals were hyperactive in seeking civil service contact and so on but in general it was on a much smaller scale than the Tories had before the election. We have some data on that in this report. There is a kind of a rough and ready thing there of what makes sense. It is quite difficult to formalise it, but in practice there is a rough and ready system where obviously the largest parties would have more access than the smaller party, and that is how it worked out last time.

One of the ironies last time—I spare Mr Browne's blushes—is that not all of his colleagues assumed they would be in Government, so that rather inhibited what they wanted before the election because they did not really believe it. In practice that happened then and perhaps it would have been better if they had been more self-confident about it.

Chair: Jeremy, your chance. What timing.

Q152 Mr Browne: I think you are right. One of difficulties was all the Conservatives assumed they should always be in Government, so there was a tension that existed. Before I go on, I will just follow on from the last point. It does seem, on the face of it, inherently reasonable that if you have a number of opposition parties, extra weight should be given to those that are largest and most

likely to form a Government on their own or be in Government at all. I only observed from quite close up that the civil service, having given the Lib Dems a cursory meeting or two, were caught short by the coalition, in my view. It may be that some Liberal Democrats did not treat the prospect of being in Government sufficiently seriously, but whichever civil servant was responsible for failing to find a suitable office and somebody to type the odd letter for the Deputy Prime Minister clearly had not given it a lot of thought either. I suppose a coalition agreement does, by its nature, need at least two parties to sign up to it, and they are either signed up to it or they are not signed up to it, regardless of how big or small they are.

Peter Riddell: On that, 2010 was a big learning process for everyone involved in politics, in my old trade, the media, and not least what we do at the Institute for Government. It was not expected. I think one of the interesting things is the reason there is a coalition is David Cameron, because he made the offer on the Friday. Certainly the expectation of the senior civil service—I know because we were working closely with them—was probably a minority Government. That was the expectation at the time. As is publicly known, they did some scenario games in the January, February before the election and the one they did with the actual outcome they never resolved. Perhaps this is an interesting reflection on civil service psyche compared with political psyche, but they never managed to resolve that one, even though that is the one that actually happened. I think possibly the word is “bold” as a politician. They had done a lot of preparatory work, as you will hear from later witnesses, a lot of work went into it, but that was not their expectation and they had to adapt quickly, just as Parliament and everyone else has had to adapt to a coalition or not adapt to it. I think the civil service took some time to do it.

Akash authored a report in September 2010 on support for the Liberal Democrats, so you have to look at support in wholly different ways in a coalition. So the system took time to catch up; I would agree with that.

Q153 Mr Browne: The current rate of capital gains tax is not the rate that was proposed by either the Conservatives or the Liberal Democrats at the last general election. It was a compromise between the two. So were the civil service to have had some meetings in advance of 2010 with the Conservative Treasury team and then had one or two cursory meetings with the Liberal Democrats they would still have not ended up planning a contingency that arrived. The point I am making is that the coalition is different than the two component parts. That is not quite the point. It is an additional point that I am making.

Peter Riddell: I think that makes the need for a maximum planning of options, so that you look at all the options. In the report I quote one of the Permanent Secretaries saying, “We didn’t actually plan very well for a coalition.” They looked in a rather siloed way. That will be different next time. They will look at minority Government because we have had the change. I think things will improve because we have had the experience of the past. People do prepare. It is certainly true that the system is very used to a single-party Government and it needed an adjustment.

One other factor I would mention, which I think has been raised before when I have given evidence, is that even if you have a single-party Government, it is fine that you have talked to X who is a shadow doing one job, but X may not do the job in Government. Some of the biggest dislocations occurred not because of the Lib Dems being in Government but because there were different Conservatives doing different jobs. The fact it was Theresa May rather than Chris Grayling as Home Secretary and, the other way round, that it was Iain Duncan Smith rather than Theresa May doing Work and Pensions, created quite a lot of dislocation. One of the things we have argued is that opposition parties need to co-ordinate rather better than they have in the past. They tend to be siloed, with spokesmen not talking to each other, as well as the Government needs to improve itself to guard against all those type of options and issues you raise.

Mr Browne: But it is inevitable, I suppose, isn't it?

Peter Riddell: Sure.

Q154 Mr Browne: Does a fixed-term Parliament help in terms of the civil service being better able to understand what the plausible parties of Government in the next Parliament might wish them to do? Were the Prime Minister to announce this morning that the general election was being held in four weeks time—in other words before the Fixed-term Parliaments Act date—that might suddenly catch some civil servants on the hop who had not had as many meetings with the Shadow Chancellor as they would have intended to have. They now know, assuming that nothing dramatic happens, that they can timetable those meetings, have as many meetings as they wish with the Shadow Chancellor with a fairly clear expectation that the general election is 14 months and a day away, or whatever it is.

Peter Riddell: As many of the experienced parliamentarians around the table know, actually elections are not surprises. It is pretty blindingly obvious when they are going to happen. Governments that are ahead in the polls have elections after four years; Governments that are in trouble wait virtually the full five years. That has been the pattern for over 35 years. In 2001 and 2005 there were four or five months of contacts. Everyone knew that the Conservatives were not going to win that general election.

Mr Browne: Had Gordon Brown called an election in 2007 and lost it—

Peter Riddell: If that had occurred, it would have created quite a lot of charging around, absolutely, but in general terms what has happened is four years for a Government that is in the lead and five years for a Government that is in trouble. The only one who succeeded in bucking the trend after five years, of course, was John Major in 1992, but in other cases the five-year Governments are the ones that have lost. There has always been quite a long period for the contacts to occur in practice, so it is a theoretical rather than a practical issue.

Q155 Mr Browne: On the same point, and I know this is a point you are giving thought to, what would be the ideal model? Let's work on the assumption that were Labour to win the next general election Ed Balls will become Chancellor of the Exchequer, with the caveat that you introduced, that that should not be taken for granted but you have to have some working assumptions. What would be the ideal model for the Treasury from now through to the general election in preparing for that eventuality? Should there be lots of written briefings, should they be trying to crunch the numbers better? Would the Shadow Chancellor be nervous that if he revealed lots of thoughts to the civil servants, they may find their way into the hands of his political opponents? If they came to you and said, "Peter, we don't really know how best to do this but we want to make the best possible job of it. Please write down on a piece of paper exactly what you think we should do," what would you suggest?

Peter Riddell: I am tempted to say it would be a unique occurrence for the Treasury ever to behave in that manner, or indeed use that phrasing, but on the assumption that they did I would say that, oddly enough, following some of the pattern they have done in the past, they have to carry on being the Treasury until election day. There would be two budgets, a proper one we know in a couple of weeks' time and then a mini-version, a pre-election one, next year. They have to manage the show; that carries on. Also forecasts will be going on. We don't know how the economy is going to develop and so on. All that will happen anyway. What they would say is they want to get into the mind of Ed Balls. What they will want to do is get into his mind and say, "What are your priorities?"

There are two interesting examples. In 1997 Gordon Brown, and indeed Ed Balls as his adviser then, prepared the plans on the Bank of England, the new deal, the windfall levy and all that, and they communicated those to the Treasury. There were lots of talks—slightly ironically given what happened later between mainly Ed Balls and Terry Burns, who was then the Permanent Secretary—about these detailed plans so the Treasury was ready. I don't think they knew about the Bank of England, because that was only presented on the day after the election, but they knew about the rest of the stuff and they were prepared. Legislation was ready and it was done quickly. In 2010 there were two things where there were talks. Nick Macpherson, the current Permanent Secretary, has talked about it. There had been talks before the election on the setting up of the Office of Budget Responsibility, which required legislation, and the in-year cuts that came within three months of the election. That occurred exactly rightly.

We say in our submission—this is a very important point with a fixed-term Parliament—that we think these contacts should begin after the European and local elections, which is actually 10 months before the election campaign, which is not very much time. When you take into account recesses, the party conference break, Christmas and all that, there is not very much time to do it. It has to start then. The pattern of these contacts is of getting to know you. Ed Balls is the exception because he does know the Treasury people very well. In the case of many Labour Shadows, they don't know the Permanent Secretaries. The world has moved on a lot and a lot of people were new in this Parliament, so it is to get to know you, it is to understand thinking, but at the same time there has not been a worry about telling the current politicians. The current political masters, the Ministers, have to be satisfied nothing is leaking and it is not. What the civil servants want to know is maximum information.

The key principle, and I am sure you will hear this from Jeremy Heywood and Bob Kerslake later, is that civil servants serve the Government of the day but they have to be prepared to serve alternatives after an election in the specified period of very limited contact, which does not include giving advice. You only get advice, as one former Cabinet Secretary said, when you get the Queen's shilling, so to speak, when you are appointed a Minister. You only get the advice then, but what you can do is have a dialogue. You have a plan on something. The civil servants will say, "Okay, you need legislation for this. Interesting what you say there. Have you thought about the implications?" That is a private dialogue and it can be insulated from the current work of the department. Indeed, in the Treasury in both the cases I talk about it has been.

Akash Paun: I think there is a question about the narrowness and, to some extent, deliberate vagueness in the current guidance about those contacts. The way it is written in the Cabinet Manual is there is a phrase that, for the most part, is supposed to be about machinery of government changes. The opposition can ask questions about the organisational structure of the department. The officials can ask questions about the implications of policy announcements that the opposition have made but should not normally offer advice about those policies. It is all drafted in this very ambiguous way and I think there is a case for being a bit clearer. What is the legitimate scope for this important dialogue? I think a lot of people recognise that pretending it is to be restricted just to machinery of government questions is not how it works in practice and neither is it how it ought to work. Getting into questions of costs and implementability, as we have talked about, is surely in the interests of all sides.

Q156 Robert Neill: Having been party to those discussions when I was Caroline Spelman's deputy, your assessment of how it happens is absolutely right, Peter. It was a conversation in terms of how we were not going to abolish the Department at CLG, we were not going to merge it and that sort of thing. In terms of getting to know you, our discussions were purely with Peter Housden when he was the Permanent Secretary and it was discreet enough to the degree that Peter was not able to tell us

that he was going to be leaving very soon afterwards, so it did not leak. Would it have been helpful if people in our position had at least had a meeting with the DGs, say?

Peter Riddell: Yes, and that happens in some cases.

Robert Neill: There is nothing to stop that as far as you—

Peter Riddell: No, absolutely not at all. The work I did post-election, in many cases exactly what happened is you would have an initial meeting between the Shadow and the Permanent Secretary, which would literally be—I hate to use the dating analogy but there is an element to that; then it would broaden out, particularly say in CLG when someone would be doing planning or housing or whatever and talked to the relevant DG. I think that is thoroughly desirable within the conventions—you are not getting free advice—and of confidentiality. The confidentiality is actually in everyone's interests. It is having a mature attitude and there are ways of doing it. The civil servants are rightly saying, "We are not advising you but what we are doing is having a talk to you." If you say, "I want to privatise X or Y," the civil servants could say, "Yes, fine, but you need legislation for that," and what type of legislation you need. That strikes me as a perfectly reasonable discussion.

Q157 Paul Flynn: Do you think the Cabinet Manual needs to be revised following the suggestion of Gus O'Donnell, when he gave evidence to us, that contacts between the parties and civil servants should be formalised because of the near certainty of the date of the next election?

Peter Riddell: There are two issues there, Mr Flynn. One that we argue in this report, and we have argued it in various other things, is that it should be an automatic matter, as long as you have a Fixed-term Parliaments Act, that it happens about a year before the election. I think that should be formalised. I am more sceptical about whether you actually want to revise the Cabinet Manual now. I certainly think that Parliament should have a role in the debate about a revision of the Cabinet Manual after the election. A priority for this Committee after the election should be a debate about that issue, as you took it in 2010. You were absolutely right to get involved in that. To get into a discussion now about revising the manual could be too much hassle, but on your first point I agree 100%.

Q158 Paul Flynn: In the last two weeks we have had one vote in this Parliament. We are not quite in a state of paralysis, but Government is in a deep coma because of the day of nemesis that is approaching rapidly and the two coalition parties bifurcating and going their separate ways. We have seen today two members of Government giving entirely different views on immigration. We are seeing Norman Baker being attacked for being caught in possession of an intelligent idea and another Minister of the Department attacks him. Do these great divisions and this period of parliamentary paralysis make a strong case for having future minority governments rather than coalitions?

Akash Paun: I am sure if you put a similar question to the witnesses who follow us they will confirm that legislation, parliamentary business, is only one small part of the work of government. There may be not much coming forward in terms of the legislative programme but there is still a big programme of ongoing implementation of the major reforms passed earlier in the Parliament that is taking up a lot of Government's energy. In terms of the final parliamentary year, obviously we wait to see what kind of Queen's Speech is unveiled. One would expect it to be relatively light but perhaps—

Paul Flynn: Do you think it should be two Queen's Speeches, one from each party perhaps?

Akash Paun: I can't see how that would work in constitutional terms, but certainly what you might see is a clearly colour-coded Queen's Speech, you might say, where there will be Bills that are plainly for one side of the coalition or the other. There has been a process of horse trading rather than things that both sides are entirely in agreement for. That is, of course, just pure speculation.

The other thing about the final year that might be interesting to look out for is if there is a light Government programme, does that produce new opportunities for Private Members' legislation potentially, in the way that we have seen this term with the EU Referendum Bill, with the sort of covert backing of one side of the coalition or the other? Again it is speculative, but one can imagine that kind of thing happening a bit more.

Peter Riddell: Can I add two points to that? One is I think there is too much focus on legislation at the end of a Parliament. We had a hell of a lot of legislation in the first two sessions. It was the most activist period. One can overrate legislation as a significance. I think there is plenty for Parliament to do. It is a difficult kind of media management issue, but there is plenty for Parliament to do, for Committees like this to do, not least to look back at the legislation and see how it has worked out. Post-legislative scrutiny is preached a lot; there is an opportunity to do it and to see how things have worked out. As a citizen as well as the Director of the Institute for Government, I am rather relaxed about the fact you have had only one vote in a fortnight. I don't think it matters a damn actually. You won't necessarily persuade all your constituents or all my old colleagues in the media of that, but I really think there is plenty else Parliament can do effectively in scrutiny and in analysing what has happened.

We are going to produce a series of papers on year 5 in other countries and we had an event in November that Akash entitled *50 ways to leave a coalition*—I wonder why it was not 100 but anyway—where we had representatives from the Netherlands, Germany, Sweden and Ireland talking about the way coalitions operate. It was an absolutely fascinating event. They are in countries that are used to coalitions and the regular pattern is normally a coalition, but they recognise that of course there is differentiation, or whatever you like to call it, in the final year because politicians are politicians, they are competing, but equally government has to go on. I think it is getting that balance. I think there is a danger, that is implicit in your question, Mr Flynn, that the whole thing necessarily falls apart. Governments get on with the ordinary business of governing. If you had to look at what are the most pressing issues in the last month, none of them requires legislation. I suppose the floods may do a bit. It is floods, Ukraine and so on. That is what government is about. Those things are not going to go away in the next year; they are going to be around and they are going to be addressed.

What the overseas experience showed was that however fed up the governing parties are with each other, they have to get on with doing that business, and on the whole I think the current coalition has done that quite well. The difference is when you talk about future plans and you have to have a framework and a language and a tone to get that right. Obviously there is going to be an increasing difference, as we have seen on this immigration issue, and it is the tone in which it is done. It is much more honest to recognise there is a difference. Interestingly enough in this case, even if there had been a Tory at BIS, there are institutional things in various departments as important as whether it is a Lib Dem, I would say. The key thing is how you manage the differences. I think it was the guy from the Netherlands said they recognise that they may be working together after the election and that moderates the tone in which they debate their differences.

Q159 Paul Flynn: You will be familiar with some evidence that Lord Butler gave us a while ago where he asked a question about how many Bills were passed by the previous Government that were either heavily amended or even never implemented, although they had gone through all the parliamentary processes. The figure was 75 Bills that are gone through this House and made virtually

no difference. From the comment you made, do you think that parliamentarians are excessively in love with legislation-itis as the answer to all the world's woes?

Peter Riddell: Governments are. You, if I may put it, are the foot soldiers who have to carry it through.

Q160 Paul Flynn: Absolutely. Very much so, yes. Thanks. In your written evidence you emphasised the timing, and you have mentioned it again now, that it is really too late to do a great deal before the next election but we should start as soon as the European elections and the local elections are out of the way. In the next Parliament, when do you think we should start these contacts between the civil servants and Parliament?

Peter Riddell: The same time. I am not saying that it should be any different to doing the timing. Akash said at the beginning about a coherent package looking at all the political parties together and the debate about that has to happen earlier. What we are saying is that the conventions have to be debated earlier in the Parliament, but I think the fact of starting the contacts with the opposition kind of 10 months before, depending on when you have various elections, should apply as long as you have a five-year fixed-term Parliament.

Akash Paun: On the opposition side, a year. As Peter said, it is a short year until the start of purdah, but that seems about the right length for the pre-election contact. Something that maybe should be clarified and agreed upfront if there is another coalition is more about the rights of access of the two parties to get information and support from across all departments, even those where they don't have the Secretary of State position. That certainly has been a challenge at various points during this coalition. Mr Browne referred to the issue of the support for the Deputy Prime Minister initially not having been thought through. Then there was later on a recognition that more special advisers needed to be appointed to cover departments where there were no Liberal Democrats. I think there have been some issues the other way round where it has not been clear what access Conservatives can have to departments led by the Liberal Democrats.

I don't think a lot of the basic rules of the game of Coalition Government were thought through in the obviously high pressured few days of negotiations in May 2010 when all the focus was on the policy questions rather than how you make it work.

Q161 Chris Ruane: Before I go on to my own questions, you mentioned before the language and tone between the coalition parties. Do you think that language and tone is improving, is it getting worse, both for the backbench and for the frontbench? When you look at George Osborne now trying to lay credit for Liberal Democrat policies, is it breaking up? Is that part of the natural process? Will it make future coalition easier?

Peter Riddell: Our electoral system has traditionally produced one-party Governments although, given the fall in support for the two main parties to 70% or less and other factors, that may be less true in future. As Akash said, we may be going for more hung Parliaments. There is still a sense, I think among you and your colleagues, certainly among the media, that perhaps 2010 was an aberration, that with one bound we will be free and back to the good old days of one party having a majority. There is still that widespread sense, I think, among a lot of MPs and a lot of commentators. In other countries, of course that is not true because the electoral system is designed to produce either a minority Government or a multi-party Government.

Only when we have gone through— if we do go through next year and who knows what will happen—if we had another hung Parliament it would force people to start adjusting their

behaviour. I think one of the issues has been that people still do not quite believe it is permanent. It is a relationship where they think, “Phew, we want to get out of it. We had to do it but we want to get out of it.” It depends on the voters; it is nothing to do with anyone else. They may not do that. I think that influence is tone and language.

Also going back to a point Akash made just now, there were a lot of loose ends left in 2010 and that has created problems too. The mechanisms have not necessarily been there for reconciling differences. Not everyone was sold on the idea of the coalition, let’s put it mildly, in either of the coalition parties, particularly the Tories. All those factors have meant it has got worse, is the answer. I think it is understandable psychologically because everyone wants to see what happens next time. Also the further you get away from the quad, the more the tensions rise. My impression is that on the whole the Ministers get on pretty well together. In every department I have talked to—there are obvious exceptions—on the whole relationships have been pretty good, but then you get to the backbenchers, and particularly when you get out to the party activists, the further you get away, the more unnatural the relationship appears to them.

Akash Paun: Peter mentioned the comparison with these more mature coalition democracies, and I think it is quite striking. At our event that we held in November, which Peter referred to, and in conversations with people from countries like Germany, the Netherlands and Sweden, it is quite striking how little open disagreement they have. Things like the formal suspensions of collective responsibility that we have seen on a few occasions during this Government, Ministers arguing in public in the way that we have seen, are a lot more uncommon for various reasons. If you talk to people in Government in Germany or the Netherlands, they would find the idea of parties going into an election basing their campaign partly on, “These are all the things we would have done if it wasn’t for our pesky coalition partners,” absolutely bizarre, because it is inherent to how a coalition works that you don’t get everything you want. As Peter said, that does speak to the ingrained political and cultural expectation that a coalition is a bit of an odd foreign habit that we might get rid of.

Peter Riddell: But minority Government too. We have done some work on what happened in Scotland from 2007 to 2011. I don’t want to tread on anyone’s toes, but Alex Salmond did play a blinder in that period with a massive minority. He had one seat more than Labour. All he had to get through was his budgets and then compromise on other things but he exploited it very successfully. We certainly don’t underrate the possibility of a minority Government, but what that does is shift division from within the Executive in a coalition to Parliament, and the chief whips become the main players because they are negotiating all the time. You have that, but that behaviour is regarded as rather temporary. We have had quite a few periods of minority Government, the tail end of the Major Government and so on, so it is not unknown here.

Q162 Chris Ruane: Now to my actual question, which is we will shortly be entering the final year of our first fixed-term Parliament, so what are the main things you would like to see happen in this coming year to take advantage of the greater certainty we now have about the date of the next general election? Gus O’Donnell gave evidence and said that in the final year there is an opportunity to work together on some consensual issues. National security is an obvious one; care of the elderly we have always done; but he mentioned wellbeing and mental health and the improvements that could be made for a small amount of money on getting people back into work, helping the economy and also helping those individuals. Are there more consensual issues that we could look at in this kind of fallow period?

Peter Riddell: I am very sceptical, I am afraid. I read Gus O’Donnell’s evidence. Indeed, I have spoken to him since then. I said I did not expect a former Cabinet Secretary to be so idealistic, so we had a discussion about that. Of course it would be desirable if these things were debated, but

undoubtedly the tempo of party competition is going to rise. We can't take the politics out of the pre-election period. Indeed, that is one of the lessons from other countries. You don't take the politics out of it but it is how you do it.

I would say one of the best uses of the period is not to have a completely wasted Queen's Speech, but to have a Queen's Speech that can be implemented so you don't have the wash-up at the end. There will be some wash-up because that is life and that happens, but have a reasonably realistic Queen's Speech. Otherwise, Committees like yours use the time to look at what has happened in the Parliament, but recognise that outside in the party hat, of course, it is going to get more competitive, people are going to put their plans out. One thing we would say, and it is quite an interesting issue, is the degree to which plans could be costed and looked at for feasibility. Some of that may happen privately in the discussion between parties and the civil servants, but consider whether the Office of Budget Responsibility should, as do the equivalent bodies in many other countries, have a remit to cost plans of parties, whether that should happen in the period so the voters are better informed. There are a lot of traps here and we are about to publish some papers that look at what has happened in various countries, in Ireland, Australia, the Netherlands and Scotland.

Q163 Chris Ruane: On that, Professor David Heald recommended publishing an end of Parliament fiscal report so that there was a clear statement of the fiscal issues likely to confront an incoming Government to aid policy formation by political parties. Do you think his idea matches what you are saying?

Peter Riddell: Absolutely, but what I am sceptical about is how much you politicians can have a nice consensus over it. It is absolutely right there should be an analysis of it and I agree with you entirely there. I think it is totally desirable. David Heald is a very distinguished economist and comparable bodies do analyses, but it is up to you to have your alternative prescriptions of what you want to do. I think it would be very different depending on where you sit on that. Certainly for that kind of analysis to be done by various bodies; it is thoroughly desirable that we have a kind of audit of what has happened. We will do a mini version of that about what has been happening in Government. I think it is totally desirable but I am sceptical about how much Parliament can do on that apart from commissioning things.

Q164 Chris Ruane: You mentioned before about the best practice from other countries, such as having an independent organisation assess party manifestos ahead of an election. Are there any other examples of international best practice that we could consider?

Akash Paun: I spoke a little bit about the Scottish model. It depends if you count that as international.

Chris Ruane: We will know after September.

Akash Paun: Yes. But I do think there are some quite interesting lessons to be drawn from that and we will be publishing a paper quite soon. We would be very happy to share it with you as soon as it is complete.

Other places to look: I think possibly the example David Heald was referring to was the New Zealand approach, where the departments in general, and particularly the Treasury there, have a greater independence from their Ministers. It is quite a different system. The Ministers are not based within the departments. They are external and have a kind of contractual relationship and therefore the departments can play this kind of role in putting out, for public consumption and for the use of all parties, analyses of the kind you are referring to. They do something there called the

pre-election economic and fiscal update, which is published a few months before the election and the idea is all parties can use the data that is put into the public domain to help inform their policy thinking.

We have looked at the Netherlands, as I referred to. That is where they do have this very interesting system of published assessments of manifestos of all parties by a body called the Central Planning Bureau. It is quite a large body, a lot bigger than the OBR. It has up to 100 staff or something in that vicinity. That body plays a very significant role in the electoral process and then the coalition formation process in informing parties' thinking, providing data to all parties to help them inform their policy development and then, as I said, doing a public-facing thing saying to—it being the Netherlands—up to 12 or so parties what the likely impact of their policies will be on economic growth, public sector debt, different socioeconomic groups, on all sorts of things. It is quite a wide-ranging assessment. So that is quite interesting.

Then we have looked at a couple of other places, like in Australia where they recently created something called the Parliamentary Budget Office. They did that in the context of having a minority Government with smaller parties wanting greater ability to have their own policies assessed in confidence.

Q165 Tracey Crouch: Peter, I was really interested in your comments about there being more to Parliament than the legislative programme and the role of Select Committees. I don't disagree with that, but do you recognise that there is a real issue with voter perception about the Houses of Parliament? We are doing a separate inquiry into voter engagement. What happens in the Chamber in terms of legislation impacts on what people see or think about politicians, and if we have an incredibly light legislative programme then there is an assumption that we are not doing anything.

Peter Riddell: I recognise your dilemma 100% on that, absolutely. I think the counting of votes or number of Bills going through as yardsticks of how assiduous you are is totally misleading, but it is a very difficult perception for you to challenge. I am absolutely with you on that. I think it is very difficult indeed. In a sense it goes back to the argument that each individual MP really has to do with their constituents, of explaining what they actually do, and it is very difficult. There is the classic story of someone ringing up a constituency office on Wednesday or something and being told that the MP is at Westminster, "What on earth are they doing there? They should be back in the constituency." It is an old story. That is a great difficulty but it is part of a much broader issue of you and trust with your constituents.

A lot of what you are doing, on behalf of your constituents, is nothing whatsoever to do with legislation. It is raising grievances, raising problems, pursuing them with Ministers, pursuing them with officials, all that. Demonstrating the utility of that I think is crucial to doing it. I have an awful lot of sympathy. I wrote a book called *In Defence of Politicians (In spite of themselves)*, which was described as brave and courageous by one or two of my friends, but I am with you.

Q166 Tracey Crouch: Given the fact that we are likely to have a lighter legislative programme in this final year, do you not think that we could actually legislate better, that we could be scrutinising better? One of the issues I found as a new backbencher is that we rush through legislation in the House of Commons so quickly that we don't give it time to scrutinise. We could do ourselves a good service by having a lighter programme but we do it better.

Peter Riddell: I agree. One of the problems, and it is one that this Committee addressed at the beginning with the constitutional legislation, is that Governments always want to get on with things in the first term. It is a long-term, an 18-month term. It is perfectly understandable that they do

want to do that and again there is a dilemma there, but of course I agree that legislation could be far better considered. I agree with that 100%, but it runs against other pressures.

Q167 Mr Chope: Can I ask you about the implications of the recent finding by Ofcom that UKIP is now a major political party? We know that the Cabinet Manual requires that the Prime Minister should write to leaders of the main opposition parties. Would you expect that UKIP will therefore be involved in this process?

Peter Riddell: I am tempted to say that I think that is a question for 10 minutes time. This has been one of the ambiguities. The assumption has been that it is parties that will either form or be part of a Government, and that has been the criterion that has resulted in the past. It excluded the nationalist parties or the equivalent from participation in the access talks, and I think that is, on the whole, the principle adopted, “any party that could be”. We are not in the situation that Akash described of the Netherlands, where there are umpteen parties that could participate. Of course UKIP has no Members of the House of Commons. It does have a few, on the whole ex-Tory, peers who are under the UKIP banner there. We will have to see what happens in May with the election. UKIP already has a big representation in the European Parliament.

For the Westminster principle, I think there is a distinction between the Ofcom ruling, which applies to fairness in election of a party putting up candidates with demonstrated electoral support, and to the position of the access talks, which is about a potential party of Government. Like most of these things, there is a degree of arbitrariness about it. I think until UKIP have demonstrated significant support at Westminster—after all it has not won a Commons by-election—it is perfectly reasonable to say, “No, you don’t have the access talks because you are not a potential party of Government.” That is wholly different from when you are looking at TV debates.

Q168 Mr Chope: In your paper you give the example of what happened in Scotland where all four parties had been given equal access some six months before the general election. It is arguable to say that the Conservative Party in Scotland is even more unpopular there than the Liberal Democrats are in England and yet they had been given equal access. Using that argument, why shouldn’t UKIP be given equal access?

Peter Riddell: The Tories, because of the PR system, do have significant representation in the Scottish Parliament. They are a sizeable party there. Also it is fair to say that, at least in theory, they were potential players in any Government. They were very important players in the minority period of Government because they had what political scientists call the veto power. The key deals behind all the Scottish national budgets between 2007 and 2011 were with the Conservatives in Scotland. John Swinney, as the Cabinet Secretary for Finance, did a deal with successive Conservative leaders over the budget. So, they were influences on Government in a significant way. It is an interesting point, Mr Chairman.

Q169 Mr Chope: I may have the opportunity to ask the Minister. We have had a lot of ideas come out, mainly from other countries and the analysis you have done—you looked at Professor Heald’s work. How many of those, if any, do you think would be applicable in the UK context?

Akash Paun: Lots of things could be applicable if there was the political will and consensus to do it. As I said, of the countries we have looked at, one could imagine the Scottish example, for obvious historical and cultural reasons, being implemented in Whitehall in some form or other. I think some people in Whitehall are in favour of something like that. I think Lord Butler expressed

support for some version of that in recent evidence to the Lords Constitution Committee, for example. I can certainly see how something along those lines could work.

Beyond that, I referred to something like the body they created in Australia, the Parliamentary Budget Office. We have things like the House of Commons Library that does much good work, but I think that went beyond what is available here in allowing all parties, government and opposition, to get parties independently and confidentially scrutinised and enable them to improve and refine their policy thinking before the election. We are not recommending tomorrow that there should be an equivalent created but I think it is quite an interesting model.

Other places like the Netherlands are just very different in many ways in how that system works. As I described, the public manifesto analyses would be a much more radical departure, but I would say it has some quite positive aspects to it.

Peter Riddell: My view is, yes, we have a distinctive system here, a different electoral system, a very different long-term political culture of course, but it is always useful to remember we are not alone in the problems we face. You can't do a direct transfer, absolutely not, but it is pretty instructive to look at what has worked and what has not worked elsewhere, not as a direct copycat but just useful to put in perspective, the limitations as much as the attractions. There is a danger always of saying, "It is fantastic and it has been tried in X or Y country." Sometimes the limitations come out. It is just useful comparison.

Q170 Chair: Peter, are we so institutionalised in this place, as Members of Parliament serving the Executive sausage machine and passing legislation, that actually we can't see an opportunity when it arises, which is to use the last year of a Parliament to do the pre-legislative, post-legislative scrutiny, accountability, policy debate that a five-year Parliament gives us the opportunity to actually do, were we to have the wit to seize it?

Peter Riddell: I think it is the analogy of the horse and the water. The opportunity can be presented. It is up to you and your colleagues whether you take it, essentially. You all have different pulls on your time and everything else. All I would say is that there is a big opportunity not to be obsessed by legislation, have more Bills, but to look, consider, recognising the natural and political realities that you are going to be competing ahead of election day. That is there. I think there is a great danger of trying to be too—I said earlier idealistic but what I mean is unreal. Of course the electoral competition is there but within that there are opportunities.

Akash Paun: I am not sure if I would have much to add. I suppose I talked about the fact that we might see different kinds of opportunities for the final year, potentially more space for Private Members' legislation, which is not necessarily a better way to legislate but is quite an interesting alternative avenue that might open up more than it usually does.

Peter Riddell: Could I raise a different point? It is also an opportunity within Government to look at options for preparation. In the note that the Government has sent you, in paragraph 2 they talk about public spending. They say, "Whilst departments can think now about existing pressures and areas that will yield further savings over time, it will be for the Government of the day to make decisions". Absolutely, which is why it is unrealistic to expect any big public spending decisions. This is a really big opportunity to look at options, particularly cross-cutting ones. I mean an area you know about, early intervention, where you champion. In other areas, too, there is an opportunity and time to do that below the radar, for the civil service and Government to do that, and then any incoming Government with its own political priorities could do it. One of the problems I think in 2010 was things were rushed, particularly the defence review. No one pretends that was an ideal operation, as subsequent strains have shown. In other areas, there is a real opportunity now and the politicians have to give, in a sense, permission for the civil service to get

on with that for whoever the Government is—this is not presupposing it—so there is a rational discussion of options, particularly on big cross-cutting areas, because it is going to be tough in the next few years.

Chair: Peter, Akash, thank you very much for coming today. We appreciate your evidence. Thank you so much.

Examination of Witnesses

Witnesses: **Sir Jeremy Heywood**, Cabinet Secretary, Cabinet Office, and **Rt Hon Oliver Letwin MP**, Minister for Government Policy, Cabinet Office, gave evidence.

Chair: You are our final witnesses in our inquiry on a fixed-term Parliament, the grand finale. I am very pleased that you can join us this morning. We have been taking evidence for the last few months and I hope we are going to produce an interesting report. It is unprecedented to have a five-year Parliament. It is unprecedented to have the final year where we know when the election date is going to be. We have been looking at how we could use that final year perhaps more productively than the dogfight that we all engage in in the last 28 days, wondering whether there are opportunities to delve more deeply into what Parliament could do. Having a fixed term also allows a degree of planning, both in terms of scrutiny of legislation, Parliament's own business, the timetabling of effective scrutiny, and bringing forward Bills more effectively, too, on a given, known timetable. We have also been looking at the financial and personnel side where perhaps, Sir Jeremy, we can encourage you to talk about how a fixed five-year span allowed you to plan way better than when one is not clear when an election might be.

Would you like to say anything to start us off or shall we jump straight into questions? No, you are happy to go ahead.

Q171 Mr Chope: First of all, can I apologise for the fact I am not going to be able to stay for the whole session because I am chairing a Standing Committee shortly? The first question is one following on from our previous session. Ofcom have recently deemed UKIP to be a major political party. In the light of that finding, do you think that the provisions in the Cabinet Manual whereby opposition parties should be involved in being able to speak to civil servants in the run-up to the general election will apply to UKIP?

Sir Jeremy Heywood: Oliver is passing this one to me. In fact, this is a political decision by the Prime Minister, who determines the shape and parameters of the pre-election contacts guidance. I would be doubtful, but no decision has been taken by the Prime Minister on the overall framework for those contacts so it would not be right to anticipate that.

Q172 Mr Chope: Although it is set out in the Cabinet Manual, it is for the Prime Minister to interpret the Cabinet Manual in whatever way he thinks fit?

Sir Jeremy Heywood: Absolutely, yes.

Q173 Mr Chope: Rather than for the civil service or the heads of the civil service to advise him on an interpretation?

Sir Jeremy Heywood: Once the Prime Minister has settled the detailed implementation in this particular Parliament, then I as Cabinet Secretary will co-ordinate and oversee the process. I think a degree of political judgment is required; for example, on when the contact starts, which parties to involve, and so on. That is a decision for the elected Government rather than the civil service.

Q174 Mr Chope: Can we ask the Member for the elected Government here today to help on that?

Mr Letwin: You can ask but I cannot give you the answer because I am not the Prime Minister, as you may have noticed. I have not discussed this issue with the Prime Minister so I do not know his mind on the subject.

Q175 Mr Chope: In the written evidence, which has just arrived, you say in paragraph 7, “The introduction of fixed-term Parliaments was intended to improve certainty and stability in Government”. Do you think that that assertion applies to the present situation where, for example, today we have two different Ministers from the Government, the Liberal Democrat Business Secretary and the Conservative Immigration Minister, making different speeches, one saying that it is really good news that the Government has failed in its target of reducing migration to the tens of thousands, and the other one saying it is absolutely disastrous for the ordinary working people that the Government has missed its target? How can we interpret that as being an indication of stability and certainty arising from a fixed-term Parliament?

Mr Letwin: Well, that is a question I can answer. The first point I would make is that any Government—certainly any of the Governments that you and I have seen, and we have both seen a number over the course of our careers—is to some degree or other a coalition of Ministers who have a wide range of views. There will always be differences of view, but any Government, one party or two or more, has to come by a settled view of its policy and of its legislative programme and has to carry that forward. Thirdly, any Government has to find a way of accommodating those two facts: strong-minded people with different views and the need for a collective approach to policy and legislation.

Now, in coalition that has simply accentuated that issue, because it is not just that there are strong-minded Ministers; there are also two parties with different agendas. We are perfectly grown-up about this. We both recognise that each has a different agenda in some important respects. There are some things about which we collectively genuinely agree and there are some things about which we separately genuinely disagree. Part of the virtue of the way we have run this coalition is very considerable honesty between ourselves about where we agree and where we do not agree. The rule of Coalition Government that we have developed in the last few years is we do those things where we do agree and we do not do those things where we do not agree or cannot agree; they get remitted to possible action in subsequent Parliaments depending on the outcomes of elections.

As you approach an election, the differences of view are bound to come more to the fore because each party is moving towards an election programme that will, admittedly and understandably on the part of each party, be somewhat different. We are not going to fight the election as a coalition; we fight as two separate parties. We have always known that.

Under those circumstances, what is very important is that the stability of the process of making policy and implementing it, drafting legislation and introducing it, and passing it and implementing it is orderly. What is certainly also true is that the knowledge that we have a certain time over which this coalition exists and it then comes to an end, not before and not after a certain date, is

helpful in enabling us to have an orderly process of evolving and implementing policy and legislation notwithstanding the admitted differences of view. The Government's immigration policy, all the measures we are taking, which are many and some of which we are legislating on at this very moment, are agreed. The coalition parties are working together to implement those policies. There are quite different views about some aspects, as you have seen. It is a perfectly grown-up way to conduct business. It is easier to conduct that business because we know that there is a definite time within which that programme is to be enacted.

Q176 Mr Chope: The coalition agreement said that it was the policy of the coalition to reduce net migration to the tens of thousands. What is clear is that the minority party in the Government has been actively undermining that and has now come right out in the open saying that they do not support it, never thought it was a good idea, and the fact it is not going to be achieved is great news. How is that consistent with the principles of collective ministerial responsibility?

Mr Letwin: Oh no, both parties in the coalition are at this very moment both implementing a set of policies that have been agreed and legislating about a set of things that we have agreed to legislate about, a perfectly orderly way. The fact that there are differing views about economic issues associated with immigration and many other things besides across a wide terrain is fine as long as the Government continues in an orderly fashion to implement its policies, which it is. The ability to reconcile those two things, which is a complicated process, as I say, in any Government and more complicated in a coalition, is certainly aided by the fact we know that there is a timescale over which we are doing that.

Q177 Mr Chope: The Government is still aiming hard to try to reduce net migration to the tens of thousands?

Mr Letwin: Yes.

Chair: Just a very quick one, Paul.

Paul Flynn: Just very briefly, do you think it would be a sensible use of civil service time to have talks with UKIP when the present betting odds are 250 to one that UKIP would be forming part of the next Government?

Chair: I do not know whether even answering that question is a very good use of this Select Committee's time. Now you have made your point, Paul, we will move on.

Q178 Chris Ruane: Before I move on to my questions, you batted the question from Mr Chope before about UKIP access to civil servants. In a very non-political way, you said you could not possibly comment because that was too political. Our honourable colleague Paul Flynn said our two esteemed witnesses today were a politician who thinks he is a civil servant and a civil servant who thinks he is a politician. Could you give us a personal opinion? If you will not give us a political opinion, can you give us a personal opinion on the issue raised by Mr Chope?

Mr Letwin: No.

Q179 Chris Ruane: No. That is a politician's answer. Well done. My allocated question: the Committee reported on the impact of the Fixed-term Parliaments Act 2011. We called on permanent

secretaries to regularly discuss how fixed-term Parliaments would affect departmental planning and identify best practice. Could you tell us to what extent this has occurred?

Sir Jeremy Heywood: We do have not particularly frequent but regular discussions. I think the last one was probably last summer and I wrote to you, Mr Chairman, following that. We are probably due to have another one. It is definitely an issue that we are interested in as a set of permanent secretaries. In individual departments, a lot of thought is given to this, but in a sense we are just getting on with the business of supporting the Government rather than spending a lot of time thinking about relatively abstract issues. We are very happy to keep the dialogue going and make sure we are all learning from each other.

Q180 Chair: It is far from abstract; we are in the middle of it now, aren't we? For the first time we have had a full fourth year. Is that not something that you would welcome?

Sir Jeremy Heywood: Very much so, yes. As you know, we think it has definitely brought some stability. It has made it easier to plan, as you said earlier, personnel issues, financial issues, legislative issues. It has definitely brought a lot of advantages, I would argue probably more so in years three and four of the Parliament than year five, but until we have been through the whole five years it will be difficult to give a completely comprehensive assessment. It has definitely led to a net improvement in planning, long term-ism, sequencing, and so on so we definitely support it.

Q181 Mr Browne: My questions were about specifically financial planning. The two parties in the coalition have been required to put forward a budget for the 2015-2016 financial year despite the fact that they can only be certain of being in Government together for the first month of that year and that will be the general election campaign. I suppose it is inevitable that all Governments will find themselves in that position because the financial year will not perfectly map that of a political cycle. Are there any particular difficulties caused by coalition when it comes to financial planning? Do you have to draw up an alternative shadow budget in the event that the Conservatives win the next general election outright and they can strip the real budget of the bits that the Lib Dems insisted on putting in? Is the exercise different than if we had a single-party Government?

Mr Letwin: Jeremy will say something about whatever the civil service is or is not doing in relation to the rest of the year 2015-2016 after the election. So far as the Government itself is concerned, I do not think that the dynamics of coalition make any difference to this at all. I do think that the existence of the fixed-term Parliament, or rather perhaps what I should say is the existence of a five-year Parliament that hence stretches into the financial year of which the election is part, does have an important influence. It would have been irresponsible for the Chancellor—and the Chief Secretary indeed—not to have put forward broad and detailed spending plans for the year 2015-2016 given that that money will start to be spent before the election and hence under the control of this Government.

Obviously, it is a matter for the PAC rather than for this Committee, but nevertheless I am sure that this Committee would also recognise it is extraordinarily important in the national interest that where decisions are going to be made that affect real people, real investments and so on, they should be made well in advance and well locked in so that the recipients of those monies can use them effectively and efficiently and not be in any doubt. It would be extraordinarily haphazard if you had a month or two at the beginning of a financial year in which nobody knew what was going to be spent.

Of course, as 2010 shows, where we introduced an emergency budget directly after the election, it is always open to an incoming Government of whatever persuasion to adjust the budget within the

limits of what can efficiently be adjusted without failing so many expectations it creates too much inefficiency. This does not in any way limit democratic decision making, but I think it is, for the sake of good order, necessary to do. As I say, I think that is a consequence of the fact of a five-year Parliament. It is, therefore, a consequence of the fact that we will continue, if the present law remains in place, to have rolling five-year Parliaments that do stretch over financial years. Under those circumstances, I think it will become a regular matter.

Q182 Mr Browne: Sure, a five-year Parliament must make it easier to plan because we all know, barring some unforeseen mishap, that hangover of the first month of the financial year will be before the next general election. Mr Chope and Mr Flynn have both walked out just before I was about to ask my second question but it is really a question that they have both been driving at.

Mr Letwin: I was wondering whether he was disappearing entirely.

Mr Browne: They will be able to read about it. It is the exchange you had about the differing emphasis that the Business Secretary and the Immigration Minister were putting on the desirability or otherwise of higher or lower levels of net migration to this country. Maybe it is more of a question for Sir Jeremy. When discussing how well this Government functions in its final year, based on your experiences of previous Governments, would you say this one was uniquely or particularly dysfunctional? The reason I say it is because both Mr Chope and Mr Flynn—and I have heard the view put forward by others who are keen exponents of single-party Government—claim that this coalition is more dysfunctional. You had a close insight into the last year of Gordon Brown's tenure as Prime Minister when, for example, I remember James Purnell resigning as a Cabinet Minister and the destructive act to try to bring the Prime Minister down. I do not know what your civil service experience was when John Major was Prime Minister. I remember him resigning as leader himself and being challenged by another member of his Cabinet. None of these things have happened. Of course, Margaret Thatcher was brought down by her party. I just wonder why you think some people think that this coalition is inherently unstable when from the outside viewpoint that I have it appears to be far more stable and far less acrimonious than previous Governments.

Sir Jeremy Heywood: You would not expect me to start getting into comparing one Administration with another. I am not going to do that. I think you do have to distinguish between political messaging for public consumption and the functioning of Government. The other thing I would just remind everybody of is we are not in the final year yet. We still have some months to go before we get into that final year.

Chair: 428 days.

Sir Jeremy Heywood: Exactly. Just in terms of how the Government is functioning, I do not see any disturbance from how we have been functioning for the last nearly four years, which is Government is functioning pretty steadily, competently, getting business through. We have quad meetings; we have Cabinet meetings; we have a budget coming up; we have a Queen's Speech coming up. It feels like pretty normal Government to me. I think that is probably what I will say on that subject.

Q183 Chair: It is normal now, whereas historically this would be a period of frantic discussion, speculation and possibly paralysis, but normal Government is carrying on. We have a fixed term and it can carry on.

Sir Jeremy Heywood: Yes, that is the point about a fixed five term versus a fixed four term or an uncertain period. You are absolutely right. At this time there would be a huge amount of speculation normally as to whether or not the Prime Minister is going to call an election.

Q184 Mr Browne: A very quick supplementary. Does it also give you reassurance as a very senior civil servant that the Government has a clear working majority? In other words, is a fixed-term five-year Parliament with a Coalition Government with a majority of somewhere in the region of 70 reassuringly stable compared to a minority Government that lives day to day, hand to mouth, depending on the votes in the House of Commons?

Sir Jeremy Heywood: Again, I am not going to get sucked into a discussion about coalition Government versus minority Government versus a single-party Government. My job is to make sure that the Cabinet have the support and advice they need and that the Government can function and carry out its mandate. That is what we are trying to do and so far so good in terms of carrying through the coalition agreement's policies into practice. That is our job.

Q185 Mr Browne: You would feel you could plan on exactly the same basis if we had a minority at the moment Conservative Government with 309 MPs? You would feel just as confident that the Government would be able to deliver the Queen's Speech and the budget in the last year of the Parliament as you do now with the coalition?

Sir Jeremy Heywood: No, I did not say that. Clearly, different sorts of Government require different sorts of planning. As a civil service, our obligation is to work with whatever the people of this country throw up by way of MPs and party configurations and try to make that work as best we can. That is our job.

Q186 Robert Neill: Just very quickly, I was interested in the response that you submitted last night around the concept of the five-year rolling spending review, 10-year spending review. I get the sense that the Government is saying, "We do not like the idea of a five-year rolling spending review." The evidence we had was a suggestion of a 10-year rolling review, on the basis that a lot of the long-term financial planning around, say, things like early intervention in health or infrastructure planning or whatever obviously are going to go for much, much longer periods than any electoral cycle would ever be, fixed or otherwise. Against that background, is the objection to the rolling nature of it or is it the linkage with the length of the Parliament that is the problem? Is there some merit if it was a firmer spending review? You say, "Advantages in establishing clear budgets for several years ahead and sticking to them." I broadly agree with that. Is that an argument for a very firm spending review over a five-year period of a Parliament and perhaps then something indicative beyond?

Mr Letwin: Clearly, this is a balancing act. On the one side, there is very considerable advantage in stability of expectations so that people can plan against that, can invest for savings that may not materialise for a year or two, and can optimise the way that they deliver services to the public and investments in infrastructure and so on, knowing the path that will be followed rather than short, sharp, jerky movements of funding, which inevitably engender considerable diseconomies.

On the other side, the national Exchequer is not in the same position as the board of a firm because the Treasury is both a ministry of public finance and a ministry of the national economy. The Chancellor of the day has to concern himself with the economic effects as well as the fiscal and microeconomic effects. He also has to concern himself with the macroeconomic effects of spending plans and hence has to concern himself with the macroeconomic necessities of the day in conjunction with the governor of the bank and the MPC, which argues for great flexibility in public spending. You have on the one side a strong argument for great stability and on the other side a strong argument for great flexibility.

Now, there is no right answer and it partly depends on times and places, but the balance that we reflect in that paper and that the present Chancellor and Chief Secretary have struck is one that has tried to get a reasonable length, which they judged initially to be three years for stability, in the expectation that with a long-term economic plan, which this Government has and is rolling out, it was possible to be reasonably confident that that would work macroeconomically against the background of some very careful work with the MPC while at the same time providing a reasonable stability of expectation for investment and spending.

We then come back to the point that Mr Browne was making, which is that, of course, it is an exercise in idle speculation for a Government in one Parliament to seek to pretend that it can determine what the spending would be in 2016-2017, 2017-2018, for example, especially a Government that intends at the general election to dissolve itself. It may or may not come back in any form, either or both of the parties, but we know that we will go into an election undoing this Government. It would have been very odd to try to create a public spending pattern as a whole in detail for the later years of the next Parliament after the very first year, which stretches into this Parliament.

Q187 Chair: Does that apply to defence spending or road infrastructure?

Mr Letwin: Thank you, Chairman, I am just coming on to this. What we decided to do was to square that particular circle by identifying some kinds of expenditure that are relatively long dated, have long lead times built into them, and are relatively politically uncontroversial. That is not to say that there may not be differences of emphasis, but it is broadly true that any Government is going to want to maintain the defence of the realm, is going to want to build roads and railways, and so on. There are things that you can just about predict.

Q188 Chair: But not run an effective economy?

Mr Letwin: Yes, any Government will also seek to run an effective economy, but the point is when you come to the balance between stability of expectation and macro flexibility, that balance comes out differently in different domains. If you have a transport programme where, despite great efforts that both Jeremy and I and, indeed, other colleagues have made to shorten the time that it takes to get between conception and road building, nevertheless there is a very long lead time because of environmental constraints, planning constraints, and so on and so forth. It therefore makes abundant sense—given that once there is a plan to build a certain road it is probable that the future Administration will wish to carry on with that—to have a quite long period during which you set a budget for road transport improvements and can plan against that. Now, of course, future Governments may always alter that, but it is likely that they would alter at the edges rather than totally.

Similarly, with defence capital expenditure, equipment expenditure, as opposed to defence current expenditure—largely, not wholly, manpower—we made the decision that because the lead times are very long, in many cases regrettably even longer than for road building or the building of railways or airports or whatever, and because there is an enormous amount of importance attached to stability of expectation on the part of the suppliers if you are going to get anything like keen pricing, we decided to stipulate a path for defence capital expenditure and then to enable MoD to commit to expenditures well in advance, which then become contractual and, of course, the future Government, because Britain is Britain and operates under the rule of law, would not break without—

Robert Neill: You would not break the contract, yes.

Mr Letwin: Exactly, without paying a penalty. I summarise it all by saying because it is a balancing act we have tried to get a reasonable length within a Parliament of expectation for all expenditure, acknowledging that you cannot do that beyond the lifetime of the Government, but in order to reconcile that with good stability of expectation in those areas where it is most important and most possible we have produced longer timescales for expenditure in those domains like transport capital and defence capital.

Sir Jeremy Heywood: The only point I would add, coming back to the question that you asked, Mr Neill, is on this concept of a rolling five-year period or a rolling 10-year period. I think what we were trying to get across in the Government's response was we do not like the idea of every year you update. If that is what you meant by a rolling programme, we think that would introduce too much flexibility relative to the stability and benefits that would come. Maybe we misunderstood what the Committee was driving at with that concept. I think we are in favour of four years, five years, whatever, 10 years for some capital projects, but not if the sense is that every year that falls to be readjusted, because then you lose many of the stability benefits you get. That is the precise point.

Robert Neill: That bit I have a lot of sympathy with because, as you say, there is no magic in whether it is a three-year spending review or a four year, as local government might like, or a five.

Q189 Chair: Isn't it an interesting use of a stable final year to attempt to get some sort of consensus politically—there will never be a complete consensus—around what future spending might be? Is it possible for the office of management and budget or whoever, the National Audit Office, to co-operate with Parliament in order to find some common ground about the things that may be shared by all parties after the next election? Of course, whoever wins the next election will want to change around the margins and perhaps some fundamental things, but can't we use this last year a little more imaginatively than just looking at the watch waiting for election day?

Mr Letwin: I would distinguish, Chairman, between two propositions. On the question of the spending aggregates and their departmental allocations, I do not think there is any prospect or hope of consensus because I know that the Conservative Party certainly would not want to have a consensus unless everyone else happened to agree with the Conservative Party about this. I suspect that each party here is in the same position. This is a very fundamental part of one's approach to the management of the economy in the next Parliament and it is heavily influenced by all sorts of perfectly proper political considerations. It is likely to be one of the major debates of the next general election. Getting a consensus on that is unlikely.

Q190 Chair: Let me turn that round, then, Oliver, and say would it not then be sensible to find out what the differences were and allow the civil service to have a think about that in the final year of a Government? Let us not find consensus; let us find difference and let us find how we might handle that post the next general election.

Mr Letwin: Well, at an earlier stage in the proceedings I think you used the word "dogfight" of the last 28 days. I prefer to describe the general election as an expression of democratic decision making, which for all its disadvantages—and I think you will know I am not the most partisan of politicians—nevertheless general elections crystallise very clearly certain critical directional differences between the different parties. That is what is put to the electorate and the electorate makes a mature decision on that basis. I welcome that. I do not think that this can be teased out by the National Audit Office or the OBR or, forgive me, the civil service. I think this gets teased out in some much deeper way by general elections. That is their value.

Q191 Chair: Unless we have a view, a plan, and see this as an opportunity, aren't we necessarily going to see a 28-day discussion or dogfight extended to some degree into this final year? Is there not a more creative, imaginative and constructive way to use the final year than assuming that there will be the normal 28-day dogfight? It just seems we are looking at this as commentators rather than saying there is an opportunity here. We can involve Government; we can involve Parliament; we can involve political parties in this unique occasion of having a stable final year.

Mr Letwin: Well, no, I do not agree with that. I think that, in the course of this final year, we have the advantage that we know it is in all probability the final year. We are not all spending an enormous amount of time guessing whether there is going to be an election next week or the week after. That is an advantage to everybody. It is an advantage to Government because it can pursue its business. It can pursue its fourth term legislative programme. There will be a serious legislative programme announced at the Queen's Speech. We all know that there is time to carry through a serious legislative programme and to debate it properly. One does not have all the apparatus of sudden election wash-up and so on and so forth. That is all an advantage.

In the course of that year, because people are not feverishly trying to work out when the next general election is going to be, it gives both the Government—in fact, in this case, both of the parties of Government—and the opposition parties the time to set out their stall, to work out very carefully and clearly what it is they are going to put to the electorate, to reveal as much of it as they choose to reveal at each moment during that period, and to conduct a public debate in a serious way. I am a real believer in democracy. I think that that process helps educate the public about the choice it is going to make at the next general election. Of course, some of it is done at a higher level than others, but in general I think the longer people have to set out their stall in a coherent fashion the better for democracy and for our country.

Sir Jeremy Heywood: Of course, the civil service will be working on financial projections, financial options, policy options that may be relevant to whichever Government takes office after the election. As far as we are concerned, this is not a wasted year at all. A lot of preparations go on in terms of at least understanding the financial drivers of policy and so on. One of the issues I would expect to be raised by opposition shadows when the pre-election contacts eventually start would be from the opposition's perspective what their plans would be. Part of it is to inform the civil service of issues that they may not wish to make public at that point so the civil service can get on with, when the election starts, preparing for that possibility as well. I would not want people to think that this was a year of inactivity by the civil service; far from it.

Q192 Tracey Crouch: Given the answer to Bob's question around long-term spending plans and the response from Sir Jeremy about having discussions with political parties about policies, will the Treasury or other departments provide information to political parties over the coming year, over the coming 428 days, in order to ensure that the manifestos contain sound economic commitments, or will that just reduce the democratic aspects that, Oliver, you were referring to of the election? Will it take out all the fun of the election, of trying to trash each other's manifestos, if that were to happen?

Mr Letwin: Well, I think my answer to that is neither, in the sense that—this is nothing to do with fixed-term Parliaments—there has been a very fundamental change in the course of this Parliament, which is one of the things I am proudest of about this period of Government, in the level of transparency of information to do with nation's finances that can be used by everybody: commentators, political parties, Parliament, Government, and so on. It used to be the case that the Chancellor of the Exchequer arrived at the despatch box at the Autumn Statement, as it used to be called, and the Budget and made predictions of the forthcoming effects of his or her policies. I

think we all know, without wishing to descend into extreme partisanship, that there were examples of policy-based evidence-making in such budget predictions.

Now that has been replaced by the Office for Budget Responsibility producing a genuine, impartial, extraordinarily well informed prediction, which is not influenced in any way by politicians and against which the actions of the Chancellor of the day can be judged by the British population. So far at least, the OBR has proved to be extraordinarily good at establishing that it is independent and, indeed, it has also proved to be pretty much as good as you could expect a forecaster to be.

Allied to that is a change that was made in the previous Government, which the present Government has continued, of course, which is the creation of the MPC. Then this Government has also introduced a level of financial transparency about the doings of Government and the expenditure of Government itself, completely unprecedented and, in fact, so far not, as far as I am aware, replicated anywhere else in the world.

Q193 Tracey Crouch: Given how proud you are of the transparency, would you agree with the evidence that we have had from the likes of Civil Exchange and the Fabian Society that we should publish an end of Parliament fiscal report, which will help provide a clear statement of the fiscal issues that are going to confront the next Government?

Mr Letwin: The OBR does publish a fiscal report at each succeeding moment to coincide with the Budget and the November statement. That is the best you can do, but it is obviously not at a level of granular detail that you can then get by going into the expenditures. I do not know whether the opposition has yet realised the extent to which you can now find out what the Government is actually spending. I think we are at the foothills of the use of that material by politicians and commentators and, indeed, we might get to a more grown-up circumstance in which various elements of the media that tend to make wild assertions go and do some research. It is now available on the net; it is possible to do. You can find out in awesome detail how these very large, rather meaningless numbers translate into real things. That combined with the OBR gives you a very, very clear line of sight on where things are at and where a highly informed, independent organisation, very well capable of doing that job, prophesises that things will go in the next year or two after that. That is really as good as a country could possibly do by way of transparent information.

Q194 Tracey Crouch: Should the Treasury or other departments be providing information to other political parties in order to ensure that they are coming up with sound economic commitments for their own manifestos?

Mr Letwin: But my point is the Treasury does not need to and, indeed, it would not carry conviction if it did because it would be accused of being biased, whereas the OBR does. I was once Shadow Chancellor. When I was Shadow Chancellor I had a very severe problem, which is I could not get any data that were meaningful because I knew that the data were being produced by my political opponent, the Chancellor, for purposes that were in large part his purposes.

Q195 Tracey Crouch: What is the point, then, of the civil service being open to opposition parties for discussion?

Mr Letwin: There are two very different things here. One is the transparency of financial and economic data and predictions, now highly transparent, previously highly obscure: advance. Secondly, the question: if you are in opposition and you have formulated a set of policies, how do

you smoothly translate those into action? What do the civil service mechanics look like? What kinds of obstacles in terms, for example, of legal and juridical obstacles, European-level obstacles and global obstacles might you not have thought of and how do you navigate those? How do you organise your Cabinet committees? How do you organise the relationship with centre of Government, the periphery of Government? All of these issues, which are, if you like, second order politically compared to the policy thrust and the direction you are trying to take the country in, which nevertheless become extraordinarily important if you then become the Government, are issues that can very profitably be discussed between the opposition party and civil servants in order to make sure that if they become the Government they are then capable of translating their policy direction into action in a smooth and effective manner, or anyway in a more smooth and effective manner.

Certainly, in my experience, Jeremy and I had conversations before the last election about the structure of the centre of Government. Clearly, in the outcome that had to be adjusted in the light of coalition dynamics and negotiations, though interestingly not very much. We overlaid on it some things that were necessary in order to make the coalition function properly, but because we had done that work and done it with the civil service in advance, we knew what our Cabinet committees were going to look like. We knew what structures we were going to set up—for example, the National Security Council. We even knew who was going to sit at the centre and how we were going to do that and how the centre would relate to the periphery. We had had all those sorts of discussions. Because we had had them, we were able to move fast into action and make good use of the first months of Government, which are in many ways the most fertile of all the terrains Governments have. That is what I see as the value of the interaction between opposition parties and the civil service. It is not to formulate policy—oppositions need to formulate policy directions themselves using the fact that they are liberated from the necessities of Government—nor is it to convey financial information; that is now transparently available. It is to sort out the mechanics of the implementation of your programme so that you can do it smoothly and effectively in Government.

Q196 Tracey Crouch: Can I turn very briefly to the final year of our legislative programme? It is quite clear at the moment that there is very little in the fourth year of the legislative programme still to do and as Members of Parliament I think we have had one vote in the last two weeks. When you say in your written evidence to us that the Fixed-term Parliaments Act allows the Government to plan a full legislative programme for the final session of the Parliament, can you define to me what a full legislative programme means?

Mr Letwin: Yes. The first point is the Government has managed its business well in this session of Parliament and, therefore, their heavy legislative programme, which has been continuously very heavy in this session, is now largely focused in the Lords, as it happens, because the stages in the Commons have gone pretty smoothly. If you look at the volume of legislation in this session, it is very high. Of course, it is not nearly as high as in the first term, which was an almost two-year term inevitably, but for a one-year session it has been a heavy programme. I believe that the Government has now announced the date of the Queen's Speech for 3rd June.

Tracey Crouch: I saw on Twitter this morning that it was, in fact, 3rd June.

Mr Letwin: On that date, a fourth-term legislative programme will be announced. I think you will find—in fact, I know you will find—that it is a very serious and very full programme of the legislation. It would, of course, have been open to a Government that did not have a fixed-term Parliament to announce a full-term legislative programme notwithstanding at the Queen's Speech, but everybody would have looked at it, as I have experienced in previous years, with some scepticism because they would have said, “The election might be the day after the Queen's Speech,

it might be a week after, it might be six months after, we have no idea. We do not know how much of this programme will really come about.”

This time we can say that the very great likelihood is that Parliament will stretch right to the point at which it is meant to end and that the Government will stretch right to the point at which the election starts and, therefore, this legislative programme we announce on 3rd June is perfectly serious, just as serious as all the previous legislative programmes of this Parliament, that we will carry it through, that we will manage the business of both Houses sufficiently well to carry it through. We have a working majority with which to carry it through and, therefore, it is just as serious as the previous programmes were. That is a big advantage because it means that instead of being constrained to legislate seriously only in the period before election speculation starts, you now have the opportunity to carry right through the Parliament legislating on a serious and co-ordinated basis.

Q197 Tracey Crouch: I think many colleagues would agree that it is not necessarily a bad thing having a lighter legislative programme if, in fact, we were doing better legislation in terms of scrutiny. As you know, we have not had very much to do in terms of legislation on the floor of the House of Commons since Christmas, and yet today via written ministerial statement a Bill that was rushed through in a matter of days at our end of the House is having to be revised by secondary legislation. If we had had longer scrutiny of that piece of legislation, maybe we would not have to then have supplementary secondary legislation. Is it not the case that we could have a lighter but better legislative programme if we were fully properly planning the five-year fixed term?

Mr Letwin: I do not think this has anything to do with the five-year fixed term. What the five-year fixed term does is to make it much easier to have a solid programme of legislation in the last year. It is always the case that Governments can benefit from thinking through their legislative programme in such a way that there is maximum opportunity for scrutiny and that it is elaborated properly and carried through properly so that there are no regrets. That is always the case; no legislative programme has ever been perfect in that respect and I am sure they never will be perfect. On the whole, during this Parliament the Government has carried forward a very well conceived legislative programme that has carried out and implemented the programme for Government with extraordinary fidelity. Regardless whether you think it is the right programme or the wrong programme—that is a matter of political debate—I think any impartial political observer or commentator looking at the scene over the last five years, or what will have been the last five years by the end of the Parliament, and comparing it with any previous Parliament will see that this Government has with extraordinary fidelity carried through a programme that it set out right at the beginning. That is what the legislative programme is there to do.

Tracey Crouch: Peter Riddell in the evidence session before yours—

Chair: Let me just bring Sir Jeremy in on that point.

Tracey Crouch: Sorry, yes.

Sir Jeremy Heywood: Well, I entirely agree with Oliver. Obviously, we can always do better, but I think one of the great virtues of a five-year fixed-term Parliament is that you can pace yourself and you do not need to rush legislation if it is important. We are still learning somewhat the benefits of the five-year period and, as I say, I am sure one or two things could have been taken at a more stately pace. Overall, there is no doubt the direction of travel here is that if you have a fixed-term period of five years rather than an uncertain prospect of four, that will definitely allow you to do exactly as you want, which is to take your time to get things right the first time so you do not have to amend it subsequently because you are not in so much of a rush. That is, in a sense, a statement

of the obvious but it is one of the most important benefits you get from a five-year fixed-term Parliament.

Q198 Tracey Crouch: I do not disagree with that. One of the comments that Peter Riddell made before you came into the committee room was that there are many different aspects to Parliament beyond the House of Commons Chamber, and yet we as individual politicians are often judged on our presence in the Chamber itself. One of the interesting suggestions and recommendations that he made was that there could be a lot more post-legislative scrutiny. I just wondered what your thoughts were on that.

Mr Letwin: I think there is opportunity to increase the amount of post-legislative scrutiny. This is in Parliament's hands. My own view is that one of the most useful assets of Parliament is, in fact, the Select Committees, which are increasingly significant. It lies open to the Select Committees to do more post-legislative scrutiny. Personally, I would welcome that.

Government itself is doing a considerably enhanced amount of post-legislative scrutiny of its own activities, because that is part of something that both Jeremy and I have very much championed in the last few years, which is Government focusing more on the question of the implementation of its policies on the ground and trying to find out what happens on the ground. Our implementation unit goes out on the highways and byways and tries to find out what is happening. It is all very well to have a policy, to have a law, to have regulations, to have administrative systems. The next question is: what is actually happening to Mrs Jones? Is she getting the house you thought you were giving her? We have focused much more attention at the centre, heavily sponsored by the Prime Minister and Deputy Prime Minister, on that question. The unit responds directly to Danny Alexander and myself and is staffed with absolutely superb civil servants who go out and find out about those questions.

Now, that is all part of trying to make sure that we scrutinise our own actions long after the legislation has left the Chamber. There is another aspect, too, which is very much for Parliament, which is to look at the operation of the legislation and ask has it operated as intended. I would welcome an increase in focus on that by the Select Committees, which I am sure are the right and powerful instrument for doing it.

Chair: Jeremy, please come in but be rather brief. I have to get Chris in.

Q199 Mr Browne: Very briefly, I just wonder, while we have the opportunity and we are reflecting on innovation brought about essentially as a result of coalition, whether you feel, Sir Jeremy, although you were not directly responsible at the time, that the Deputy Prime Minister was very badly let down in the first few months of this Parliament by the lack of preparedness of the civil service for a full-blown coalition?

Sir Jeremy Heywood: No, I do not think so at all. Both he and his team and we in the civil service learnt from those first few weeks and months and gradually adjusted and we carried on adjusting, frankly, all the way through the Parliament. Relatively recently, for example, the Deputy Prime Minister has decided to build up some further capacity into his office. You learn on the job, but I do not think the first few months of the coalition went badly at all. I think it got into its stride remarkably quickly with a very comprehensive programme.

Chair: Jeremy, we are going to have to move on, unfortunately, because we want to get to the pre-election contacts. Do forgive me.

Q200 Chris Ruane: Just before we do, Sir Jeremy, you mentioned before that a five-year Parliament will allow us to pace and space legislation so there is greater scrutiny. Do the statistics back that up? Has legislation that has come through the House over the past five years had more time, more days, more hours on the floor of the House for each piece of legislation?

Sir Jeremy Heywood: I have not seen that piece of analysis, to be honest, but it is exactly the sort of issue that I think after the end of the five-year Parliament is one of the issues that we will need to look at as part of the post-legislative scrutiny.

Q201 Chris Ruane: Yes, perhaps we could get the statistics for that, Chair. My question is: when we last looked at the impact of the Fixed-term Parliaments Act 2011, the then Minister for Political and Constitutional Reform, Chloe Smith, told the Committee, “It is still the Prime Minister’s prerogative to arrange for opposition access to the civil service in what has historically been, in the last 18 months or so, a non-fixed Parliament and, of course, it is for him now to make arrangements for that in a new fixed-term context.” Has a decision been made about when these contacts should begin? Gus O’Donnell, when being scrutinised by the Committee, said that he believes that that period should begin 12 months before the next general election. We have a formalised date for the next election. Should we have a formalised date for access for opposition parties to the civil service?

Sir Jeremy Heywood: Well, no decision has been taken. I would expect it would want to be taken fairly soon. It is about time we clarified that.

Q202 Chris Ruane: Is that too much power to give a Prime Minister?

Sir Jeremy Heywood: No, I do not think so because the civil service works for the Government of the day. The Prime Minister, I am sure, will consult the Deputy Prime Minister on this. We have a Coalition Government at the moment. Obviously, our primary responsibility is to make sure that the elected Government is served adequately, well, and we continue to implement policies and help the Government develop policies. That is our prime responsibility. It is for him then to decide at what point he is comfortable about the civil service then—

Q203 Chris Ruane: If he left it too long, say he left it for another six months or nine months or 10 months, is there any point where you would intervene and say, “Hold on, we need to gain access to the opposition parties and they need to gain access to us for the better running of this country after the next election”? Would you ever raise a concern and at what point would you?

Sir Jeremy Heywood: I do not think it will come to that, to be honest.

Chris Ruane: But would you?

Sir Jeremy Heywood: If I felt that things were being handled in a way that is inconsistent with precedent and the interests of good government I probably would raise the issue, yes, but I do not think it will come to that.

Q204 Chris Ruane: What date would that be?

Sir Jeremy Heywood: I am not going to hypothesise about that. Gus may have said 12 months. The norm, as you know, has been 1st January before the first plausible spring election time, which sometimes has meant four to five months, sometimes has meant 16 months or so, depending on whether it is a four-year Parliament or a five. Having a fixed-term Parliament gives us an

opportunity to set out what I think will become a new precedent, although obviously any future Prime Minister would be able to change it. He needs to think about that, discuss it with the Deputy Prime Minister, and then we will set out the outcome of that. I am sure he will allow a reasonable period because he understands the importance of this.

Q205 Chair: Is this under active consideration at the moment?

Sir Jeremy Heywood: It is, yes, but I cannot make a commitment as to a timetable.

Mr Letwin: Could I add something as a user of the service in the past, which relates to what I was saying to Tracey Crouch a little moment ago? I have probably had more of these conversations than anybody else living because when I was doing essentially the job I am doing now but in opposition I covered, as I do now, the policy waterfront, so I had conversations with broadly every permanent secretary before the last election. My own experience in opposition repeatedly is that what is useful is getting to the point where you know enough about your own policy programme so that you have well formulated questions about the mechanics of implementation and you are not simply having a pleasant chat with a civil servant about the possibility of the policy. You cannot get the civil service, however many contacts there, to start formulating for you your direction in Government. That is the key task of an opposition party as it approaches an election, or indeed, while we are at it, of all political parties as they approach an election, to work out what direction they want to follow after the election. Once you know the direction and you know that the way you are intending to translate it into action as a policy is A, B, C, D, E, then you get to a level of detail where you are talking about the mechanics and then it is really useful to talk to the officials.

Of course, you might have an opposition that had decided to produce its entire directional programme and work out all the major policies it is going to pursue at a very early stage in the Parliament. It is very unusual and my guess, therefore, is that the most useful contacts, whenever they actually start, will always be those that are within a few months of the election, where the opposition parties have got pretty clear about what they are trying to do and they want to make sure that if they do then become the Government they can get it all to happen in a smooth way and they therefore want to discuss the mechanics.

That is quite important. Without being either indiscreet or impolite, I think there has been from time to time in the past a tendency to suppose that if you just have these discussions this is somehow useful. I remember one discussion that I had at a very early stage when I was in opposition that will always remain with me as one that was extremely pleasant and entirely useless. We did not yet know when we were having that discussion what we were going to be doing, and the permanent secretary in question, therefore, had nothing much to discuss with us. This is not very profitable. You need to be in a position where you are near enough to the election so you do know what you are doing and you are asking very sensible, concrete questions. Can we do this legally? What kind of mechanics would be involved? What might we need to do to the structure of government in order to make it possible to do? Then you can have a serious discussion.

Q206 Chair: Sir Jeremy, the Institute for Government said that the guidance on pre-election contacts has been unclear, confused, and it should be recognised that the discussion may cover likely costs and potential implementation challenges of planned policies. Do you think the fact we have a year now will mean that we can get it better this time round?

Sir Jeremy Heywood: I do not really agree with the Institute for Government on that. I think the guidance is pretty clear. All parties essentially know what these contacts are about. It does not need a huge amount of guidance, to be honest. Again, details of that will be settled by the Prime Minister

in consultation with the Deputy Prime Minister when the right time comes. I personally think it is pretty clear what we are doing here.

Frankly, to build on what Oliver was saying, whatever the benefits to the opposition, there are benefits to the civil service to have a very clear understanding once the opposition has its policies clear in its own mind, as it were. It is very useful for us to be briefed on potential machinery of government changes that might take some time to work through, to understand the legislative priorities for the early stages of the potential new Government. I think it is very useful to impart factual information about the organisation of the department so that they have a clear understanding of what it is they will be working with. There are definitely benefits to the civil service of doing this in a timely fashion. I think the guidance is pretty clear about what this is.

What it is not is providing advice because we are providing advice to the elected Government, not to the opposition. I do not think there is any lack of clarity about that. Obviously, I am sure we can improve the wording and tighten it up and so on, and that is something I am very happy to take away and discuss with the Prime Minister. Fundamentally, do I think we have a problem here? I do not. I think there is quite a lot of understanding about how this works.

Q207 Chair: Is this facility available just to Her Majesty's Opposition or is it available to political parties? Clearly, it is possible that one or more of the political parties will have a separate view about what should happen after an election.

Sir Jeremy Heywood: This is the question that came up right at the start of the session. The Prime Minister has not made a decision about that, but my guess, my instinct, is that he will want to focus attention on Her Majesty's Opposition. But that is a decision for him as the Prime Minister to take.

Q208 Chair: In that case, the Leader of the Opposition should make representations to the Prime Minister or to yourself about when these discussions might start most expeditiously?

Sir Jeremy Heywood: He could do either, but the fact is the system will come to a decision on this of its own volition regardless of any representations. I am sure it will be a reasonable decision in line with precedent.

Chair: Sir Jeremy, Oliver, thank you both very much for coming in and concluding our evidence-taking on this topic. We will produce a report, hopefully very shortly, for your consideration. Thank you so much, and thank you, colleagues.