



Public Administration Select Committee

Oral evidence: [The Work of the Cabinet Secretary and the Head of the Civil Service](#), HC 181

Monday 8 September 2014

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Members present: [Mr Bernard Jenkin](#) (Chair), [Paul Flynn](#), [Rt Hon Cheryl Gillan](#), [Adam Holloway](#), [Greg Mulholland](#), [Mr Andrew Turner](#)

Questions 1-137

Witness: **Sir Bob Kerslake**, Head of the Civil Service, gave evidence.

Q1 Chair: Sir Bob, may I welcome you to this meeting of the Public Administration Select Committee? I gather that you are very constrained for time, so we will have to be as brief as we possibly can.

Sir Bob Kerslake: Take as long as it needs, Chair. I just wanted to say that I had a meeting following this.

Q2 Chair: We will do our best, but if you can bear with us, we would be very grateful. Please could you identify yourself for the record?

Sir Bob Kerslake: I am Bob Kerslake, Permanent Secretary at CLG.

Q3 Chair: Now that you have announced your retirement, and it has also been announced that the role of the Head of the Civil Service is being folded back into that of Cabinet Secretary, albeit with a new arrangement, which we will come to in a moment, the first question we have to ask is: what are your thoughts and reflections on your period and on the future of the Civil Service?

Sir Bob Kerslake: First, a lot has been achieved in the last two and a half years that we have had the current arrangement. We have had a big and ambitious government

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programme, which I think is being delivered for the Government, despite the fact we have seen reductions of something like 18% in the number of civil servants.

Secondly, we have a Civil Service reform plan and when we get the two-year-on report out it will show the scale of change that has already happened.

Thirdly, we have now established very strong and visible leadership of the Civil Service and much more direct communications with civil servants. It is important to recognise just how much has been achieved in a whole range of ways, which I could come back to. That is the first point, but it is also important to say that the job is not done and, as far as I am concerned, there is unfinished business that will need to be carried forward. For example, we have strengthened the capability of the Civil Service in some key areas and put a lot more resources into them, but we need to go further in some key skills, for example contract management. We also need to break down the silos that exist in government and have more effective cross-government working. We need to think about what the organisational model of the Civil Service is if we are going to see further reductions on the scale we have seen so far. We need to make more progress on diversity, and I am delighted that the plan was published last week.

Q4 Chair: Why has this arrangement not worked as optimally as we hoped?

Sir Bob Kerslake: I think it has worked in many ways.

Q5 Chair: Then why are we changing it?

Sir Bob Kerslake: That is a decision the Prime Minister has made. It ran for two and a half years and achieved a lot. His view is that he wants a dedicated chief executive post with more of the levers from the Cabinet Office.

Q6 Chair: So in fact your role was not really given enough clout or power.

Sir Bob Kerslake: I certainly felt I had quite a lot of clout and that we delivered a lot of strong change. I would challenge anybody to find a two-year period where as much change and reform was achieved as we have seen in these last two years. I think we have delivered a lot, but inevitably these models are always subject to review. This one was subject to review. The Prime Minister has decided to go for a different model.

Q7 Chair: You may recall that in our report on leadership in the Civil Service, after this arrangement was implemented, we warned that this might have some problems and difficulties. Why should we not feel that our warnings have been vindicated?

Sir Bob Kerslake: For the reasons I have said. If you look across the piece—this will become clearer when the two-year-on report comes out—a huge amount has been achieved in the areas of skills, functional leadership, programme and project management and so on. A lot has been delivered through this model, and I think it provided very considerable leadership during a period of rapid change in the Civil Service.

Q8 Chair: What will be fundamentally different about the new arrangement?

Sir Bob Kerslake: That is probably something Jeremy will be able to say more about, because he has been more involved in the detail of the next model, if you like.

Q9 Chair: What have you found most frustrating in your role?

Sir Bob Kerslake: I guess the frustrating challenge here is reconciling different perspectives about the way the Civil Service needs to change. That is perhaps inevitable. We have had a model that has worked very much on individual Departments. As you know, I have argued that we need a much stronger corporate leadership. That has been a challenge, but we have made progress on that.

The other thing I have been frustrated by—you will not be surprised to hear me say this—is some of the noises off and unattributable comments made in the papers about the Civil Service and individuals in it, which I think are very damaging and ultimately undermine trust.

Q10 Chair: How much do you think the noises off are an indication that a big change in behaviour and attitude is still required at the top of the Civil Service, and indeed among the political leadership?

Sir Bob Kerslake: It is very hard to gauge that because it is hard to know the motivation of people who do what they do in unattributable briefings.

Q11 Chair: But it is a symptom of something. What is it a symptom of?

Sir Bob Kerslake: To be blunt about it, I think it is a symptom of people thinking this is a good way of securing a particular prevailing view. As you know, it is a zero-sum game.

Q12 Chair: What effect does it have on your ability to achieve what Ministers want to achieve?

Sir Bob Kerslake: It is quite considerable in a number of different ways. I strongly believe that to deliver change you need to present a positive vision to civil servants, as well as challenge them about where they need to improve. There has to be that mix of positive recognition of what they have achieved, which I think has been considerable—in this job I have met some brilliant civil servants along the way—and an honest description of what needs to change. Having these kinds of off-record briefings, which to my mind are like the rantings of a second-rate football manager complaining about his players on the pitch, undermines the sense of confidence of the civil servants and does not carry them with you in that process of change.

Q13 Chair: How should Ministers and the senior Civil Service promote the kind of trust and honesty in private that is essential for any functioning organisation?

Sir Bob Kerslake: First, you need a combination of clear public messages that both recognise what the Civil Service has achieved and are positive about that, but are also clear about what else needs to change. I have been through a lot of change programmes and the Civil Service is just one of those.

Secondly, you need honesty—and I very much agree with the view the MCO advocated—about what has and has not been achieved. You also need a private space in which you can have debate and discussions about the way forward and make sure Ministers hear your views without fear and favour, make a decision and then we implement it. You have to have all those three things.

Q14 Chair: Why do we not have those at the moment?

Sir Bob Kerslake: To a large degree we do. If I think of the last round of appraisals we did for Permanent Secretaries, the feedback from their Ministers was very positive and strong, particularly for the newly-appointed Permanent Secretaries. There is a huge amount of confidence and trust between Ministers and Permanent Secretaries. We have seen some briefings that I think have not been an accurate reflection of the real world of what is happening inside Government but nevertheless have been quite harmful.

Q15 Chair: What do you think the Civil Service as an institution has learned from your period as Head—I was going to say “Chief Executive”—of the Civil Service?

Sir Bob Kerslake: You have to ask them. What would they have learned?

Q16 Chair: What do you hope they have learned?

Sir Bob Kerslake: Let me do that one; that is an easier one. Number one is the importance of investing in developing their skills and capabilities. We know we are weak in some key areas: digital skills; commercial; programme project management; leading and managing change. We can, will and should bring in people from outside, but a large part of our success will come from growing our own. We have put huge effort into persuading civil servants—motivating them if you like—to assess their own skills and invest in new training. 70% of them have done the self-assessment. The amount of courses taken up on those priority areas is a five-fold increase. We really have got across to civil servants the importance of investing in their skills and capabilities.

The second thing on which I think we have made real progress is the importance of implementation, making an impact, making a difference and going the extra mile to deliver on behalf of Government. I see that wherever I go and whenever I have spoken to civil servants. Those are just two; I could give you more.

Q17 Chair: Absent from your list is the change in attitude and behaviour that would lead to a more trusting, open and accountable Civil Service.

Sir Bob Kerslake: The second one of those is what I am talking about. When I went round talking to civil servants, I referred to about four key themes: a more open Civil Service; a more skilled Civil Service; a more unified Civil Service; and lastly a more accountable Civil Service. While it has had its challenges, putting in the new performance appraisal system goes exactly to your issue about delivery and behaviour, because that is what we assess through the appraisal system.

Q18 Chair: But does the appraisal system give enough weight to how people go about their tasks, interact with colleagues, build trust and shared intent and common purpose, not just on the outputs? If you measure people just on outputs, it can be rather sterile.

Sir Bob Kerslake: That is completely right. The appraisal model that we have now, which for the first time ever is consistent across the whole of the Civil Service, works to a common set of competencies as well.

Q19 Chair: But why in the job descriptions is employee engagement so rarely mentioned? Why is employee engagement given so little importance in permanent secretary objectives?

Sir Bob Kerslake: All I can say is that when we do the appraisal of managers, there are two key elements: the what and the how. Those two are measured equally, and one part of the how—how do they build their teams and lead their staff—is their engagement scores.

Q20 Chair: But is one of the skills lacking not a more enlightened, collaborative and example-setting form of leadership that will promote that trust and understanding?

Sir Bob Kerslake: First, I agree with you on this. We are trying to change the leadership model, and that is one of our top priorities. Secondly, not only are we clearly communicating that to civil servants and managers, but we are measuring it through the appraisal system.

Q21 Chair: Before I bring in Cheryl Gillan, here is your chance. What is your greatest regret?

Sir Bob Kerslake: Blimey, I am struggling with that one.

Q22 Chair: We will come back to it.

Sir Bob Kerslake: Let me make that the last question. I will be able to answer that one by then.

Q23 Mrs Gillan: As you probably appreciate, I would agree with you that noises off about the competencies of civil servants do not help them perform. Can I ask you, brutally, how much Ministers interfere, or have interfered, with your appraisal process? Surely your appraisal system gets blown apart when a Minister goes out in public and criticises, for example, named civil servants?

Sir Bob Kerslake: First, Ministers can and should be part of the appraisal process where those civil servants are dealing directly with them. Certainly at the most senior level it is well established good practice that you ask Ministers their opinion, hence the reason I know how Ministers feel about their Permanent Secretaries. That happens in Departments for the levels below that. In my view, they should be involved in that process, and they are a really important part of the input to the appraisal.

On your second point, I cannot recall many examples of Ministers explicitly criticising civil servants in their Departments. If that happens, clearly it is difficult. What has been more of a problem, though it is not very common, has been unattributable briefings against civil servants, which are problematic and make it hard to do the appraisal well.

Q24 Mrs Gillan: On your own performance, Sue Cameron wrote in *The Daily Telegraph* that plenty of people reckoned you were treated abominably by Francis Maude and

never given the room to lead, and that you were set up to fail from the outset. As you are leaving, sadly, would you care to comment on that?

Sir Bob Kerslake: I am not sure it would be helpful for me to comment on relationships between Ministers and officials. I should abide by the rules that I think should apply to Ministers on these things. I would say that Francis and I developed the Civil Service reform plan and oversaw its implementation together.

Q25 Mrs Gillan: But would it be fair to say there is a trend towards Ministers interfering more in the structure of the Civil Service than they have in the past?

Sir Bob Kerslake: It is hard for me to judge that because I am not a lifelong civil servant. I am relatively new to the Civil Service, but I have been a non-executive before. I do not think that in the generality there is more interference from Ministers. On the whole, Ministers want a Permanent Secretary in whom they have confidence; they want to be kept informed and their views sought on management structures and approaches, but they recognise that if they are going to hold that Permanent Secretary to account for delivery, it is best to give them the ability to make those sorts of decisions.

What we do have now, which I think is a genuine improvement, is advice and input from non-executives, who do bring a lot of managerial experience. In my personal case, Sara Weller has been a real resource to me in CLG in delivering change.

Q26 Mrs Gillan: Do you think those non-executives should truly be completely separate from all other Departments of State as well? For example, do you think that someone employed in one area by one Department of State, or an offshoot of it, should be a non-executive in another Department?

Sir Bob Kerslake: On the whole, I think that is not a good thing. I would not say it is never right. By and large, we have moved away from that to people being genuinely non-executive and not holding posts elsewhere in Government. I would not say that it is never right, but generally you would ask the question if you were going to do it.

Q27 Greg Mulholland: Can I ask about the new position of Chief Executive of the Civil Service? As you can probably imagine, having expressed caution over the historic decision to split the roles, which are now being merged and a new model is being created, the Committee feels very much that that suggests what we have had has not worked. What I am particularly concerned about is that we seem to be establishing a new position, calling it Chief Executive of the Civil Service, and yet it is not a chief executive position in any real sense. Chief executives have real power; they have the power to fire and hire and are, in many organisations, the position at the top where the buck stops, and yet this Chief Executive will be reporting to several people and will be in a more junior position. Is that not setting up a new position that cannot possibly work?

Sir Bob Kerslake: I think it is genuinely unhelpful for me, as the outgoing Head of the Civil Service, to comment on the new model, and it is better if Jeremy takes you through the thinking on that so far. We have had quite a few different configurations here. It would be wrong to say we have had one model that has been the same for ever and then it has changed and we are going back to it again. If you look back, underneath the heading of Head of the Civil Service and Cabinet Secretary, there have been lots of different configurations. Different models work in different ways at different times. What matters a

lot for me is how well the people work together. I believe genuinely that Jeremy and I worked very well together and it was a good, productive relationship that delivered a lot. Why it was important at the time it was done was that we were in a coalition Government, which brought with it its own demands, and there was a need for us to develop a reform programme which had its own demands. I think it made sense at that point in time and still do, but I did not think it was ever going to be for ever, and the new arrangement will be, as much as anything, down to the people who hold the roles as it is about the whys and wherefores of how you set it up.

Q28 Greg Mulholland: You said it was important that people work well together. Is this change really about giving Sir Jeremy the two roles together again, and a clear status as the chief civil servant without any issues? Is that not personality rather than system?

Sir Bob Kerslake: Jeremy will speak for himself.

Q29 Greg Mulholland: I am asking you to speak for yourself, Sir Bob.

Sir Bob Kerslake: Which I am going to do. My view is that we worked well and delivered a lot together.

Q30 Greg Mulholland: With respect, I am now asking you about going forward.

Sir Bob Kerslake: What I was going to say is that, going forward, the Prime Minister took the view that he wanted to create a new chief executive post that would hold responsibilities in the Cabinet Office, would be full time and would lead the reform programme. That was the decision he took. Clearly that was not the job I personally applied for or sought to do, so it made absolute sense for me to stand back from it and let the post get filled. What I am saying to you is that I do not think that was about the split per se, nor our relationships as Cabinet Secretary or Head of the Civil Service, which I think worked well.

Q31 Greg Mulholland: To press you on the point of accountability, can I just be clear whom you were reporting to? To whom were you directly accountable?

Sir Bob Kerslake: That is clear cut in my job description. I was accountable to the Prime Minister. I was enjoined to work with the Minister for the Cabinet Office, but ultimately my line of accountability was to the Prime Minister.

Q32 Greg Mulholland: Now we have a new Chief Executive who will be accountable ultimately to the Prime Minister but will be actually accountable to three people: the Minister for the Cabinet Office; the Chief Secretary to the Treasury on efficiency issues; and, in management terms, to the Cabinet Secretary. Therefore, there are three different people to whom the Chief Executive is accountable, even before being accountable to the Prime Minister. Is that a chief executive position, and is that workable?

Sir Bob Kerslake: Clearly it is a different kind of chief executive position than you might see in a private company, but it is clear that the post reports to the Cabinet Secretary.

Q33 Greg Mulholland: It is very clear from the chart—you probably cannot see it from there—that the new Chief Executive is reporting to those three positions, currently Francis Maude, Danny Alexander and Sir Jeremy Heywood. It is a very strange-looking organogram. Is it a sensible thing to be setting up, and can it possibly work?

Sir Bob Kerslake: I know you are tempting me to comment on this, but I genuinely think it is wrong for the person going out from a job to comment on the structures of a successor arrangement. That really should be for Jeremy to comment on.

Q34 Greg Mulholland: We may have to have you back after your retirement to find out what you really think. Obviously I am not going to get your opinions on this. In terms of the timetable for this recruitment, if this was a genuine chief executive position in the private sector, the timetable would have been much longer. I might suggest that someone is already earmarked for this job, who is presumably on the inside already. Do you think it is an adequate timetable for the recruitment of such a seemingly important position?

Sir Bob Kerslake: There is always a tension here when filling senior jobs between wanting to fill them at pace, get clarity, get the new person in and maintain the momentum of change—all of those things—and, at the same time, ensuring that you take long enough to get the right person. This is an open recruitment process. It follows the normal Civil Service rules about recruitment, with the Commission involved in the process. We are different from the private sector in the way we recruit, for good or ill. You are right; they tend to take a longer time than we do to fill these sorts of positions.

Q35 Greg Mulholland: You have made clear that you do not feel you should comment on this new arrangement. I understand and respect that, but do you think the right candidate will be found for this position?

Sir Bob Kerslake: I sincerely hope so, for the Civil Service's sake. It is important that we maintain the progress.

Q36 Chair: Sir Bob, I have to put to you that you are not saying, “We’ve really learned from this episode, and the new arrangements are going to be fabulous.”

Sir Bob Kerslake: Because I do not think it is for me to say that. I did not design or propose this. I am not walking away from it. I genuinely think it is not my proposition; it is one that others who have made it should talk to. I am not disowning it, or making any comment on it; it is just that it is wrong for me to do so.

Chair: I understand.

Q37 Mr Holloway: On trust and relationships between Ministers and officials, I do not know whether you saw the first-class blog post for the Institute for Government written by Bernard Jenkin—it was scholarly—in which he said he thought the priority should be given to addressing concerns that some Ministers feel their decisions are delayed or blocked by officials. How do you think the new arrangements could change that?

Sir Bob Kerslake: I do not think the arrangements per se go to that point, if I am honest. What matters in engendering trust between Ministers and their officials, particularly Permanent Secretaries, is the way you recruit people; engaging with Ministers in that process; the clarity of the objectives that those Permanent Secretaries are set; the ability of

Ministers to input to the review of progress. Those are the things that I think go to the heart of trust. I genuinely think—I do not say it just for the sake of it—there is a high level of trust and strength in the relationship between Ministers and their Permanent Secretaries, and a lot of confidence about their capacity to deliver. I say that because I have talked to Ministers and that is what they have said to me in conversations. That trust comes from the working relationship between them; the clarity of their objectives; and the rigour with which you review progress.

Q38 Mr Holloway: Why would someone even at my pathetically junior level hear from friends of mine who are Ministers that in the past they have felt things have been delayed or blocked by civil servants?

Sir Bob Kerslake: It is difficult for me to judge. I am not a lifer civil servant. I cannot honestly think of examples where civil servants I have worked with in CLG or other Departments go out of their way to block Ministers. Their whole way of thinking is to serve the Minister; that is what they want to do and what they believe in. If anything, sometimes I worry more that, in their enthusiasm to serve the Minister, they do not give enough robust advice at the beginning of a problem, and then we face the consequences later. That is as much of a risk as—in fact, I would say more of a risk—them covertly blocking their Ministers. If I thought that was the case, I would say it to you now, but I genuinely do not see that in my experience. Of course, Ministers who want to make things happen quickly—all Ministers are Ministers in a hurry—will sometimes perceive civil servants as blocking or being too slow, but I do not think the civil servants I have met start from that position.

Q39 Mr Holloway: It strikes me that right across our politics we have a serious problem now of lack of leadership. We confuse management with leadership. How do you think the Civil Service could play some part in getting more of a sense of common purpose?

Sir Bob Kerslake: You are right to say that leadership is vital. We are facing huge challenges in this country in terms of getting more investment, growing the economy, issues around the union, Europe and so on. We need strong political leadership and a strong and confident Civil Service. What we have been trying to do in the reform programme is have civil servants who both are good managers and do the basics of good management well but also understand they need to go a stage further and be leaders as well. That is why we have invested in a lot of training and development of our most senior leaders. Some people are born leaders, but a lot have to learn the skills and capabilities of leadership and that is why we have invested in that to improve it.

Q40 Mr Holloway: Speaking as a former army officer who has seen very good and poor leadership, and returning to the theme that there is very little leadership right across our politics at the moment, is it not also that perhaps, for those people selected to serve as elected politicians or fill jobs in the Civil Service, one of the criteria should be whether or not they are actually leaders?

Sir Bob Kerslake: You want people to have the capability to be a good leader. As I say, I went around the country talking to lots of civil servants. I saw many examples of inspirational leaders. I saw people in relatively junior grades running prisons who had

been fantastic, remarkable leaders in those institutions. They do exist in the Civil Service. We need to grow more of them. It is not something you cannot develop. You can develop leadership. The Army does it through skill development, and so should the Civil Service.

Q41 Paul Flynn: Welcome to the Thatcher room, Mr Kerslake. In view of the last conversation I had with you, you must feel very much at home. Could you explain to me in simple terms that will make sense to the ordinary MP on the green Benches and the man in the street what has been happening in the last five years under this Government, which will mercifully soon come to its wretched end? In the beginning, there was one Head of the Civil Service, Gus O'Donnell—appropriately named GOD. GOD went and was replaced by a trinity: you, Jeremy Heywood and Ian Watmore. Ian Watmore disappeared and then there were two. Now we are told that you are going and there will be one, who will grow into two. At each stage these were perfect. We were told it was right to have one GOD; it was right to have a trinity; it was right to have two; and now it is right to have one growing into two. Could you explain how this works, or was the Government being run on the chaos theory?

Sir Bob Kerslake: I will not reopen the issue about Mrs Thatcher, because I am keen to keep you in the room for this session.

If I move on to your question, I have talked about this before. The first reason we ended up with the split role was to reflect the fact that the job of the Cabinet Secretary had become bigger and more demanding because of the coalition Government and there was a very big programme of change under way. Secondly, there was an ambition—still is—to drive a programme of reform and change in the Civil Service. That was why we ended up with what were two posts, and Ian was a support to that. He was always very clear that that was his role.

As I said right at the beginning, Mr Flynn, we have achieved a great deal of change. That model delivered a reform programme and more change in the Civil Service than I think you would find in any comparable two-year period. A lot of change has been delivered. I think that model has done its job. The Prime Minister wants to change it, and we are moving to a different model. That is my story.

Q42 Paul Flynn: I believe you chaired a committee that decided David Kennedy was the best choice for Permanent Secretary on energy. I believe he was acceptable to his Secretary of State and Ministers but was never appointed. Why was that?

Sir Bob Kerslake: It is not right for me to comment on individual recruitment practices.

Q43 Paul Flynn: But the principle of appointing Permanent Secretaries is, with respect, long established. Is it not true that you were overruled and a political decision was taken?

Sir Bob Kerslake: This is probably widespread knowledge. As you are aware—this is a point to those who say Ministers do not have an involvement—in the end, for someone to be appointed a Permanent Secretary, they have to be approved both by the Minister and Prime Minister, who is ultimately the Minister for the Civil Service.

Q44 Paul Flynn: You are saying it was the Prime Minister who overruled you and did not accept the appointment of David Kennedy.

Sir Bob Kerlake: You can draw your own conclusions.

Q45 Paul Flynn: Who has been bad-mouthing you in the press? You said there were stories there. Would it be Francis Maude?

Sir Bob Kerlake: It is a mug's game to say who says these things. I have learned that over many years, so I am not going to speculate about who makes these comments. I can say only that it is not just me, but anyone.

Q46 Paul Flynn: Are you writing your memoirs?

Sir Bob Kerlake: As you know, there are clear rules about officials writing memoirs and I do not intend to depart from them.

Q47 Paul Flynn: People have departed, but there are variations of those rules and ways of getting round them. I hope you are successful in doing that, so we do not have to wait as long as we had to wait for the Chilcot report to find out what is happening in our country. Can you tell us how line management and appraisal of Permanent Secretaries works? I gather it is a get-together every year when you have the task of distributing performance bonuses up to £17,500. How would you do the appraisal?

Sir Bob Kerlake: We have reviewed and sharpened the appraisal system, and that is one of the things I would put down as an achievement. We gather together a whole set of information about the performance of a Permanent Secretary on both what they have achieved, to take the Chair's point, and how they have achieved it. That information is drawn from hard facts. How have they performed in a Department? How well have they delivered their business plan? How well have they delivered the programme for government? What are their achievements by way of diversity, for example? All of those things are pulled together. We also talk to their Minister, and seek views from the Prime Minister and Deputy Prime Minister's office as well. We undertake a review. We put forward a recommended performance band for those Permanent Secretaries. That is then considered by an independent committee, now chaired by Lord Browne, and in turn that goes to the Prime Minister for final decision. That is the model we have.

Q48 Paul Flynn: Is there any evidence from past experience that this has been successful and the best civil servants were the ones who had the greatest rewards?

Sir Bob Kerlake: Yes. It is a genuinely robust process, which I think we have made even more rigorous in the last round. There is a whole series of stages of checks and balances; a genuine assessment, as best we can, of the information, and it is a good way of giving a clear signal to a Permanent Secretary about how and what they have achieved, and how they are seen.

Q49 Paul Flynn: Without mentioning names, could you tell us who you regarded as the best, or give an example of the kind of foresight and planning they had and their co-operation with other Departments? Where does it come in? Who would be the best and who would be the worst? What characteristics would they have?

Sir Bob Kerlake: You will understand that I would not want to pick out names on this. What I would say is that those who secured the highest scores achieved genuinely big

transformational things in their roles, in both their Departments and their advice to Ministers.

Q50 Paul Flynn: A traditional criticism of the Civil Service is that its abiding ethos is the unimportance of being right. Those who play safe and say, “Yes, sir; no, sir; three bags full,” to MPs are the ones whose careers prosper, and those who have the bright ideas and challenge the accepted foolishness of politicians and others are the ones whose careers wither. It goes back to the time when civil servants opposed Concorde, the steam-generating heavy water reactor and other financial disasters. The civil servants who had the right ideas and spoke truth to power lost their jobs and, for those who went along with the conventional foolishness, careers prospered. That is no longer the case.

Sir Bob Kerslake: I cannot comment on the past, but what I can say is that the scale of what we are seeking to achieve and the ambition of the programmes we now have in government mean that nobody can deliver those well and simply play safe and trundle along. It is not possible to do that. You have to be a strong and ambitious leader who is willing to take risks in order to deliver what is involved here. You could not do what we are now doing with a “play safe, trundle along” approach.

Paul Flynn: I shall look for evidence of that with great interest.

Q51 Mr Turner: What is your assessment of progress against the Civil Service reform plan this year?

Sir Bob Kerslake: It has been good. You will know that last year it was mixed, and we were honest enough to say so. What you can see—I am slightly hampered here by the fact that the two-year-on report has not yet been published, but it will be shortly—is that the pace of change has accelerated and, crucially, that you can see real change on the ground. It is not just the letter of the changes you can see; you can see it having an impact in the places it needs to. For example, we set up a very ambitious secondment and exchange programme and the fast-track apprenticeship schemes, of which I am particularly proud. I mentioned earlier the work done on skills and capabilities. We have done a huge amount of work to strengthen our key professions and functions. We have the 25 digital exemplar projects, 23 of which are pretty much at their expected stage of development. A lot has happened this year to reflect progress on the reform plan. I think that will be clear when the two-year-on report comes out. Not everything has been done, but a lot has been achieved.

Q52 Mr Turner: When will that be?

Sir Bob Kerslake: I do not know the exact date, but I know it is pretty soon.

Q53 Mr Turner: How will you and the new CEO drive progress against Civil Service reform plans?

Sir Bob Kerslake: I would pick out a few things. One of the things that I think helped us make progress this year, compared with last year, was that we identified what we have called the seven game changers. A critical thing is to be clear about the priorities and then very rigorously measure progress on them. Secondly, you need ways of measuring progress, not just in terms of actions but impact. For things like open policy making, the

actions may be there. We need to test whether it is really improving the quality of policy making, and that needs different ways of measuring it.

The third thing is to have a clear sense of accountability for delivery of the reform plan both for individual Permanent Secretaries and the group of Permanent Secretaries on those cross-government things. All of those are ways in which we will measure progress on this, and that is crucial.

The other thing that has been really important is the development of a strong reform team. We now have a really strong team supporting the work, and that has been vital in helping to make progress.

Q54 Mr Turner: What will phase 2 of Civil Service reform look like?

Sir Bob Kerslake: The areas we need to work on further I touched on earlier. Let me say just a few words about them. If I start with digital, the 25 exemplars have been really powerful, but we will have to go a lot further in using digital technology to both reduce costs and improve service. It will now have to make big impacts in things like Revenue and Customs and so on. Therefore, investment in digital technology will be crucial.

We need to go a stage further on what I would call the corporate model, sharing services across Departments, if we are going to have a sustainable model with further budget reductions. We have to move forward on the corporate model. The Civil Service has to get better at dealing with cross-government issues. I have dealt with two of them: troubled families and local growth. We have made real progress, but it has been really hard work. That is the way the world is going to go in future and we need to get better at that. I would also pick out that we need to make progress on diversity in two ways. First, we have to tackle some of the cultural issues thrown up by the Hay report; secondly, we have to make more progress in bringing black and minority ethnic staff into the senior Civil Service.

The final one I would pick out I touched on earlier. We have made progress on capability, but we have to make more progress and address the issue of how we secure and retain people in very high-skill areas who are very attractive to the market outside.

Q55 Mr Turner: You are suggesting that culture is central, but culture was not central at the point of bringing it in; it was almost behind and popped in at the last minute.

Sir Bob Kerslake: I see your point. We were very keen to have a reform plan that had some tangible actions and was not solely about culture, and if you delivered a lot of the actions, they would help change the culture. That was the thinking behind the reform plan. Having a plan that was all about culture and had no tangible actions was not going to work. However, it was much more integral to the thinking of the one-year-on report on Civil Service reform, and we have done a lot of work—Emma Churchill is sitting behind me—on what the Civil Service might look like in three to five years' time. Therefore, I think we have redressed that balance since the first plan was produced.

Q56 Mr Turner: You have brought it in more recently than I have seen it perhaps.

Sir Bob Kerslake: It may be the case. I am sure we could give you more information on what we are doing on this, if it would help, but it certainly has become a stronger feature of the reform agenda.

Q57 Mrs Gillan: If you were making these sorts of structural reforms in the private sector, they would be driven to a much more exact timetable, and possibly over a longer period of time. Some of the changes have fundamentally disturbed a lot of the structures within the Departments, and certainly across the Civil Service as a whole. Would you comment on the timescale on which this is being driven? Do you think it is going about right, too fast, or has it gone too slow? As an outside observer, the timescale is, once again, driven by political necessity and the political cycle, whereas that is not always best for the structures and operation of the Civil Service itself.

Sir Bob Kerslake: It is a hard question to answer as a generality. There is no question that there were actions we needed to do quickly. There are things that could and should have been sorted out quickly, and that was what we sought to do—for example, the secondment exchange programme with the private sector. We needed to get it up and running. It would not have been any easier if we had taken two years rather than one year over it, and we did what we said we would do.

Other changes are going to take more time, and we must be realistic about that. If you are looking at changing culture and leadership skills, these things do not happen overnight. Organisations take a long time. In my experience, it takes perhaps three to five years fully to see through the cultural change you are looking for, which is why reform has to be cross-party and straddle different parties, because in my view it is never going to be fully complete in one Government.

Q58 Mrs Gillan: In your experience, has there been that cross-party consultation or co-operation at this stage, or will that just naturally happen when we get into the phase before the general election?

Sir Bob Kerslake: If you look at what is coming through from some of the Labour party proposals, there is a very high level of alignment on the agenda that needs to happen here. Of course, there will be differences, but there are a lot of similarities here. My experience when I was at Sheffield—I know a much smaller place, but it has similar challenges on its own scale—was that we saw through a programme with at least three or four changes of administration in that period. Each one of them bought into the core elements of the change programme in the council, which made it possible to sustain the process over time.

There is one question I have not dealt with.

Q59 Chair: I am going to come back to that in a second. We must wind up your session as quickly as possible. We are very grateful for the time you have given us. You have talked a lot about how much has changed in the Civil Service during this period, but what feels different? Do you think people feel the Civil Service is a better place now than it was before, and how would you expect people to talk about that?

Sir Bob Kerslake: There is a difference. People have recognised the need, through the austerity programme, to deliver the maximum impact we can for the available funding. That is a definite change. It has been very tough and demanding.

Q60 Chair: It sounds as if it is a tougher and harsher environment.

Sir Bob Kerslake: I would not say “harsher”; it is a world where people ask perhaps in a very strong way about getting value for the money they have. I said earlier that people have recognised we need to invest in skills and capabilities, which are absolutely critical.

Q61 Chair: Forgive me for cutting you off. You talked about the seven game-changer actions, but we talked a lot about—and you seemed to agree with this—the need for more trust, internal openness and mutual sharing of intent and purpose. That is not in the game changers. It seems to me that if there was one game changer, an increase in the level of internal trust and openness would be the most effective thing that could be achieved. There is nothing about employee engagement.

Sir Bob Kerslake: That makes a presumption that there is a universal problem of trust, which I do not accept, nor did I experience. That is the difference. That issue, insofar as it exists, is one that operates for a very small percentage of civil servants across the whole of the Civil Service. That is why it is not there. In some senses, it is taken as a given that you must have that in order to deliver change.

Q62 Chair: In last year’s report that we produced, called “Truth to power: how Civil Service reform can succeed”, we remarked how odd it was that the issue of reforming the culture of Whitehall and the Civil Service was almost an afterthought at the end of a list of 20 points. I understand that, in government, there is an increasing realisation that that 20th point in the one-year-on plan should be at the top of the change programme. You could change an awful lot of things, but you do not change very much unless you change people’s attitude and behaviour.

Sir Bob Kerslake: I would make two points on that. First, as I said earlier, we wanted a reform plan that had some hard, tangible actions in it. That did not mean to say we were diminishing the importance of culture, but we wanted a plan where you could measure progress. Behaviour has formed a key part of the new appraisal system and the new competencies, so for individual civil servants that was part of the plan. Insofar as there is a wider debate about the culture in the Civil Service, we did embrace that in the one-year-on report.

Q63 Chair: Finally, what is your answer to the earlier question?

Sir Bob Kerslake: I think my regret would be that we were not able to produce the report on diversity earlier. We could and should have.

Q64 Chair: It is a good regret; it is better than Édith Piaf. Sir Bob, perhaps I may thank you on behalf of the Committee, for not just your evidence today but also your selfless service as a public servant, not just in this role but in many others and in local government. We are very grateful to you, and Parliament should be grateful to you. We may see you before you actually retire, but in case we do not, have a great retirement.

Sir Bob Kerslake: Thank you very much; that is very kind of you.

Witness: **Sir Jeremy Heywood, KCB CVO**, Cabinet Secretary, gave evidence.

Q65 Chair: Sir Jeremy, welcome to this session. Could I ask you to identify yourself for the record?

Sir Jeremy Heywood: I am Jeremy Heywood, Cabinet Secretary and Head of the Civil Service.

Q66 Chair: And Head of the Civil Service—not just an afterthought. What was your reaction when the Prime Minister asked you to take on this additional role held by your predecessors, but which for the first two and a half years of your tenure you did not hold?

Sir Jeremy Heywood: To be honest, it was mixed. I am very proud, as a lifelong civil servant, to be asked to be Head of the Civil Service. It is a tremendous personal honour, but also I was cautious because it is very important that we have arrangements and a structure in place that create two doable jobs rather than an undoable structure. Therefore, the role of Head of the Civil Service comes to me as part of a broader structure—as you have just been talking about with Bob—which creates the chief executive post and is looking at those two things together, which I think is very important.

Q67 Chair: What is the Chief Executive actually going to be Chief Executive of?

Sir Jeremy Heywood: The area where the clearest executive lead will be is in relation to the Cabinet Office functions that have been created as part of the efficiency reform team and the Civil Service reform team. The Chief Executive will have direct management control over all of those functions, which are enormously important to the future efficiency and performance of the Civil Service. In relation to other parts of the Civil Service—the functions that are carried out in Departments—it will be more of an influencing role. The authority will come as much from the person's personal experience and credibility but it also will carry the authority of the Prime Minister, Deputy Prime Minister and the centre generally. To answer your question directly, I think the executive functions of the Cabinet Office will be the ones over which the person has most direct control.

Q68 Chair: Why is the new Chief Executive not directly accountable to the Prime Minister?

Sir Jeremy Heywood: To all intents and purposes, the person will be directly accountable to the Prime Minister. The Prime Minister will certainly feel as though he has the authority, and where he is interested in a particular area, he will directly command the person to take forward an issue.

Q69 Chair: How is this going to be different from what we had before with Sir Bob Kerslake?

Sir Jeremy Heywood: First, for this task the role will be full time rather than part time; secondly, it will bring together the roles of the Civil Service reform teams in the Cabinet Office with those of the efficiency reform teams. Those have been fragmented. It has become increasingly apparent over the last two or three years that the efficiency and reform team and its work in relation to digital and commercial is at the heart of many of the things that have to change in the Civil Service. It makes no sense to have someone leading Civil Service reform who does not have direct management control over those functions that are really at the heart of the reform programme.

Q70 Chair: Looking at the accounting framework in the organisation chart, technically at least Sir Bob was accountable to only one person. The new Chief Executive is going to be accountable to two Ministers and to you. The job description says they are ultimately accountable to the Prime Minister; that suggests actually not, and that accountability to you is what matters. On a daily basis, to whom is he actually accountable?

Sir Jeremy Heywood: I would expect this person to have a fair amount of day-to-day autonomy. We are looking to recruit someone very senior who will have the autonomy to run these functions within a framework that has been established by Ministers. I would not expect to get personally very closely involved, but I see my role as supporting that Chief Executive in his or her activities. Day to day, they will have huge autonomy, as you would expect a senior person to have, but the Minister in charge of Civil Service reform and efficiency reform, Francis Maude, will take a close interest, so it makes sense to make that clear in the job description, and the Treasury, particularly in the form of Danny Alexander, takes a very close interest in efficiency. We wanted to make it very clear from the outset that this is going to work finger in glove with the Treasury, which is extremely important, but de facto this person will be judged ultimately by the Prime Minister's happiness or otherwise with his or her performance.

Q71 Chair: As you know, I regard this as possibly a great opportunity to take forward the leadership of change in the Civil Service in respect of the changes in behaviours and attitudes required across the Civil Service. How do you think that between you that agenda can be advanced?

Sir Jeremy Heywood: I agree with you. I thought your blog was extremely good. I thought Martin Donnelly's speech on similar lines was also very impressive. Trust is at the heart of the relationship between Ministers and civil servants. Without that trust, everything becomes much more difficult, transactional, contractual and so on. I very profoundly agree with that.

As Bob said several times in his evidence today, the latest reading on that is pretty positive. The relationships between Secretaries of State and Permanent Secretaries, as evidenced by the end-of-year appraisals, suggest that we now have a high degree of trust between senior Ministers and senior civil servants. That is fine.

I hesitate to give definitive answers here, because we have not recruited this person yet and the priorities for the period ahead will have to be shaped very much with that person's input. Having said all that, one of the things we want to do—I know Francis is keen on this; I am keen on it, as are my colleagues in the Civil Service—is have another look at what we mean by “leadership” in the Civil Service, how it relates to Ministers and some of

these cultural issues. I would guess—again subject to confirmation that whoever is the Chief Executive agrees with this as a priority—that is one of the issues we will want to look at in detail.

Q72 Chair: That is very consonant with many of the findings of our report “Truth to power” last year.

Sir Jeremy Heywood: It is one of the many ways in which this Committee has been influential.

Q73 Chair: But this also takes place in the context of a tension about what the centre of government should be. You will be familiar with the correspondence between the Chair of the Public Accounts Committee and a response from Sir Bob Kerslake, Sir Nicholas Macpherson and Richard Heaton, which was followed, curiously, by another letter from Danny Alexander and Francis Maude. Why do you think it was necessary for Ministers to enlarge on what civil servants had said to the Chair of the Public Accounts Committee?

Sir Jeremy Heywood: I do not know. Clearly they felt that the account that had been given was incomplete. Having said all that, I do not think there is any incompatibility between the two letters. We were questioned exhaustively about this in front of the Public Accounts Committee a few weeks ago. I think it came out very clearly that there is a very high measure of agreement between the Treasury and the Cabinet Office as to what the priorities are and how the centre should function together. The role of the centre and the relationship between the Cabinet Office and the Treasury has long been an issue of debate and discussion. It varies very much from one period of government to another. Right now, I think we have the best functioning relationship between the Treasury and the Cabinet Office, with No. 10 as part of that, that I can ever remember, but obviously I am very happy to answer any questions about it.

Q74 Chair: Do you think there is a danger, particularly as the figure is being styled “chief executive” and many have commented that it is less chief executive, more chief operating officer, that there is a difference of opinion about the role and status of this person?

Sir Jeremy Heywood: Certainly not between the Treasury and Cabinet Office. I do not want to get into a semantic discussion about chief executive versus chief operating officer. What really matters is that this is a very large role with a huge amount of autonomy directly responsible for addressing some of the biggest weaknesses we have in the Civil Service. You know very well that I am a huge admirer of the Civil Service. In my view, the Civil Service is the world’s best and is excellent in many respects, but it has some major weaknesses that have not been addressed over many years, particularly commercial skills, which we do not have in sufficient quantity and depth, digital skills and so on. Just sorting out the commercial professional Civil Service and our ability to manage contracts in a world-class way is a huge task. This person, as Chief Executive, will have that task; the task of leading the digital revolution in the Civil Service and the public sector; sorting out our property; driving efficiency, and all the cultural issues in the Civil Service we have talked about.

Q75 Chair: It is what Ministers have described as moving towards functional leadership of expert corporate services. These cover eight areas: communications, commercial, digital, and so on.

Sir Jeremy Heywood: Absolutely.

Q76 Chair: But this is removing a degree of autonomy from Departments, about which perhaps the Civil Service has traditionally been a little uncomfortable.

Sir Jeremy Heywood: I think people underestimate what has been achieved over the last two or three years. We have seen a significant move towards greater functional leadership.

Q77 Chair: But how culturally comfortable is it? Delegation of authority to Departments is about trusting, empowerment and all the good things modern managers do. Taking these functions away from Departments is in tension with that trusting and empowerment of Departments. How is that going to be resolved?

Sir Jeremy Heywood: It is being resolved function by function, but in my view the key thing in how you resolve it is to give the Permanent Secretaries, who remain directly accountable to Parliament for what happens in their Departments, confidence that the people at the centre who are carrying out more and more of these functions, or having more influence over how the functions are carried out, are high-quality people.

Q78 Chair: But the Civil Service letter to PAC lays great emphasis on the accounting officer role, and the Chief Executive who will be Permanent Secretary in the Cabinet Office will have only accounting officer role in respect of the Cabinet Office. Is that correct?

Sir Jeremy Heywood: That is correct, yes.

Q79 Chair: In terms of these functional leadership roles, he does not have accounting officer responsibility in respect of those roles in other Departments.

Sir Jeremy Heywood: That is absolutely right.

Q80 Chair: That seems to me a little untidy.

Sir Jeremy Heywood: I do not think it is untidy at all; it is just the system we have got. Parliament expects the Permanent Secretaries of individual Departments to be accountable for the way those Departments are run, how the money is used and so on, but that does not in any way stop us developing great expertise at the centre.

Q81 Chair: But you are giving responsibility to the Chief Executive for functions for which he is not responsible as accounting officer. How does that work?

Sir Jeremy Heywood: Because he or she will be responsible for the way in which those functions are exercised in the Cabinet Office. If I take, for example, the commercial function in the Cabinet Office, the Crown Commercial Service will itself directly procure pretty much all the common business services that are bought by Whitehall. Within a couple of years we progress to that.

Q82 Chair: So this is relocating some of these responsibilities into the Cabinet Office out of those Departments.

Sir Jeremy Heywood: In some cases, it is taking functions and responsibilities out of Departments; in other cases, it is making sure that the functional leaders have a direct say over the appointment, objective setting and performance management of the functional leaders who remain in Departments. You can use a variety of different techniques. In other cases, it is a control mechanism. For example, you cannot have digital projects in Whitehall without the Government Digital Service having a say, so there is a variety of different techniques. One of the key roles of the Chief Executive will be to work out, function by function, whether we have yet got the right equilibrium and balance.

Q83 Chair: That makes sense, but how will he assist you in the other half of the equation, if you like, which is about building better leadership, building techniques and encouraging people to adopt behaviours and attitudes to promote the right working relationships? How will he help you and support you in that?

Sir Jeremy Heywood: I would see this person as working really closely with me on anything to do with the Civil Service. He or she will lead on some things, for example the things we have been talking about. I will lead on some other things. I am also hoping to build much more of a role for the Civil Service Board. I did a blog on this last week. I would like to see a greater sense of collective ownership of these issues, with the Chief Executive sitting alongside me as I chair the Civil Service Board. This is very much a collective endeavour. When we talk about a change in the culture, leadership, the priorities of the Civil Service and the way leadership is exercised and what it means, that is not something where I can just descend from on high; it has to be collectively owned by the entire senior Civil Service.

Q84 Chair: But the job description is heavy on the hard skills and management and perhaps lays very little emphasis on this key role of corporate leadership, which is simply not defined in the job description.

Sir Jeremy Heywood: This person will very quickly understand that to exercise real influence and leadership in Whitehall you have to build up trust, precisely because there are so many channels of power, with Permanent Secretaries reporting to Ministers, to Parliament directly in their accounting officer role and to the centre. It is a very ambiguous and complicated system. You cannot thrive without having the personal skills to build trust, and so on.

Q85 Chair: How will you make sure that you engage a Chief Executive who has those skills and track record?

Sir Jeremy Heywood: That is the task on which we are engaged at the moment. We have a process of recruitment going on right now, and that is hugely important to me and the panel.

Q86 Chair: Is it on track?

Sir Jeremy Heywood: I think it is. We have had a very good response.

Q87 Paul Flynn: If the picture you paint of a nirvana of brotherly and sisterly harmony between Ministers and civil servants is a true one, why is Sir Bob going?

Sir Jeremy Heywood: Because the Prime Minister wanted to change the structure so we have a full-time Chief Executive who pulls together what Bob has previously done on the Civil Service reform side with what the efficiency and reform team are doing in the Cabinet Office. That is a different job altogether from the one Bob was doing, and so in a sense we parted ways.

Q88 Paul Flynn: Why could he not do the new job?

Sir Jeremy Heywood: I don't think he wanted to do that; I think that's what he has just said.

Q89 Paul Flynn: He is leaving of his own volition, is he?

Sir Jeremy Heywood: He didn't want to do the job as it had been restructured.

Q90 Paul Flynn: To what extent should civil servants serve the short-term interests of their Ministers and to what extent should they serve the long-term interests of their Departments?

Sir Jeremy Heywood: Clearly they have to help Ministers carry out their mandate. Ministers are the people that are elected, not civil servants; they determine the objectives and priorities for their Departments for their period of government, and the overwhelming objective of the Civil Service is not to get in the way. I do not call that being a yes man or whatever; the task of the Civil Service is to carry out the elected Government's programme of government. At the same time, the Civil Service has to make sure that their Department has the capability and skills to cope with what might be the next Government. You cannot run a Department into the ground; you have to build the digital and commercial skills, and so on. You have to have an eye to the capability and long-term health of the Department, but the policy objectives are those set by the Government.

Paul Flynn: Where were you in the kerfuffle that happened last July when "Newsnight" broadcast a document that outlined indications of potential for Permanent Secretaries' roles? For example, it referred to "a yearning to leave a legacy, rather than simply achieve promotion and deliver others' agendas" and "pursue the long-term aims of their Department". Francis Maude was very excited about this and said, "As currently framed [this document] plainly does not conform with constitutional propriety. The Civil Service aims not to serve the 'long-term aims of the Department' but the priorities of the Government of the day." Nick Clegg strongly disagreed with that. Do you recall Nick Clegg said there was "in-built tension between the short-term, myopic ambitions of politicians and the long-term perspectives of the Civil Service"? Is this not true?

Chair: Which is Government policy? Where are you?

Q91 Paul Flynn: We know that the horizons of politicians are limited to the next general election, but they should be infinite.

Sir Jeremy Heywood: As I have tried to explain already, it is very clear that civil servants have to carry out the remit and policy objectives of the elected Government, but we also have a responsibility to make sure that the Departments' capability to serve a future Government, which might have a different set of policies, is maintained. We cannot just run it into the ground without any reference to what might happen in the future. Therefore, Ministers decide policy objectives and the Civil Service tries to implement them as best it can, but having a long-term capability in that Department is very important. I do not think there is any great disagreement between those two. I certainly would not use the florid language that brochure uses, and you will be relieved to hear that that has not really been in use in the Civil Service for many years now.

Q92 Paul Flynn: Your published priorities focus on the short term, such as ensuring that the incoming Government hits the ground running. At present, we have a dead Government walking, and you want the new one to come in running, limping, stumbling. Clearly, the present Government is comatose, and you want instant activity from the new one.

Sir Jeremy Heywood: All I am trying to say with those objectives is that when a Government comes in it expects the Civil Service to be ready to implement its manifesto. That is the Civil Service's job, so we need to be prepared to do that.

Q93 Paul Flynn: Why is planning for the result of the referendum on Scottish independence not a short-term priority?

Sir Jeremy Heywood: Obviously we have done our job on Scotland, but we cannot include every single function I have in my objectives. We are trying to keep them concise.

Q94 Paul Flynn: Is the Civil Service and Government prepared for a yes vote in 10 days' time?

Sir Jeremy Heywood: As you know, the Prime Minister has made clear that the Government and the Civil Service are not doing any contingency planning on that.

Q95 Paul Flynn: Are they blinded by their own optimism not to take precautions and plan for what could be a very probable result, a yes vote?

Sir Jeremy Heywood: No. I think they are just focused on the task in hand, which is winning that referendum.

Q96 Paul Flynn: Do you think they are delusional? Do their delusions and wishful thinking affect the need to make appropriate contingency plans?

Sir Jeremy Heywood: I would never call the Government that I serve delusional.

Paul Flynn: You have 10 days to find out.

Q97 Chair: The Government may not be doing any contingency planning, but presumably some officials are doing some thinking and there are draft bits of paper in the bowels of various Government Departments that might suddenly appear before Ministers in the event.

Sir Jeremy Heywood: No. The Government has made very clear that it does not wish to do any contingency planning, and that applies to the Civil Service. When given a clear instruction by Ministers, we obey it.

Chair: I am astonished, but it is very clear.

Q98 Mr Turner: I am very surprised. You seem to be saying that we must not do thinking about what may happen in 10 days' time, and yet some other civil servants can say, "We have to do this, even though a well thought-out Minister might even abolish that Department."

Sir Jeremy Heywood: I am simply saying that, in relation to Scotland, Ministers have a very clear view that they do not wish the Civil Service to divert resources to the question of what happens if there is a yes; they wish to focus on the work required to deliver a no vote. When you have a clear instruction like that, you abide by it; it would be quite wrong not to.

Chair: I hear what you say. Former Welsh Secretary, Cheryl Gillan.

Q99 Mrs Gillan: Cabinet Secretary, I have been tempted into questioning; I was not supposed to be on this section. Are you telling me that my former Department, the Wales Office, is not doing any work at all on the implications for Wales and the devolution settlements if there is a yes vote in Scotland, says she proudly sitting here with her "No" badge on? Are you saying no work will be carried out at all?

Sir Jeremy Heywood: I am saying that no contingency planning is going on for a yes vote, as instructed by the Prime Minister.

Chair: That is very clear.

Q100 Mrs Gillan: I appreciate that it is difficult to comment on advice, but maybe I can ask the question in a different way. Across Government Departments, notwithstanding a clear instruction like that, would it be safe to assume that officials always look at possible future scenarios in order to protect the Government they are serving?

Sir Jeremy Heywood: No. In this case, it is very clear that we are not doing any contingency planning. I can say it as many times as you like. We are working for the Government on the Government's policy.

Q101 Chair: You have introduced horizon scanning at the Cabinet Office, but not for this.

Sir Jeremy Heywood: Not for this, no.

Chair: That is very clear.

Sir Jeremy Heywood: The resources of the Government are being focused on the no side of the campaign.

Q102 Chair: Which is rather contrary to my advice, because I suggested the Government should produce a White Paper and have it debated and approved by Parliament, so the Scottish people should know the consequences of what they are voting for. The answer is that they might be flying blind to a certain extent, because at the moment the Government is flying blind.

Sir Jeremy Heywood: A series of very high-quality papers has been produced by the UK Government setting out in great detail the implications. There has been a huge amount of work on this, of course. We are now in a restricted period when there is a limit to what the Government can do.

Q103 Chair: How is this White Paper promised in the next few days going to be published, if it does not breach the purdah?

Sir Jeremy Heywood: I am not sure the White Paper is promised in the next few days.

Q104 Chair: I thought there was to be a White Paper on further devolution to the Scottish Parliament.

Sir Jeremy Heywood: I have not seen that, but whatever is produced in the next few days will be produced by political parties in the campaign.

Chair: It is not produced by the Government. That is understood. Thank you for that clarification.

Greg Mulholland: I would like to turn to the interesting topic of special advisers. Some high-profile cases have been brought very much to the attention of the press and public, which have caused all of us to revisit the role of the special adviser and how that fits with the Civil Service. To take a number of cases in turn, the first, with perhaps the highest profile, was that involving Andy Coulson.

Chair: I should add that the reason this might seem very passé is that we have not been able to cross-examine you on this matter because until now it has been sub judice.

Q105 Greg Mulholland: Equally, what we are looking at here specifically is the role of civil servants when it comes to special advisers and their appointment. We all know what happened and there is no need to revisit it, but what lessons do you think have been learned and need to be learned from what clearly was an unhappy experience for everyone concerned?

Sir Jeremy Heywood: It is an interesting question. I do not think there are many generic lessons. The issue that caused a lot of comment was the question of his vetting and the decision I took early on in the administration not to subject him to DV vetting, which is the highest vetting. As I have explained before, though not to this Committee, that was taken on the basis that we were trying at the start of the new administration to limit the number of special advisers who had routine access to top secret information, on the basis that that was on a need-to-know basis and vetting cost a lot of money. Therefore, we tried to keep it to the minimum number possible. It became clear over time that the Prime Minister wanted Andy Coulson to attend National Security Council meetings and see round the edges, and wanted him to be involved in thinking about comms around terrorism events, and so on.

I then took the view that it was clear at that stage that he did need to be vetted so he could have routine access to this material. That was a change of mind, if you like, on the basis of experience, but would I draw a generic lesson from it? I don't think so, because it was my job as the Permanent Secretary at No. 10, as I was then, to make sure we were not spraying intelligence material around but keeping it confined to those people who genuinely needed to know it. I think that is a perfectly reasonable judgment to make.

Q106 Greg Mulholland: I am sure you would agree that the man or woman on the Clapham omnibus would say that clearly there is something wrong with the vetting procedures. Do you think that is the case?

Sir Jeremy Heywood: No. He had not completed the vetting at the point at which he resigned, so we do not know whether the vetting procedures would have got any further than the police, Select Committees and so on had done, but don't forget—casting our minds back here—that, at the time he came in, various Select Committees and the police had looked at the situation and nobody had found any reason to arrest him, or whatever.

Q107 Chair: We know that your predecessor felt the need to advise the Prime Minister not to make the appointment and that was disregarded.

Sir Jeremy Heywood: I do not recall that. Maybe I need to refresh my memory on that.

Q108 Chair: Is there a case for a Cabinet Secretary being more forceful in preventing a Prime Minister, however newly elected and however big the mandate, from doing this? It is the problem Robin Butler had with Tony Blair and the orders in council that were giving special advisers more powers. Does there not need to be some safeguard to avoid politicians being allowed to make these errors?

Sir Jeremy Heywood: I do not know what Gus would have had at his disposal in advising David Cameron not to appoint Andy Coulson, because various Select Committees had looked at the case; the police themselves had looked at the case and had not found any fault. I am not sure the Cabinet Secretary had any superior insight and knowledge at that point, given that something had been exhaustively discussed in the media and so on, but this is a hypothetical case.

The Robin Butler situation was different, in that the proposal was that two new special advisers come in and have an executive order which allowed them to manage civil servants. That is a different category of special adviser that has not subsequently been repeated. If I may say so, I think that is a very different situation.

Q109 Greg Mulholland: Do you not think that potentially there needs to be a change and perhaps a tighter job specification for special advisers or better gate-keeping, so that, even with those suspicions being there, such an appointment would perhaps not be made in the first place?

Sir Jeremy Heywood: I do not. My general view about special advisers, at the moment anyway, is that the vast majority, if not all of them, working for both sides of the coalition Government are doing a very good job. They are hard-working people fulfilling a specific role that could not be fulfilled by the Civil Service because it is more political. The Prime Minister and Deputy Prime Minister take very seriously the special adviser code, and I

think that works pretty well. I do not regard it as an area of government in serious need of review. I do not think it would be right for the Civil Service to pass judgment on individual appointments. These are ministerial appointments and Ministers are responsible.

Q110 Chair: Would it be appropriate for Select Committees to hold pre-appointment hearings for special advisers? I think that would have avoided any possibility of Mr Coulson being appointed.

Sir Jeremy Heywood: I do not think that would be appropriate, no, because these are appointments very personal to Ministers. Ministers are responsible under the ministerial code for the conduct of their special advisers and so are very incentivised to make sure they do not recruit people who could bring them into disrepute. At the time we are talking about, various Select Committees had been through the Andy Coulson issue and had not found any great fault to my recollection. I did not expect us to get into this line of questioning, but I do not recall there being any outstanding police or Select Committee inquiries into Andy Coulson's behaviour. It was in a sense a closed issue, so from that perspective I do not know what a new Select Committee would have done that was any different from what the previous ones had done. In general, as a matter of principle, special advisers are appointed by Ministers, and I think to break that link by having Parliament in some sense vetting them would be odd.

Q111 Mrs Gillan: But it is not just potential misconduct in terms of the Andy Coulson case. I am now thinking about the Ryan Coetzee case, where surely some alarm bells went off when he was appointed with the title Director of Strategy at the highest salary of any SpAd in the Government, as I understand it. That led to complaints, following the alleged politically charged nature of the presentations being given to the Liberal Democrat party. I know that individual Ministers are responsible for the behaviour of their SpAds. I think you exonerated the Deputy Prime Minister in your letter to our Chairman on 3 July, but who actually monitors this and keeps an eye on it, and what sanctions are there? I know that Mr Coetzee is now in the Liberal Democrat party itself, doing the very job everybody objected to, so surely that would indicate to the man on the top of the Clapham omnibus that there had been a problem. Who monitors this? Who takes this up with Ministers?

Sir Jeremy Heywood: Obviously the people closest to the Deputy Prime Minister's office have responsibility, as far as I am concerned, to tell me if something is going wrong. In that case, "exonerate" is not necessarily the word I would use. I looked into that case, as you would imagine, because I was asked to, and found no evidence that he had done anything in conflict with the special adviser code.

Q112 Chair: Would you not agree that you were not aware of the presentation he had made to Liberal Democrat MPs?

Sir Jeremy Heywood: I was assured that although he had done the presentation, as to the matter he was being accused of—which was to commission polling for the Lib Dem party and so on—he had not done any such thing. Special advisers are entitled to make presentations to their parliamentary party. Part of their function is to explain Government policy to party members, certainly to MPs, and to get feedback from them on Government

policy and so on. That is the role of a special adviser. I was absolutely assured he had done nothing. I spoke to the Chief of Staff and the Director General at the Deputy Prime Minister's office to satisfy myself when asked the question whether anything had gone wrong here. The fact he felt that he had to go and work in the party now suggests precisely the opposite of what you are suggesting, if I may say so, which is that he could not do what he wanted to do on the taxpayer's purse—i.e., he had to join the party machine.

Q113 Chair: The only question is whether this resulted from our scrutiny or would have happened anyway.

Sir Jeremy Heywood: Who can tell? The title director of strategy is quite a familiar one, and I well remember several people holding that title in the previous Labour Administration. I think there are certain people in the Conservative Administration with that title.

Chair: I am pleased with the apparent response. I do not want to embarrass the Liberal Democrats or Mr Coetzee. There may have been a little blindness about how conflicted his role might be becoming as we approached the general election, and it was addressed. I think that is credit to the responsiveness of the system and the responsibility of the Liberal Democrats.

Q114 Mrs Gillan: Do you think that the increase in the number of SpAds is a good thing, or is it now expanding exponentially? Compared with the days when the coalition Government took over and they were going to have so many fewer SpAds than the previous Labour administration, I believe they now have more. Do you think it is helpful, or would you have liked to see a little control exercised in that area?

Sir Jeremy Heywood: Quite a lot of control has been exercised. On each and every additional SpAd a careful decision is made. There certainly is not an exponential growth; it has been a pretty marginal growth. There are still barely 100 and the Civil Service is 400,000. My general view is that there is no problem with the number of special advisers and there has not been an enormous increase. It is always likely that there will be more special advisers when you have a coalition. I would have been surprised if you had held it at fewer than before, and it is not an issue. By and large, the special advisers and the Civil Service work really well together, and that is a very important sign of a functioning Department.

Q115 Chair: Can I turn briefly to the case of Fiona Cunningham, who I should declare is a friend? One felt that she became a victim of the culture of special advisers. We all know what special advisers do: they brief the press. Her fault was to brief the press and leave her fingerprints on the briefing—her instruction to a civil servant to put a letter on to a Home Office website. Therefore, she was punished for what is quite common among the culture of special advisers, and there will be other accidents like this. In a way, she was one of the better special advisers, because of her honesty in the way she dealt with this. Of course, she was wrong to do this. The Home Secretary was completely unaware she had done it and rightly asked for her resignation. But the question is: what can be done to address the slightly more destructive side of the special adviser world, which we see caricatured in “The Thick of It”?

Sir Jeremy Heywood: I think there is a caricature in “The Thick of It”. One of the things you can do about it is that when it crosses the line you have to deal with it, and in Fiona’s case it is unfortunate she had to resign, but frankly there was no alternative. As you said, Chairman, she had to resign at that point, and hopefully that will encourage others to remember.

Q116 Chair: The lesson could be taken as: whatever you do, cover your tracks. So often, the briefing is with the tacit permission or wilful blindness of the Minister concerned. It is not just the behaviour of special advisers; they are given permission to talk to journalists and feed stories in a way that comes back to the big question about undermining trust. It also creates a triangular relationship between Ministers and their officials, with the special adviser intervening in this relationship, in some cases very destructively. You must be aware of it. What are your thoughts about how it could be addressed? Could it be done by special adviser training or better awareness of Ministers? How do you think we should deal with this?

Sir Jeremy Heywood: First, it is important to put on the record that there is nothing at all wrong with special advisers talking to the media. Many special advisers are employed to do just that. They are media SpAds and do an extremely good job under very stressful circumstances—huge amounts of time pressure and so on—on behalf of their Ministers. That is absolutely fine. Very occasionally, it does cross the line and it is a combination of the things you say. The Minister has to take responsibility and set the right guidelines and red lines. The No. 10 press team, who do an outstanding job, make that the culture and expectations are set in the right place, and I think they have tried their very best on both sides of the coalition to do that.

There is probably more scope for training. I have always been interested—Ed Llewellyn and Jonny Oates have been as well—in trying to get a system of annual appraisal, performance assessment or something like that. It is quite difficult to make it work, but it would give feedback to people, so it is not a straightforward first offence and you are out. All of those things make sense, and no doubt it is something we will want to take up as we think about the start of the next Parliament. I do not want to leave the impression that this is a mass problem. I do not think it is. There are occasional instances where people cross the line.

Q117 Chair: Occasionally it comes to light, but I think far more of it goes on that never comes to light.

Sir Jeremy Heywood: A lot of briefing goes on, but very little is as destructive as really laying it on other Departments or, as was discussed earlier, attacking a civil servant. That does not happen that often.

Q118 Chair: This culture is beginning to affect even civil servants. We know that even civil servants have started briefing off the record to journalists. Is this good or bad behaviour?

Sir Jeremy Heywood: It depends what they are briefing.

Q119 Chair: So it can be good behaviour.

Sir Jeremy Heywood: Off-the-record briefings have been a feature of communications for many decades. There is nothing particularly surprising about off-the-record briefings. It crosses the line where you are briefing against another Department, a civil servant, a Minister and so on. That is personalised and unacceptable.

Q120 Chair: Do you not think there ought to be more explicit guidance on how off-the-record briefings should be conducted, recorded internally and so on?

Sir Jeremy Heywood: I will look again at the guidance. I think there are pretty clear guidelines. You do not use either on-the-record or off-the-record briefings to do personalised attacks on members of the Government, fellow civil servants and so on. Whether you could write down every single word expressed to a journalist, off and on the record, without blocking up the whole system I do not know.

Q121 Chair: How much do you regard this whole question as one that requires closer monitoring and scrutiny by you as Head of the Civil Service and Cabinet Secretary?

Sir Jeremy Heywood: I take it very seriously when we get complaints. If I see poisonous briefings in newspapers, I take that very seriously, but in general I do not think it is one of our biggest problems. It is a problem from time to time, and when it arises I take it very seriously. I will certainly look again at whether our guidance is clear enough, but compared with some of the other massive problems we have—around commercial skills, digital and so on—frankly there are bigger problems.

Q122 Chair: Except that this really corrodes public confidence in politics and the values that politicians, advisers and civil servants have.

Sir Jeremy Heywood: It does. It definitely should not happen, but I do not perceive it as an accelerating trend for it to happen more and more.

Q123 Chair: We will give you every support we can in this role, because my Committee regards this as an extremely important matter.

Sir Jeremy Heywood: It is.

Q124 Paul Flynn: When the last of our soldiers leave Afghanistan, there will be a demand for an inquiry into what was arguably the worst military decision taken by this country since the charge of the Light Brigade. That was the decision to send troops into Helmand province in the hope that not a shot would be fired. Two British soldiers died in combat before they went in and now it is 453. How should we learn from the progress of the Chilcot inquiry in how to set an inquiry up?

Sir Jeremy Heywood: That is an interesting question. It is difficult to draw lessons from the Chilcot inquiry until we see it. It is difficult for me to get drawn into what the lessons are until we have seen the inquiry itself; nor have I yet had any conversations with the Prime Minister, or other Ministers, about the question of what sort of inquiry, if an inquiry at all, will be needed on Afghanistan. It is obviously a very important question. I am sorry to hedge, but it really would be premature for me to give you hard and fast lessons at this point.

Q125 Paul Flynn: If it follows the example of the Chilcot inquiry—it will not be reporting until 2022, which worries me. I want to be around when it reports. As to your own position on the Chilcot inquiry, we have gone round in circles to say who has caused the delay. The Prime Minister told me in a recent oral reply, “It’s not me; I’m not responsible for this.” Francis Maude said it is not him who is responsible. Does the buck stop with you?

Sir Jeremy Heywood: No, it stops with the inquiry. The timetable is in their hands. As you know, Mr Flynn, we have discussed this before. I had a decision to take about which of the papers, all of which they had access to and have already seen—the very sensitive Bush-Blair correspondence and the Cabinet minutes, which we never normally publish—are so essential to the story the Chilcot inquiry want to tell that we have to break all our normal conventions and allow those to be published. That took some time to work through. I had a bias towards maximum transparency. We have now reached agreement on all the principles around that, and on pretty much every single document he submitted we have now worked out an agreed way through, but that is a relatively small part of the overall inquiry. Clearly that took some time to work through. I wish it had been easier to do it. We wanted to be as helpful as possible, but the overall timetable is a matter for the inquiry.

Q126 Paul Flynn: This is a grave issue on which 139 Labour MPs, a number of Conservative MPs and all Lib Dems voted against it. One million people marched on the streets, saying this was a bad decision. It was the hubris of a Prime Minister and others that forced it through with terrible results: 179 British dead. The original hope of the inquiry was to get it concluded within 18 months, and that was in 2009. We hear that the reason it is not coming to a conclusion is the actions of Tony Blair and others to guard themselves from the truth and the revelations that they were responsible for this. Tony Blair, so rumours tell us, made an agreement with Bush to go ahead regardless of the facts. He was committed to that. He came to Parliament and inadvertently told untruths to Parliament about non-existent weapons of mass destruction. Were you familiar with the report made by the previous Committee to this? It was this Committee that demanded the Chilcot report. It set up seminars and so on. One of the points we made was that we wanted Parliament to have its report. The moment we got a report it is way open to be obstructed by the guilty people. Is that not what has happened? Parliament is unable to involve itself. Chilcot himself complained about the delays, but there is no way of doing it because of influences behind the scenes. The Prime Minister says it is not him, but are there Civil Service blockages there?

Sir Jeremy Heywood: We are not blocking anything at all.

Q127 Paul Flynn: Who is?

Sir Jeremy Heywood: My understanding is that John Chilcot and his inquiry team are happy with what they will be able to publish.

Q128 Paul Flynn: They were unhappy for three years. They were ready to publish the report in 2010 and it has been blocked since then because they were not happy that they could publish a report that told the whole truth. Now they have been told they have to give gists or summaries.

Sir Jeremy Heywood: I do not think that is right at all. I do not think it was anywhere close to being published in 2010; it barely got started in 2010. There has been a delay of sorts. Literally tens of thousands of requests for declassification of very complicated and sensitive documents have been processed, but I do not think that has held up the inquiry. It is a very difficult thing, for all the reasons you talk about. The controversy around this continues today. It is very important that the whole story is told. We have tried our level best to break through normal conventions, legal requirements and international relations. There are nine different categories which the original protocol suggested might be a reason for not publishing material. We have had to work through all of that in good faith as fast as we possibly can to try to make sure the whole story is laid bare. Nobody—Tony Blair or anybody else—has tried to block that. It has been a genuine good faith attempt to balance these various considerations. I believe that John Chilcot is now happy with where we have got to on that point. Obviously, you will have your opportunity in due course to assess that directly.

Q129 Paul Flynn: But it is a current problem. We now have a position we have not had before where Prime Ministers and the monarchy do not decide on going to war; MPs decide it, as was demonstrated on 29 August last year. The Prime Minister wanted to go into Syria and MPs stopped it. We relied on the good sense of MPs rather than the hubris of a Prime Minister writing his page in history. It is vital, if we are going to avoid wars like Helmand and Iraq again—terrible mistakes with dreadful numbers of casualties and nothing being achieved—that we know the truth about the mistake we made in 2003. We cannot excuse this just because of protocol and delays. If he was not ready in 2010 to publish the report, he was certainly ready in 2011, because his timetable was 18 months. We have had at least four years of delay, which has helped only those who want to hide the truth; and they are still in power, are they not? What was your own position? You were involved somewhere near Tony Blair at the time. Did you have any involvement in those decisions?

Sir Jeremy Heywood: No, I did not, and I genuinely do not think that when you have the final document—I have not seen it and we will not see it until it is completed—you will see that it is a very full and open account of what happened.

Q130 Paul Flynn: It is not publishing the details of what Bush said to Blair and what Blair said to Bush.

Sir Jeremy Heywood: With respect, Mr Flynn, you do not know.

Q131 Paul Flynn: It is a summary; it is giving us the gist.

Sir Jeremy Heywood: You do not know what it is going to publish, and I suggest that you reserve judgment until we see it.

Q132 Paul Flynn: But Chilcot delayed for three years because he was unhappy he did not have the freedom to publish what Blair said to Bush. When we set up the Helmand inquiry, what lessons do we learn? Do we not have an inquiry that reports to the Prime Minister, but put Parliament in charge of it? Would that not be a more efficient way to do it?

Sir Jeremy Heywood: I am not drawing any lessons from an inquiry that has not yet finished, but I am absolutely confident that the finished report will be as transparent as it

needs to be in Chilcot's mind to lay all their conclusions and reasoning out in front of Parliament. He will not sign his name to an inquiry report that does not give him the opportunity of explaining things as fully as possible. I have spent many personal hours and months trying to maximise the extent to which he can publish this material, which would not normally be published in a million years.

Q133 Paul Flynn: When do you think it will be published?

Sir Jeremy Heywood: It is a matter for the inquiry, but the Prime Minister and others have said it will be as soon as possible.

Q134 Paul Flynn: But the loved ones of those who lost their lives are understandably very angry about this and see it as a cover-up by those who have something to hide. Are they not right?

Sir Jeremy Heywood: I sincerely do not think they are right. I can understand people's frustration, but I honestly hope you would reserve judgment until you see the final product, which is an immense work of many years of labour. I think it will be more transparent than you are expecting, and I do not think that in any shape or form it can be called a cover-up.

Q135 Chair: What do you say to those who are concerned that the inquiry is going to publish too much?

Sir Jeremy Heywood: We have had a very careful balancing act between the interests, for all the reasons Mr Flynn and others would urge, to have maximum transparency. I think we have got the right balance.

Q136 Chair: What representations have you or the Government received from your counterparts in the Obama administration on the publication of correspondence between George Bush and Tony Blair?

Sir Jeremy Heywood: I do not think it is helpful to go into all the ins and outs of that. We have not had representations as such; we have had discussions, which I believe have reached a sensible place.

Q137 Chair: But they were concerned about the principle of the publication of such documents.

Sir Jeremy Heywood: Absolutely. They are very concerned to protect the privacy of the Prime Minister-President channel of communication on national security issues. That is a very legitimate concern that has to be balanced against the other considerations, and is a very tricky issue.

Chair: We are very grateful. You have covered a great number of topics with us today. I, in particular, am rather excited about developments in the Civil Service. We wish you every success with them, but we shall continue to hold you to account for how it turns out. Thank you very much indeed.

