



House of Commons Governance Committee

Oral evidence: [House of Commons Governance](#), HC 692

Thursday 23 October 2014

Ordered by the House of Commons to be published on 23 October 2014.

Written evidence from witnesses:

- [Written evidence submitted by Rt Hon John Thurso MP](#)

[Watch the meeting](#)

Members present: Rt Hon Jack Straw (Chair); Sir Oliver Heald; Mr David Heath; Jesse Norman; Ian Paisley; Jacob Rees-Mogg

Questions 62-99

Witnesses: **Rt Hon Sir Alan Haselhurst MP**, Chair, Administration Committee, **Rt Hon John Thurso MP**, Chair, Finance and Services Committee, and **Rt Hon Sir Alan Beith MP**, Chair, Liaison Committee, gave evidence.

Q62 Chair: Good morning, Sir Alan Haselhurst and Viscount Thurso. Sir Alan Beith, you are also very welcome indeed; thank you for giving up your time. Thank you, John Thurso, for what we all think is an excellent paper about some of the future issues that we have to discuss. Would each of you make some general observations about your work and involvement in the administration of the House?

Sir Alan Beith: Just briefly, I would say—I speak as Chair of the Liaison Committee—that the services of the House are vital to the functioning of Committees, as is the existence of the team of staff, headed by Clerks, who service the Committees.

The end result of the process needs to be that Select Committees can be confident that they will continue to have good services and strong, authoritative staff teams. I emphasise that because some of the discussion surrounding the issue that brought this Committee together has implied that there are people who manage, and there are Clerks—but of course the Clerks of Select Committees manage teams of staff and the senior Committee Clerks manage the overall resources. That management role has been encouraged and I would not want us to send the signal that it is not important.

John Thurso: Broadly, I think what I set out in my paper, which is that in considering the executive governance of the House you have to look at total governance in the round. Therefore, how you structure that is of particular importance and relevance to how you then decide to structure your management.

The other point that I would briefly make is that I knew absolutely nothing about the running of the House until I found myself on the Commission, chairing the Finance and Services Committee and doing the Audit Committee. Actually a great deal of what goes on at the management level is done to a high quality, in particular since we have had the services of a proper finance director in Myfanwy Barrett. That has made a huge difference. There is a lot of work to do, but we are on the right road. I think it is the higher-level, strategy-side governance that is the real issue.

Q63 Chair: How would you deal with that?

John Thurso: As I said, there are three areas that need to be dealt with. You have strategic thinking, which is clearly something for Members and for the House, and therefore the democratic side of the Chamber and how we go about discussing our business through our Committees will take precedence. In practice, that work has to be delegated and will arrive, as you know, at the Commission.

The second area is management, which obviously has to be delegated, so you need a well-structured management board. I have never sat on a management board, so I don't know, but there are externals and they report that that goes reasonably well. That is like the executive committee of a plc.

Then you have the Audit Committee, which does a very good job. I have been very impressed by the external Chairs. I am told that having an external Chair has greatly improved the quality of those Committees. If you look at the governance level, it is one of the most important functions to come back to Members, the House and the Commission. The principles there are that you should construct that in the same way as you would another public body, looking at the same principles of having a proper balance and some external input. I would look around that to help strengthen the work, bearing in mind that it has not been touched since it came into being in 1979.

Q64 Chair: I was struck by paragraph 6 of your paper, in which you imply that there needs to be a non-executive or external input into the Commission as well as into the management board.

John Thurso: Yes, I think that the Commission would benefit from that. Interestingly, in some of the panels set up by the Commission we have had help from externals, which has been a good influence. There must be a majority of Members as it is a Member body, but there are attractions in, for example, possibly having an external Chair, whose remit is to be a referee, as it were, to allow the Commission to have fuller discussions. I was also quite involved in modernising trust ports, because I used to chair one. I was a hereditary trustee of a trust port, which is under a piece of 1843—

Q65 Chair: Which port was this?

John Thurso: Scrabster harbour.

Q66 Chair: Where is that?

John Thurso: It is the most northerly port in the mainland of the United Kingdom just off the 4° line. It is an extremely good port that is doing very well in renewable energy and fishing. Here endeth the plug for Scrabster.

One of the things that modernising trust ports did was to say that having the great and the good locally forming a board is not a good modern way of doing things. It was very much gentlemen and players and the players attended but did not actually take part. The recommendation was that the person in charge of the port should be a full member of the board. I would see an executive who was in charge of the House also being a member of the Commission. You could add one executive and have an external Chair. The third thing that I might suggest would be to elect, as we do Select Committee Chairs, the three Back-Bench members. I think you would have a much greater sense of check and balance than has the potential not to exist now.

Sir Alan Haselhurst: I think there are various pieces in the organisation that do not necessarily fit together quite as well as they should. I think that Members themselves do not fully understand the management structure, and I agree with John that it has been a sharp learning curve. When I was Deputy Speaker, I began to get closer to what was going on in management, and I have been really intensively exposed to it in the last four and a half years, as Chairman of Admin.

I think we are working better after four and a half years than perhaps we were at the beginning. There was great hostility because decisions had been taken by the Commission in the matter of catering prices, for example, before John's Committee had set up, and before the Administration Committee was set up. Then people were just getting used to the idea of an outside organisation, namely IPSA, being in charge of our affairs. There was a great deal of ill feeling going on, which made life rather difficult; but I hope we have got over that.

On the very last point that John made, I have ideas as to how the Commission might be constructed. I think the Commission is possibly rather distant from those of us who are there to advise it. I would favour the person who is the Chairman of Admin—and, by the way, I would not think it a good idea, as the Admin Committee is only in its second Parliament, to go back by slicing a part of it off. That would in my judgment be a mistake; I do not think the remit is too large. There needs to be a clearer demarcation—John and I have talked about this—between finance and services. Indeed, the inclusion of “services” in that title is not very good. I almost see it more as a budget Committee, because we are setting the overall budgets on the advice that we get.

I would have thought that the Chairman of that Committee and the Chairman of the Administration Committee should be on the Commission. I go along with the idea of there being an external member. I think that would be very helpful. I anticipate that probably the Leader of the House and the shadow Leader of the House would continue to be there. Whether anyone else is on it or not I do not know.

I would put in a cautionary word about whether or not you elect or appoint, because if you move in that sort of direction it will be crucial as to how it works—who is there. There is

obviously a totally different dynamic between electing people and selecting people, and I think, at least for the first outing, it might be wiser to be cautious and select; and then if the new model proves to be a success I would say then you can go on to election. That is just a caution I would put in.

Q67 Jesse Norman: Can I just pick up, Mr Thurso, on your memo—one or two other aspects you have raised in it, which I thought were very interesting? Just to be clear, then, you are proposing a pretty significant change in the way the Commission would be set up, because you would be bringing in non-executive outsiders, if you like—possibly a couple—for some kind of balance. One of those might be a Chair—or there would be a Chair. You said in your memo—

John Thurso: I think it was paragraph 12, from memory—11 or 12.

Jesse Norman: Paragraph 11. You said “a clear division of responsibilities and power between the CEO and the Chair”.

John Thurso: What I was principally trying to do was to draw your attention to how best practice in management operates in other organisations, be they public companies, be they charities—whatever—and that there are some common principles in all of them; and to point out that the Commission adheres to none of them; and therefore to ask the question, “how might one?” I think the question is more important than the answer.

I think there are many ways you could do this. One way would be to have one external only, and for that external to take the Chair, so that you have an external referee in the Chair. That is basically the concept, and I suggest that you might also like to consider that whoever is at the head of the executive sits as a member, rather than it just being “in the presence of”. A third suggestion was that the three Back-Bench Members might be elected in the way Select Committee Chairs are.

I would suggest that those are three things to consider. I would not say that I have developed a ready-formed model, which I give to you. That is really the thrust of what I am saying.

Q68 Jesse Norman: That is interesting. Thank you. You will not necessarily have seen this, but we had some very interesting testimony in our last public hearing, particularly from Lord Browne. This echoes some of the points from his experience of corporate life, which is very much along the lines that you describe: the importance of clarity in responsibilities and roles, and also the importance of non-executives in terms of opening up and allowing a wider debate and bringing new perspectives. It seems to me that that very much fits the picture that you describe.

John Thurso: Yes. There are two sides to a non-executive that mean you might want to bring them in. One is to secure a better balance within the executive power structure, and the other is to bring in external expertise. Interestingly, I do not think there is an expertise problem so much as a balance of power problem.

I am seeking to look at whether there are mechanisms by which you can open up discussion and debate to arrive at conclusions by possibly ensuring that the key players, be they the Leader of the House—who has to lead the House from a political standpoint—and the shadow Leader of the House, or the Speaker, who is of course in charge of all the procedure in the Chamber, to allow it to become a more even playing field for discussion.

Q69 Jesse Norman: The other very interesting aspect of your memo that we have not yet picked up is in paragraph 10, where you point out: “It is recommended for both ples through the model code, and for public bodies through the better governance recommendations, that boards undertake annual appraisals which are done anonymously”. Would they be collective processes of self-examination through which individual members can feed back to a third party?

John Thurso: What normally happens is that the company secretary circulates a form, which is anonymous so that nobody knows what it says, and you fill in your thoughts. There are typically questions about whether you are allowed to participate. Do you feel that you have discussed things? Are the quality of the papers good enough? Are issues looked at? Is enough time set aside? Do you get the papers? There are all of those kinds of questions, and the answers are then collated in anonymised form and given to board members, who can then work on what they do to ensure that any areas of weakness that have been identified are dealt with and any areas of strength are reinforced.

Q70 Jesse Norman: Because they wouldn’t necessarily want to put that in the public record?

John Thurso: Absolutely. When I was the senior independent at Millennium & Copthorne, my job was to oversee the process and ensure that all the non-execs and the execs could input into an appraisal.

Q71 Jesse Norman: Would either Sir Alan or Sir Alan want to comment on this? Do you have any thoughts or ideas?

Sir Alan Beith: They are entirely based on John’s experience, but there is a point that I hope we develop at some stage, and it came in your question. I think that clarity of roles, responsibility and accountability for roles, are very important. I could develop that later if you need.

Q72 Jesse Norman: That would be very interesting. Sir Alan?

Sir Alan Haselhurst: I am always conscious of the fact that there are so many different interest groups among the 13,000 pass holders on the estate, which we are here to serve. It is not just about serving 650 Members of the House of Commons, but it is among the 650 Members of the House of Commons that one gets the sharpest criticism and the willingness to be really quite hostile to this mysterious, invisible management, as they see it.

It has calmed down to some extent, but I think the increasing professionalisation of the management side has seen a steady improvement in quality, but there have still been some matters that have not been handled as well as they might have been—that is going back perhaps 10 or 14 years.

I do not particularly want to air the details in open session, but I would be very happy to say things in camera or by presenting a report, but the one fairly obvious area where there has been the widest dissatisfaction, as every survey has shown, is with our information technology. We now know, of course, that we are moving into a new phase. We are setting up a digital office, and so on, but I have had to deal with some very angry Members, and I have perhaps been one myself from time to time when the system has broken down. The professional management has not, to date, provided this Parliament with the quality handling of electronic information that many people who come into the House, particularly in the most recent election, have come to expect.

If I can just say, on the issue that starts all your work as to whether there should be a division between Clerk and somebody else who heads that management team, I think the worst thing that could happen would be to dilute the position of Clerk. I have had the experience in the Chair where suddenly there is some exocet of a procedural point thrown at you. You strain forward and the person in front of you, who knows much more, is able to guide you. If the person in front of you knew less, that would be an unfortunate situation. So I think it is very important to preserve that while looking at the quality of management.

Q73 Jesse Norman: I am sure that colleagues will want to come on to specific issues relating to that. Mr Thurso, you were involved in the selection process for the current nomination for Clerk. There have been public concerns about that process. Could you comment on any shortcomings that you came across from the inside?

John Thurso: Can I just say, at the outset, that we took a decision as a panel that we would come to a collective view, notwithstanding the individual views of Members? I therefore do not want to comment on what I may or may not have thought in that regard.

However, I learned from the process that you have to be absolutely clear at the start as to what you are setting out to do. The Commission met in April and we thought that we had taken a decision to go for a like-for-like replacement, followed by a review of the process. That was a very good thing to do, because there are good arguments on all sides of this, actually—

Q74 Chair: A review of the process or a review of the post?

John Thurso: A review of the post, and to look at the possibility of splitting for the one after. Somehow, in translation between then and the interviews, what I thought we had decided did not come out in the final document—we will leave it like that. As a result, we ended up in a place that had not been anticipated by the decision originally made. I think that is basically it.

So, broadly speaking, it was that the result precipitated a decision, rather than the decision precipitating a result. I would like to leave it at that, if I may.

Q75 Jesse Norman: But a consequence of that view was that the process that followed was not compatible or consistent with the decision of the Commission.

John Thurso: No, I do not think that I could say that. The process of going from what had been a decision to the ultimate recruitment process involved some changes along the way in a manner that meant that the totality of what was decided was not appreciated through the process of change—I have got a second job as Sir Humphrey, by the way.

Chair: I am not trying to stop you, Mr Norman, but we need to move on.

Q76 Jesse Norman: May I ask one final question? Mr Thurso, you have talked in a written answer about the role of Saxton Bampfylde and the fact that its representative was not called on to comment on the recruitment by the panel. You also said that no notes were provided about one candidate's background in terms of investigations into them—that is all on the public record. Can you help us with anything in that regard? It does seem strange for a panel making a selection not to have been informed of such material facts on a matter of this delicacy and importance.

John Thurso: We know each other well from our joint service on the Treasury Committee. I hate to do this, but there are some potential legal issues and, therefore, I have to rest with the answers I have given formally on behalf of the Commission. I really feel I cannot go beyond those answers at this time without taking advice from my Clerks.

Q77 Jesse Norman: Even in response to a Select Committee request?

John Thurso: There are some difficulties. I do not have much to add to the answers I have given. I have given my personal views, which I am very happy to do, and I am very happy to talk about the role of my Committee but, as the spokesman for the Commission, there is a process through which I am assisted to ensure that the answers I give are legally correct and stand up to scrutiny. I do not have that armoury with me, so I would happily answer any question but I have not come equipped to give answers beyond those I have given formally.

Q78 Jesse Norman: Finally, for the avoidance of doubt, are you implying that there are, potentially, legal proceedings in play on the matter?

John Thurso: There is the possibility. There is not a legal proceeding at the moment but we do not know whether there may or may not be, for some obvious reasons. Therefore, I would not want to be the person who inadvertently prejudiced that by incautious remarks here. I am being very cautious but I hope you will forgive me, given the circumstances.

Chair: You are, but obviously that is a matter for you.

Q79 Sir Oliver Heald: I am going to ask you about 2011, when we were doing our first semi-open selection for a Clerk of the House. I think I am right that one of the staff here, Susan Craig, who is an expert in HR, was involved in designing the process, which was scoped out. A decision was made about who would be invited for interview. A job description was written, and I think you were both on the panel that interviewed five credible candidates, as I understand it—without mentioning them.

John Thurso: indicated assent.

Sir Alan Beith: indicated assent.

Q80 Sir Oliver Heald: In the end, Sir Robert Rogers, who has just been ennobled and is very highly regarded here, was chosen. We are obtaining the report of that process, which was made at the time. Would you agree that it was an excellent process that produced a good result, that it was well scoped, people were drawn from a sensible pool, there were five credible candidates, and that it was a suitable way of choosing a Clerk?

John Thurso: The broad answer to your question is yes. Prior to that appointment, it mainly had been the Speaker's choice from a couple of names. The current Speaker decided that, in the modern world, that was not appropriate and he therefore initiated the design of a more open and transparent process. He invited an external—

Q81 Sir Oliver Heald: Sheila Drew Smith, I think. Is that right?

John Thurso: I think so; I cannot remember. A job description was drawn up, the process went well, and the result was that Sir Robert was appointed. Therein lay the seeds of some problems that came later because the start point from the Commission was that we would repeat that process. However, many members of the Commission have changed since that time. One thing that was not appreciated was that, in the selection for Sir Robert, Mr Speaker chose the Members who were to be on the panel. He may well have had advice, but he made the decision, so there was an assumption that he would make the decision on the second occasion, whereas a number of people assumed that it would be the same people.

There was a mismatch of understanding, which caused part of the early problems. It was nobody's fault. There was nothing by design; it was just a misunderstanding. It goes to the heart of the point I made earlier: I have learned that you have to be precise in what you do and precisely lay down the minute of what you have decided.

Chair: Mr Heald, perhaps you could just come back with one supplementary and then we can go back to the—

Q82 Sir Oliver Heald: Yes, I was going to ask Alan what he thought.

Sir Alan Beith: I was invited to do so because I took part in that process. It was relatively unambiguous in that we knew what the job was.

Q83 Chair: In 2011?

Sir Alan Beith: In 2011. We were entirely clear that we were looking for someone who could combine the duties of Clerk at the Table, and head of the management structure of the House. We had candidates who fully satisfied that requirement. I think there was an underlying ambiguity which in the end we did not have to face. We could have appointed somebody who was less obviously equipped for the role of Clerk at the Table. Some of us certainly felt that this was an issue that we would have to look at before it was next considered. As it turns out, I was not invited to take place in the most recent recruitment.

I should perhaps add that the process in which the Commission was involved in this choice goes back a little further than John implied. I took part in the appointment of Sir Kenneth Bradshaw as Clerk of the House, for example. We had quite interesting discussions on that and on another occasion when a Clerk was appointed. The Speaker clearly had a view, but that view had to be exposed to the views of other members of the Commission. In one of the two appointments I am thinking of, some compromise had to be reached.

Sir Oliver Heald: That is very expertly put. Am I allowed one more question?

Chair: I will come back to you.

Q84 Sir Oliver Heald: I just wanted to make one point, if I may, Jack. This is obviously a very strong panel for this purpose. The panel who dealt with this in 2011 was advised by Mrs Craig, who had worked here for a very long time and is an expert in HR, but fully understands this place. All the members of the panel were very knowledgeable and experienced and highly regarded here. Do you think that made any difference to how well the process went in 2011?

Sir Alan Beith: I think that having an experienced HR adviser ensured that we followed some procedures which were slightly unfamiliar to some of us and seemed sometimes a bit formalistic. But they at least caused us to think carefully about how we made our choice. They were part of the process of moving from the Speaker's ideas being challenged around a discussion to a proper process of appointment.

Q85 Jacob Rees-Mogg: I will try to get us back to our schedule. There have been some very interesting answers on the need for clarity and the problem that came about when a decision got translated in transmission.

When you look at the various governance arrangements, have your respective Committees found that you have ended up sidestepping the arrangements that are formally laid down or have other people sidestepped them so that you find that the decisions you thought you were taking were taken by other people? Alternatively, have you slightly used your authority—this may be mostly for the Commission rather than the others—to override discretions that had apparently been given elsewhere? I am trying to find out how these interrelations work and what level of clarity there is currently as to who does what.

John Thurso: If I can start from F and S. When I was appointed to the Chair and the Commission at the start of the Parliament, the Commission had set itself a savings target but had done very little work. I met with the Officers of the House and looked at what needed to be done. I felt really strongly that our terms of reference needed to be improved.

I went to see Mr Speaker to discuss with him how I saw the Committee running and got his agreement to support that. I then organised a meeting between all of my Committee and all of the Executive—basically the directors general. We worked together to scope out how savings would go. The critical point that I felt was central was that we were not about salami-slicing costs because we are a legislature and we have to have the resource to do it. It was about looking at what we wanted to achieve and seeing how best, using modern technology or whatever, to get there. I was heavily criticised in some quarters for getting rid of leather-bound books, for example, for *Hansard*.

Jacob Rees-Mogg: Very modestly, by me. I did not complain that much.

John Thurso: So we established very early on a working model which was officers who could work with us and trust us. But equally, it works both ways. We have asked the Procedure Committee to have the word “services” taken out of our title, because I think the Committee should be very clearly focused on the financial aspects and should do the heavy lifting and the detailed work, but ultimately we advise the Commission and it can reject or accept our advice.

I set a target for myself that we would never have our advice rejected, with one small exception: where we were unable to give advice, because we were divided on the Committee and I therefore gave my own advice—and one half of the Committee and the other half of the Committee—and said, “This is it.” Apart from that, we have always given advice. We have done it in quite a detailed way and it has been accepted by the Commission.

The Committee itself has disagreements. How we work it is that normally we produce unanimous advice. If, however, there is a small dissent, the note that I produce for the Commission states, “This is our advice”, but that there were one or two dissenting members. If, as on one occasion, we are pretty well evenly split, we say that, but we do not take decisions. We decide what advice to give. Sometimes we say, “There are two courses of action and you can choose either; these are the benefits of one and these are the benefits of the other. On balance, we think it should be this one, but it would be perfectly logical to take the other one, provided you understand the consequences.”

So we do quite a detailed bit of heavy lifting and we meet the officials very regularly. We have tried to develop a relationship where the officials trust us, so they can give us detail, and we then can trust them that we will never be blindsided, and it seems to be working.

We have had difficulty in our relationship with Admin, only because some of our members on each of our Committees tried to raise things that are better placed in the other Committee, but I have had an excellent working relationship with Sir Alan. We have written a protocol and we both, as Chairs, adhere to that as much as we can. There is always going to be a bit of give and take. I am not terribly worried about it and I think that as long as you have somebody like Sir Alan running Admin, there is not going to be a problem. You will work it through.

Q86 Chair: You would be inviting us to recommend the removal of “services” from your title and terms of reference.

John Thurso: Yes, I would. I think it slightly detracts, because some members of my Committee feel that after Admin has done a great deal of work on how to frame a particular service, our job is to unpick all that and say, “No, they want to do it in a different way.” My view is that once Admin has decided that a course of action is the best way to deliver for Members, our job is to look at the financial aspects of that and ensure that it represents good value for money. They are two different jobs being done differently and what I keep trying to do is just make sure that we stick to our own areas.

Sir Alan Haselhurst: Admin is all about services to Members. Once we have got over, in Committee, that initial suspicion and difficulty at the start of the Parliament about their view of management, and we have a more cordial and understanding relationship with management—as I have said, not all management is as perfect as it should be—we have some very good relationships. I understand the work they do and all the staff with them. I am quite proud of the fact that such a high percentage—77%—of our recommendations have been accepted. One or two are still just shy of being implemented, but nevertheless, I think that is not a bad record.

The biggest challenge was in being told that we had to get the catering and retail deficit down from £5.9 million to £3 million by the end of this Parliament, with all the agonies that that produced for certain of our consumer groups. We are on target to get it to £2.7 million, I think, at the end of this Parliament. We have made great strides in catering—in its quality and availability—and we have done some sterling work on the retail side. We have separate management on the retail side, which has boosted our income very considerably in that way. That has been good.

I think that one has to accept that the job of the House of Commons is complicated by the fact that there is another House within the Palace of Westminster, where more services could arguably be integrated to better effect. Quite a lot of my time has been spent—agreeably, I have to say—with my opposite number in the Lords talking through certain things, and there are clearly some different points of view there that I would like to alter in some respects, for what I think would be the better running of the Palace.

One complication has been on the line of route. The first thing the previous Lord Speaker said to me on my appointment was, “Alan, what are we going to do about the congestion?” We now take everybody in through the North Door, trail them through the building and bring them back again, which is hopelessly inefficient. We have not sorted that yet, but that is an illustrative case where a difference of opinion at the other end makes it difficult for us here.

Q87 Jacob Rees-Mogg: If I can follow on with the workings of Committees. How much direction do Chairs of Committees give to staff and how much of that is done through the management?

John Thurso: The Commission has the authority; that is where it all comes from. It delegates on one side by instruments of delegation to the Management Board, which is capable of taking decisions. It delegates the detailed work of receiving its advice to the two Member Committees. Then there is obviously a read-across between the Member Committees and the management.

I cannot think of an instance where my Committee gives a direction to management, but we do undertake scrutiny. We had a session yesterday when we looked at the refurbishment of the northern estate, where, quite apart from restoration and renewal projects, we will spend something in the order of £500 million. That is a very considerable sum of public money. Our job is, first, to ensure that there is a genuine need; secondly, that governance arrangements are put in place; thirdly, that there is a proper Programme board that is doing this professionally, so that it is not an ad hoc thing in-house.

Therefore, you come out with something that is properly costed and meets the Treasury's recommendations for optimism bias and all the rest of it and that can then go ahead. It is also an immense risk to restoration and renewal. If that work were not completed on schedule in 2020, the R and R could not start. That is the sort of thing that we go through. We will highlight the risks. Janet Gaymer, Chair of the Audit Committee, told us what the Audit Committee was doing. She highlighted the fact that our internal auditor gives a moderate degree of assurance, which is adequate but we should be higher, and the House is aiming higher.

It is a two-way street and it feels complicated but, curiously, it works. The interface between the Committee and the Management Board leads to final papers going to the Commission that have been tempered on the anvil of those two approaches. Therefore, when the Commission takes its ultimate decision, it is doing so with the input of management and of Members at that interface.

Sir Alan Beith: I would like to make clear, if I could, that in this process the Liaison Committee is a consumer rather than a manager. My colleagues both belong to it. It contains some of the most senior Members of the House, the majority of whom have been elected to the positions that they hold by the House as a whole. Therefore, they feel they ought to have some authority in these matters.

Our Committee is a consumer and we go to the Finance and Services Committee for approval for our budgets, and I may say we have a very positive engagement with them. We have negotiated with them—and with their careful analysis—an £850,000 lift to the budget for Select Committee work in the next Parliament, because we want to hand on a legacy comparable to that we received with the process of election that set up Committees in this Parliament.

The other major area of engagement is around the staffing of Committees. That is an area where, as you can imagine, Chairs can feel quite strongly if they feel they have not got enough staff or people are being moved. That responsibility is carried out by management, not by the Committee. I think it would be wrong for the Liaison Committee or anybody else to become involved in the HR management of staff. However, as Chairman of the Liaison Committee, I work as closely as I can with the management, the Clerk of Committees, to

ensure that the needs of Committees are met in a way that allows us to maintain a service, with people receiving appropriate promotion and having their careers developed.

John Thurso: May I add something very important? I would never consider that it is the role of the Finance and Services Committee to tell the Liaison Committee that it can or cannot have resource.

Our job is to scrutinise the request and put it in the context of the overall budget. However, when I presented the request that we have received and advised the Commission that I thought and my Committee thought it was reasonable, I made it very clear to the Commission that it was for the Commission to look at the fact that some of the most senior people in this place were making the request. I said that it was not for me, as Chair of Finance, to say no to that. It is for me to advise on the quality of the bid and what it can achieve, not on whether it should happen.

Sir Alan Haselhurst: I have never seen it as my role to issue directions to management and heads of department, but if the Committee has a view on something, it is my job to liaise with those people and make suggestions, and I am very happy to have a discussion. If I am told that the suggestion is impracticable, not wise or anything of that kind, one has, one hopes, a proper discussion. However, I have certainly thought that we should be a source of suggestions. Some of the managers know that I have produced a lot of suggestions for consideration, and a fair number of those have been accepted.

If I have ever felt slightly more haughty about something, it is when I have seen the ever-longer queues of people waiting to get into the building—mixtures of captains of industry, ordinary visitors and people who have appointments with Members of Parliament and they have been kept waiting for more than an hour in all conditions.

I do then get somewhat impatient with the rulings of English Heritage that we are not allowed even to put a cover over the ramp down towards the Cromwell Green entrance. It has been only through the insistence of our Committee that Cromwell Green itself has been revamped to have the capacity that helps us to avoid those queues. Yes, occasionally you press the loud pedal but, I hope, never disrespectfully, as to what has been going on.

Q88 Jacob Rees-Mogg: I am generally getting the impression, from these very helpful answers, that the various Committees do not necessarily have very specific remits, but that they work very much on the relationship between the chaps who decide what they will do and what others will do—how much they respect the decision making of others. As you were just saying, Sir Alan, you view your role as not to tell people but to consult and discuss, so the decision making emerges in the way leaders of the Tory party used to emerge, rather than there being clear-cut lines of decision making. Is that fair?

Sir Alan Haselhurst: Well, we make recommendations and we are working within the budget set by the Finance and Services Committee, which in turn has received overall direction from the Commission. I would just like to see all that a little more integrated than it has been.

John referred at one point to the blurring that there is sometimes between the membership of the two Committees in wanting to revisit decisions. When the Administration Committee has joyfully or reluctantly decided that there must be some price increases, one does not want that to be unpicked at the next level up. We spent some time arguing about what the price of a slice of toast should be. That is absurd. We are set a target. We must try to do what the Finance and Services Committee has asked us to do, and we have done that, as will be shown by the end of this Parliament, quite effectively in obeying an instruction and achieving the target that we were set.

I think that it is diminishing then to say to members of the Administration Committee, who give their time, “Well, actually, we just want to rehash every single decision you have made.”

Q89 Jacob Rees-Mogg: That happens really because of the good will between the two of you, rather than because of formal delineations. Do you think that it would be helpful if this Committee recommended more formal delineations of authority?

Sir Alan Haselhurst: An enlargement of the protocol, which we have—I think that we are already in a happier situation now, towards the end of this Parliament, than perhaps we were at the beginning of it. However, I stick to my view that the person who holds the Chair of the Administration Committee should also be on the Commission.

John Thurso: We are constituted under Standing Order No. 144, and our principal task is to scrutinise, with the assistance of the Management Board, the Estimate. I regret the fact that we do not have more proper Estimate debates on the actual Estimate, rather than the debates that we have on Estimates that are to do with something else, but our job is a very important one, because the one thing this Parliament does is scrutinise the Estimates for Government, so we must scrutinise our own Estimate. That is our core function. In order to give life to that, we put together the remit to which I referred, which was agreed by the House of Commons Commission on 22 November 2010. I can get a copy for you, if you haven’t already had it. The remit sets out very clearly how we go about doing it, but it is basically about ensuring that there is a long-term financial plan so that you can plan over a number of years, and indeed across Parliaments. We now have a financial plan going forward to, I think, 2018.

When I was first on F and S, we did not have management accounts or a finance director. We now have a finance director on the Management Board, and we are approaching high-quality management accounts, but there is still work to be done. These are all things that we can scrutinise, but ultimately we are giving advice to the Commission. Of course there is overlap, because there is a consumer body in Admin and a financial body in F and S. I think there will always be rough edges, but it would be helpful if we could get to a point where we can make it more obvious.

Chair: Thank you very much. Now Mr Heath will lead questions relating to the relationship between the Clerk and the chief executive.

Q90 Mr Heath: Which we mentioned earlier. Sir Alan, you said that it was important not to dilute the role of the Clerk. I am going to take it as read that we recognise the importance of the Clerk as Clerk, and the advice that he or she gives to the House. It could be argued that there are two ways of diluting that authority. One is to remove the chief executive role from the Clerk, and the other is to say that pulling the two roles together dilutes the role of the Clerk, in that the Clerk has a separate suite of responsibilities that he or she may not be best suited to if you want the best possible legal and procedural advice for the House. In your view, what would be the effect on your Committees' work if the two roles were separate?

Sir Alan Haselhurst: I stick by my view that the reputation of the House of Commons is as high as it is across the world—and this is why people wish to come to talk to our Clerks and to our Members—because we are so highly respected. The Clerk is known to have been consulted at various times on crucial issues such as the impeachment of the President of the United States and so on. Anything that diminishes that role would be a great mistake.

I know that the most recent Clerk, who was a very distinguished holder of that office, strongly believed—and believes—that the executive responsibility can also be dealt with in the one post. There has been increasing doubt about that over recent years, and the argument has been rehearsed in the past. There is the legal difficulty to be overcome that, in the end, there has to be a chief accounting officer, but I am now tending to the view that the management side of the House is sufficiently large and all-embracing that we perhaps need someone to bring extra authority to the Management Board, and perhaps be the spokesman on the Commission for the Board, alongside the Clerk. I would agree with Sir Robert's public statements that you need the knowledge of Parliament alongside the decisions that are otherwise made in relation to its fabric and arrangements, and so on. You could have someone like a chief operating officer, who would be the Chair of the Management Board and would sit alongside the Clerk within the Commission. Throughout my time as Chair of Admin, Sir Robert was very robust when real issues needed to be decided at the highest level. I still think that perhaps some of the issues wouldn't have gotten that far had we been a little bit more capable on the management side—the professional side—of our business.

Sir Alan Beith: Let me put it this way: whatever emerges, if the Clerk of the House lost authority, many aspects of the House would suffer and Select Committees would suffer in particular. If the Clerk lost authority in his ability to stand up for the House, it would have implications for Select Committees, both directly and indirectly, because it would be reflected in the authority held by the Clerk of each Select Committee. Select Committees from time to time will be in conflict with the Government. They may be in conflict with outside bodies or organisations who are declining to come and give evidence. There may be the possibility of using enforcement powers. In those circumstances, you need not only very good knowledge of the procedures and rules, but unquestioned authority: if the Clerk of the House says this, it must be acted upon. So that is something that has to be preserved.

Along with that, although separate from it, I attach some importance to the Clerk of the House retaining the ability to manage and develop staff, not just the Clerks Department, but a range of staff servicing Committees. In local authorities these days they call it democratic services. We have extremely good staff in the House, but they do require management. The right people have to be brought to the right career stage when they are needed in many different Committees of the House. If somehow that was administered by

somebody who didn't have much to do with the real functions of Select Committees, that would be dangerous and damaging. It is one thing to have a services manager who makes sure that this room is available to us, that the sound system works and all that. My hope is that that can be organised and the right level of executive authority given to that without detracting from the very necessary authority on which Select Committees and the House as a whole depend.

John Thurso: My start point is: what do you want to achieve? There are a range of models in different places around the world and in different organisations which do it in different ways. I don't think there is any theology attached to this. What I do think, which we sometimes perhaps forget, is that our primary role is operating a Parliament, operating our Chamber and our Committees in scrutinising legislation, holding the Government to account and acting for our constituents. We must never lose sight of that as the start point.

It seems to me therefore that the head of the services that deliver that for us, which is obviously Library, Committee Services and so forth, will also be of primary importance to what we do. I would find it very difficult for the person who heads that up to have a barrier between them and the Members, if you like—the kind of executive that they have to go through to deal with that. That does not mean that your facilities have to be run by the same person. It is about where the authority lies.

As an aside, we will be facing the challenge of the R and R programme going forward. We will almost certainly have to compose a delivery body. It will be something like the Olympic delivery body. It is not beyond the wit of all of us to imagine a scenario beyond that where that delivery body became the body responsible for the fabric of the building. It might do it for both Houses. It could take on the delivery of some of the services. We might therefore have an external delivery body that reported into the House and did what the House told it through the Clerk and the bodies, but was actually a delivery body. That might work. It is an option. It is another thing on the table.

It is equally not always the case that a Clerk will come with the ability to be a fully formed chief executive. There is great merit in examining the different models. My preferred model—this is purely me on my own; it comes with nothing else—and I wouldn't bother calling him the chief executive, is to have the Clerk in charge and chairman of the management board, and having a chief operating officer who would be the focal point for all of the facilities side of it. I was very attracted by that and it seems to me quite a good step to take. If that worked incredibly well, you might want to take another step. I was always very cautious about leaping straight to a completely non-procedural chief executive—somebody like me from the hotel industry suddenly taking over running everything and there is a Clerk reporting to me. The test for me is who is either the gold or the platinum commander—

Chair: Gold.

John Thurso: Right. So when something goes utterly pear shaped, the Clerk is hauled out of his bed and across to 10 Downing street to give the answers. I don't think anybody is going to come between the head of the procedural service and that activity. Therefore, if you have a gold commander, can you have somebody who is a gold commander in that sense but, in other senses, has somebody over them? That is the complexity of the question.

Q91 Mr Heath: It struck me in the earlier evidence that all three of you gave that you did not at any point mention any interface with the Clerk of the House qua chief executive. It was heads of service and Clerks of Committees—that is where your interface was, rather than with the Clerk of the House.

John Thurso: Let me correct that misapprehension. First, on the Audit Committee, the Clerk is very much in attendance. He is there in exactly the same way as the finance director is there, and in exactly the same ways as in a plc, where the chief exec and finance director would attend, although they are not members, so there is considerable interface there. The joint meetings between the Committee and the Management Board were always with the Clerk there, so I regularly met with him. The head of his office attends every meeting of the Committee and reports back, and he would very often ask to see me to talk about things that have come up and ask whether I was getting support or whatever. I apologise if that was not made clear, but when I talked Management Board, that included its Chair.

Sir Alan Haselhurst: I certainly did not mean to give any impression of that either. I did, in fact, refer to my ability to go to the Clerk when I felt frustrated that I was not getting what needed to be the right answer in certain situations. I go back to the example of access to the Palace. It was, in the end, by going to the Clerk that we got the tent outside St Stephen's, which had the effect of reducing the waiting time to about 15 minutes. It was in complete defiance of planning laws, so we are on sufferance at the moment, but the decision was made at that level because it was intolerable that people were not able to get into their Parliament to help it do its business.

Q92 Mr Heath: Thank you for that.

John, you raised an interesting subject, which we will clearly need to at least think about, although it is beyond our strict remit. If you had, say, a chief operating officer or chief executive separate from the Clerk of the House, should we be entering negotiations, if no more, with the House of Lords to see whether they are having the same thoughts about the Clerk of the Parliaments, and about whether a chief operating officer should take responsibility for the Palace, rather than for only the House of Commons?

John Thurso: I remember very well from sitting on a Committee in the House of Lords how prickly we were about approaches from the Commons. I doubt anything has changed.

Q93 Chair: Leaving aside the prickliness, what should happen?

John Thurso: They have a different structure. There is a joint meeting of the Lords Audit Committee and the Commons Audit Committee, and I have argued for more co-operation. The obvious thing is that we should be co-operating far more. The good news is that there is now one procurement service for the whole Palace, which happened to my great surprise. That is a good thing, but there is a huge amount more. We now have PICT and

procurement. Security should clearly be one service, and there is a review of that going on at the moment.

Q94 Chair: Why shouldn't there be a single service for everything, including the Clerks, as there is a single civil service for Great Britain, although not for Northern Ireland? The civil servants who serve the Scottish Executive are loyal to them for the time they are doing it. That would surely assist career development, not least for the much smaller branch of Clerks at the other end. What possible reason is there for having two catering departments and, although not physically two Libraries, two sets of Library staff? How does that benefit anybody?

John Thurso: Can I divide the facilities provision from the procedural side? In respect of everything that is to do with facilities, I couldn't agree with you more.

Q95 Chair: Including Libraries?

John Thurso: That is on the cusp; one can argue that both ways. The core principle of our bicameral system is that the two Houses are each sovereign. I think that it would be very difficult to persuade the House of Lords to become part of one service in some areas of procedure, because they might feel that their sovereignty was being taken away. That probably would be a bridge too far.

Looking at facilities, I see absolutely no reason why all those things should not be in one service. The Library may well be one as well. The number of staff who are in the Parliamentary Estates Directorate, who are in catering and who are in all of these things, who happily work already, could easily work in one unit. I would go that far, but I would not die in a ditch over the Library. Having been heavily involved in Lords reform for many years, the art of the possible is something I find extremely attractive.

Q96 Mr Heath: We have a unique witness here: Viscount Thurso, now Mr Thurso. It seems to me that a lot of the prickliness, although perhaps I am completely misreading this, is any perceived threat to the relative positions of the Clerk of the House and the Clerk of the Parliaments, their unique positions of being answerable to each House separately, and any order of precedence there may be between the two. If you take away that obstacle, is there not then much more capacity for finding common cause in the tier of services?

John Thurso: I would genuinely be very cautious about that. Their lordships operate in a completely different way. For example, if you take any amendment that is laid in the House, it is the property of the House and must be heard, and the Chair cannot do anything about that. There is a range of procedures that are subtly different. Many people know that I want to reform the place, but there are great strengths in its scrutinising ability. Anybody who has had a serious Department will know how difficult it is to get stuff through the Lords, and how much attention you have to pay to the Lords.

Chair: This is true.

John Thurso: As someone who has scrutinised legislation in the Lords, I know how much more power I as a Peer had to put things down on Bills—a power that has long gone from this House. I would therefore suggest, as somebody who has a huge love for our Parliament, that we need to be very careful about dismantling things that work. There is a real and good job of looking at a vast amount of cost around the whole business of facilities, but when you move into the bits that are to do with our constitution, which is unwritten and so complex, you never know when you have pulled out the one brick that makes the whole edifice collapse. That is why I urge caution.

Sir Alan Haselhurst: I have been racking my brains while John has been answering your question from my exposure to Commonwealth Parliaments in the past three years. I think most of the bicameral Parliaments have very different procedures between their two Chambers, though they might well have common services. I agree with the division that John makes. On procedure, we should be extremely careful because every separate House tends to guard very zealously the way it does things, and that is usually different from the way the other House does. However, the provision of restaurant services, and I would say Library services—all services that are there for the benefit of the legislators who inhabit this Palace—could be combined.

Mr Heath: For the avoidance of doubt, I have not suggested in any way that procedure should be brought into commonality.

Sir Alan Beith: Could I quickly mention that in the Select Committee world we have to deal quite a bit with Joint Committees? There are problems with Joint Committees because they are generally appointed on a Government motion rather than through an elected process. Of course, they involve the support services of both Houses being engaged around the same Committee. There will be a Commons Clerk and a Lords Clerk, and they work out ways of dividing the task between them. The two worlds are not entirely separate; they enmesh quite significantly in Joint Committees.

Q97 Sir Oliver Heald: Do you have any views on how Members should be selected for your Committee, how long they should serve and what key skills they should have? Is your Committee the right size?

Sir Alan Beith: I can answer. Is it the right size? Not in principle. A Committee of over 30 is quite difficult to manage. Indeed, for question sessions with the Prime Minister, the Committee has agreed, in the course of this Parliament, that only about a dozen of us should be present to take part. I have a great appreciation of my colleagues' readiness to do that to make those sessions effective. However, my Committee is selected by its very nature—all Chairmen of all scrutiny Committees and other administrative Committees are automatically members of it. We just have to manage it, despite it being much larger than one would ideally want a Committee to be.

Q98 Sir Oliver Heald: What about you, John?

John Thurso: I think my starting point is that we have decided as a House to elect Chairs and to allow internal selection—hopefully by a democratic route—within parties for

Committee members. That is a good; it should be opened up. At the root of everything, we are a democratic Parliament, so that is appropriate. The size is broadly right. If everybody came all the time, you could probably shave one or two off, but you need to ensure that the Government, the Opposition, other parties who may be on one side or the other, and minor parties and so on, are properly represented. It is important that there is an ability to have representation, so I think that the size of 11 remains appropriate. There will always be the problem, in any Committee of the House, that the skill sets of getting elected and of delivering executively may not entirely match. Therefore, people with an ability to get elected might not always be the best people to do things, but that is the risk we take.

Q99 Chair: That is an argument against democracy itself.

John Thurso: Exactly, and therefore it is one that should be discounted. Looking at the quality of people who come into the House, some may not have the specific skills, but I think they have the intelligence to see quickly what it is. I suspect that if you make it very clear in the job description, as it were, what is ideally required, you will tend to get people who have interests in that direction putting themselves forward. I would go back to saying that I trust the elected route.

Sir Alan Haselhurst: I think the Admin Committee is slightly too large for a Committee of that nature. Although, on the whole, you want people who are going faithfully to pick up what colleagues and other interest groups on the Estate are saying, you need to be more businesslike. You need to have stability. I think it is questionable whether Whips should be appointed to it on the Government side.

Chair: So do I.

Sir Alan Haselhurst: What is so maddening is that, having been appointed to it, they find that they were appointed to look after a statutory instruments Committee at the same time, so it negates their usefulness in terms of being there to maintain a quorum. We could be more compact, but that requires a commitment by the people who are chosen, whether by election or otherwise, to do the work and read the papers. It is quite irritating when you get somebody coming on to the Committee who really wants to rehearse a decision that was taken a year ago, before they came on, and which is unlikely to be revisited. You do not really want someone who comes with a real hobby-horse, only wants to be there for a few meetings to have a go at that point, and is not really interested in the rest.

Chair: Thank you very much. It has been a terrific session and we are very grateful to you.