



House of Commons Governance Committee

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

Tuesday 4 November 2014

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Written evidence from witnesses:

- [Rt Hon David Blunkett MP](#)
- [Rt Hon Peter Hain MP](#)
- [Public Administration Select Committee](#)

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Members present: Rt Hon Jack Straw MP (Chair); Sir Oliver Heald MP; Mr David Heath MP; Jesse Norman MP; Ian Paisley MP; Jacob Rees-Moggs MP; Valerie Vaz MP and Mr Dave Watts MP

Questions [100-178]

Witnesses: **Dame Janet Gaymer DBE QC**, external member and acting Chair, **Barbara Scott**, external member, and **Alex Jablonowski**, former external member, House of Commons Management Board, gave evidence.

Q100 Chair: Dame Janet, Mr Jablonowski, Barbara Scott, thank you for giving up your time this evening. As I have explained, because of the Whips I am afraid that we shall be interrupted by votes from about quarter to 6, which means that we shall have to truncate both sessions. Thank you for agreeing that we should finish your session at 5.15. Thank you, too, for the Management Board evidence, which we have all read.

I wonder if I could begin by referring to the Management Board evidence at paragraph 6.1, where they say: “We do not feel that the relationship between the Board and the Commission is sufficiently collegiate.” There are some comments there, but I wonder if each one of you, or whoever wishes to come in on this, could say how you think this greater collegiality between the Management Board and the Commission could be achieved.

Dame Janet Gaymer: Can I make a preliminary observation?

Chair: Please do.

Dame Janet Gaymer: It seems to me that, in looking at this, it is very important to look at the governance structure as a whole. That comment is very much part of that overall view. When I joined the Management Board, I must say I was surprised that there were no non-executives on the Commission. That struck me as unusual. And I have to say, from what I have seen in practice, I do think that would be a good thing to do. Sometimes the relationship between the Management Board and the Commission works well. There are occasions, though, where it has not worked well. Sometimes that has not been due to either party's efforts; it has been due to outside events. But I do think it would be better if there was a better working relationship between the Management Board and the Commission.

Having chaired a major international law firm, I have been struck by the similarities between the professional service firm model and what happens here. Of course, in that model you have policy very firmly dealt with at board level, under the senior partner, who chairs the board, and underneath you have the managing partner, dealing with executive matters. That distinction is very important.

Q101 Chair: By all means, Mr Jablonowski and Barbara Scott, if you want to say something preliminary as well, please feel free.

Alex Jablonowski: I don't think governance is broken, and I think it works adequately for business as usual, but it is very, very complicated—between the Speaker, the Clerk as accounting officer, the Commission, the Committees, and individual Members who get involved in House policy issues. I echo very much Dame Janet's remarks. We have often seen a very convoluted and difficult decision-making process. When it is business as usual, that is one thing, but I think this is unduly complex and does require simplification. I don't think it is fit for purpose when you look at directing a very complex, £1-billion-plus refurbishment of the House and decant. It just is not fit for purpose to direct that, so it needs to change. How do we do that?

Dame Janet cites a professional law firm example. I cite the German major company example, where you have a supervisory board, which is policy, high-level, the great and the good, outside representation including union representation; then you have an operational management board that gets on with it day to day. The problem is that at the moment, the two are hopelessly intertwined.

Q102 Chair: So you think one of the problems with the Commission and the Management Board is that the responsibilities of each are not clear.

Alex Jablonowski: Absolutely. And the Management Board—sorry, supervisory board—the Commission and Committees get involved in some very, very trivial stuff, which should just be left to management to get on with. Equally, the Management Board has attempted to grapple with some very high-level strategic and policy issues and has not been able to get the traction with the Commission.

Barbara Scott: I agree with what Janet said initially, which is that you have to look at the whole picture, and the flow of decision making for any organisation. For me, when I first came here, that is what was lacking. There seems to be no continuity of decision making

because you do have this gap between the Commission and the Management Board. Non-executive representation on the strategic hub, which in this case is the Commission, is quite normal; in fact, it is normal for a non-executive to chair the strategic hub, so that they act as the referee. You don't get the groupthink.

I was very surprised that there wasn't the linkage between the Commission and all its Committees—for example F&S and the Administration Committee and the audit committee. There would normally be membership from those on the central body, to ensure that the decision-making process is based on knowledge, and without gaps. The simplest way to look at it is, the agendas of the two bodies—the Commission and the Management Board—very rarely match, and yet we are supposed to be driving forward the same agendas.

Q103 Ian Paisley: Should the boards be amalgamated—have one board doing the job?

Barbara Scott: You would need an operational board to drive the strategic direction forward.

Q104 Ian Paisley: I am thinking of the skills and what we are trying to achieve. Should that be amalgamated into one board—streamline it and deliver?

Barbara Scott: You would still need an entity—an executive team or board, which I see the Management Board as. The strategic hub is to set the direction, not to do the work.

Q105 Jesse Norman: Mr Jablonowski, you have said that you do not think that the Management Board has the capacity to manage major projects.

Alex Jablonowski: I am saying that I do not think the combined structure of the Commission, its sub-committees and the Management Board, in their present state, have the capability to direct a major project such as the House's refurbishment.

Q106 Jesse Norman: Right. Your analysis seemed to be that the right model was a Commission acting as a supervisory board which sets direction, strategy and policy and then a Management Board which is operational in character and focused on execution. Is that right?

Alex Jablonowski: Yes.

Q107 Jesse Norman: Can I ask for comments from Ms Scott and Dame Janet on that model? To what extent does it differ from the model you advocated earlier of the professional services firm?

Dame Janet Gaymer: It is not very different. This is important: there is a distinction between policy and setting strategic direction at the top, and delivery and the executive arm

underneath. It is those two elements, and it is so important to be clear—I know that Lord Browne has already said this—about who does what and who decides what, and being very clear about where those repositories are.

Barbara Scott: I would agree.

Q108 Jesse Norman: That is very helpful. As a consequence, the Management Board's job is not one of strategy. It is one of execution and implementation. If the Commission functioned properly in this model, it would be setting strategy in an appropriately consultative and long-term way—if I have understood that line of thought.

Dame Janet Gaymer: It would feed into strategy because it will have views about strategy. At the end of the day, the top sets the direction.

Q109 Jesse Norman: Good strategy is always conditioned by what is achievable.

Dame Janet Gaymer: Absolutely.

Barbara Scott: Absolutely.

Q110 Jesse Norman: The question is then how the Commission has the capacity to execute that role versus the structure you described.

Dame Janet Gaymer: That was one of the comments I made about non-executive directors. One thing I have found from sitting on boards with non-executive input is that an external view is brought into strategic and policy thinking. When I chaired my law firm, we introduced non-executive directors to our main board and the difference in the decision making was amazing. It was so much better. We were told uncomfortable things, but it was very good for us because it made the final decision much better. That is often the role of non-executives.

Alex Jablonowski: There are two points here. The first is that you have to have an external perspective to keep people honest and show them the world, so to speak, and give them that challenge; I agree with that entirely. The second is that appointments to the Commission are on a fairly structured, party political basis at the moment. If you are looking at how to construct the Board, I would suggest that you do it not ex officio but in terms of capabilities. You would choose the best people for the Commission, not necessarily because they were fulfilling a certain political function.

Q111 Chair: Am I right in assuming that, in all of your experiences, where you have one overarching board and one managerial board, with one reporting to the other, the agendas slot into each other?

All witnesses: Absolutely.

Barbara Scott: My background is predominantly in the public sector, and more so in health. That is a good model to look at because health offers lots of different variations. The latest is foundation trusts, which you could almost template here. The strategic hub definitely sets the direction within whatever envelopes are available. The board below that—in health, that would be the executive board, which I liken to the Management Board—would be the deliverable. That does not mean that the executive board necessarily gets into the nitty-gritty because there would then, as we have here, be many other boards that drive particular projects.

Q112 Chair: There is another question, which perhaps you are in the best position to answer, Mr Jablonowski, given your review of the Tebbit review. We now have letters of delegation from the Clerk to members of the Management Board. Are they a useful vehicle for making it clear who does what?

Alex Jablonowski: Ish. They are basically pieces of paper. The issue is all about duties, authorities, and working out what people's day-to-day responsibilities are. You can put it on paper but it is how people interact in practice that matters.

Q113 Valerie Vaz: I want to draw on your experience of outside and talk about the Management Board. The Chair raised your written brief, in which you say, "Fundamentally, (and simplistically) we recognise that politicians should decide and officials deliver". Do you believe that is what the Management Board does?

Dame Janet Gaymer: I am sorry to keep coming back to professional services, but there is a huge similarity. MPs are the customers of the body that is governed and supervised by them. That is exactly the same as a professional services firm, where the partners own the firm and their word goes. They give the senior partner or the managing partner—whatever the structure is—the ability to run the place and the business. It is very similar. There has to be a mechanism for MPs to say what they think. There needs to be a greater emphasis on customer service as part of the approach. The House of Commons service is delivering a service. It is about finding out what the customers think.

Q114 Valerie Vaz: Do you think that happened in your role on the Management Board?

Barbara Scott: For me, yes and no. There were times where it worked well, when it was very clearly something that the Management Board could drive forward. However, there were other times where, because of the disconnect between the two, the debate was had over and over again.

Q115 Valerie Vaz: Did you understand your role as members of the Management Board? Were you clear about your mandate?

Barbara Scott: I was very clear about what my role as a non-executive was but when I first came here, I was not sure that the Management Board was.

Q116 Valerie Vaz: Did you tell them?

Barbara Scott: Many times.

Q117 Valerie Vaz: What happened?

Barbara Scott: In the two years that I have been here, a huge distance has been travelled. There has been improvement. I constantly challenged; I love the role of being a non-executive but I found myself being pigeonholed. I am not a person to be pigeonholed so I challenged it. Looking at governance, I welcome this because the service of Parliament could be far better than it is at the moment and provide a much better service to Members, but we have to get the foundations right to do that.

Dame Janet Gaymer: People say that non-executive directors are critical friends and constructive challengers; that is exactly how Barbara and I function on the Management Board. I am the new girl on the block because I have only been in post for 12 months. However, I certainly have not been quietened. I have been allowed to say my piece. That people are listening is evidence of the journey that has been travelled.

Q118 Valerie Vaz: Just one more question. You have a lot of experience in the public and the private sector. Where do you fit the model of Parliament? We hear that we have to be much more responsive, like John Lewis, but this is not John Lewis.

Dame Janet Gaymer: I think it is a unique environment. That is the challenge for the Committee. It does not fit into any obvious model so, in a way, I suppose one is going to have to look at a variety of models. I was saying to my colleagues outside that I am not even sure that there is going to be a big bang. It may be that the answer will be something sequential. What is most important is that whatever the final result is, it is fit for purpose for what is looming ahead.

Alex Jablonski: I think that non-executive involvement has been valued by Management Board members. I have really enjoyed my five years, felt part of the team, consulted and listened to. That was good. I was listened to, but my advice was not always taken. You learn that as an NED. The other thing, to take a sporting analogy, is that there have been a number of times when there have been some pretty hard tackles, particularly when the NEDs took over the audit committee, basically. The audit committee, as our head of internal audit would underline—we have had some really quite tense discussions about things that have needed to be resolved.

To answer your point, from my point of view it is different, but it is not that different. Therefore, basic management disciplines ought to apply. I chaired a unique audit committee, which I chaired in a different way because of the nature of the House. The outcomes were identical.

Q119 Mr Heath: I come back to the phrase “groupthink” that Barbara Scott used earlier. Is the groupthink still there or have you challenged it sufficiently that it is broken apart?

Barbara Scott: I can honestly say that I don’t think groupthink is there any more, but I can only speak for the Management Board.

Q120 Mr Heath: Does anyone else want to answer?

Alex Jablonowski: I think we have come a long way. We came from people turning up to Management Board as shop stewards for their own individual management stovepipes. We came a long way and now, by and large, the board—certainly when I left—was acting in the collegiate way where people put a board hat on and left their individual directorate responsibilities behind. That was very important.

Dame Janet Gaymer: I was pleasantly surprised by what I found.

Q121 Mr Heath: Can I ask you about the chair of both the Board and the Commission? There is an obvious argument, which you have used elsewhere, for a non-executive chair for all sorts of reasons. Does that apply in the constructs that we have here, either the Board or the Commission? Should there be a non-executive chair?

Dame Janet Gaymer: I suppose I ought to answer that, as the acting chair of the Management Board at the moment. I am in two minds about this. This is where I make a confession: being the acting chair is a very difficult job to do because you itch to start doing things; you itch to start leading. Sadly, of course, at the moment the service is effectively leaderless, which is not a good situation to be in. I am in two minds about it because I think if you are going to have a non-executive chair of the Management Board, you really need to be very clear about what that person’s responsibilities are—what they can and cannot do. I may say that the working relationship between that non-executive chair and the chair of the body above them is also extremely important to get right.

Q122 Mr Heath: They should not be the same person?

Dame Janet Gaymer: No.

Q123 Chair: And a non-executive chair of the Commission?

Dame Janet Gaymer: Ditto—the same point. If you have a non-executive chair of the Commission—I don’t rule that out as a suggestion because I know it has been suggested and plenty of bodies of that type have non-executive chairs—it seems to me it would work.

Q124 Jacob Rees-Mogg: Just to check, when we say non-executive are we also meaning independent, because it is perfectly possible to have an internal but non-executive chair?

All witnesses: Yes; independent.

Q125 Mr Heath: I was certainly interpreting it as that. Ms Scott and Mr Jablonski, any further views on that?

Alex Jablonski: I am in two minds, like Dame Janet Gaymer. I chair a Ministry of Defence agency and we have a very strong chief executive who runs it. I do all the strategic stuff, we meet every three months or so and do all that sort of supervisory stuff. My sense is—and this is where you look at the uniqueness of the House—that you may well want to keep it in the family, so to speak. A non-executive chair of the Commission may be a bridge too far for the time being. That is just my gut feeling.

Q126 Ian Paisley: We have been told in evidence that there are some really brilliant people on the Management Board and if they were just given their head, they could really lead. Is that your sense?

Dame Janet Gaymer: How do you mean?

Q127 Ian Paisley: That if they were given their head—if they were allowed to take control and crack the whip—they could lead. There seems to be so much buck-passing going on.

Dame Janet Gaymer: You have got to know who the boss is. It is no good having a board of a lot of people who are their own bosses. You have got to have someone who is in charge and where, to use the famous phrase, the buck stops. I don't think that would work. I may say that there are some extremely good members of the Management Board. They are extremely good at what they do and I have tremendous confidence in terms of what they do in their own areas. But that is not the same thing as saying that they should all be their own bosses—someone has to be in charge.

Q128 Ian Paisley: In terms of the role of the Clerk and chief executive, if we split that role and there are to be two people, where should the accounting officer be situated?

Dame Janet Gaymer: I think it should be the Clerk; I don't know whether my colleagues agree.

Barbara Scott: I agree.

Alex Jablonski: Yes, the Clerk.

Q129 Ian Paisley: I want to move on to a slightly different area with Dame Janet. I note your experience as Commissioner for Public Appointments. What advice would you give us about the future recruitment processes for a Clerk to the House or a chief executive?

Dame Janet Gaymer: As a former Commissioner for Public Appointments, I am bound to say that I am always in favour of appointment processes that are on merit, that are open and are transparent. I don't intend to make any comment about the particular appointment process that was operated here; I don't think it would be appropriate for me to do that. But above all, any process—and it may be that you have to rerun the process, depending on what your decision is—has to follow those three principles.

Chair: Mr Heald, do you wish to follow up on the issue of the split?

Q130 Sir Oliver Heald: I want to start by asking Alex about the recruitment procedures. In the Tebbit review it was suggested that the appointment process should be similar to that for a permanent secretary. When you did your review in 2010 you said that that had not been achieved. Why do you think it was not implemented?

Alex Jablonowski: I think it was just a lack of time. Basically, when the previous Clerk was appointed—this time the process actually came about very, very quickly and I think people just reached for the process they had. I don't think there was a lot of forward looking at all, in terms of what that role would entail, whether it should be split—all the arguments and discussions that are going on now. I just think people ran out of time.

Q131 Sir Oliver Heald: Do you agree with Sir Kevin that it should be a similar appointment process to that for a permanent secretary?

Alex Jablonowski: I think it should be totally open. I am with Dame Janet here. I think it should be by public competition, international, full stop. Because some government stuff can be a little closed; I think this should be completely open.

Q132 Sir Oliver Heald: Dame Janet, I have a question which is relevant and which we have discussed with other witnesses. During the course of the current selection there seems to have been some evidence about one of the candidates being under investigation in Australia that was not looked at in detail by the panel, wasn't made known in detail to the panel. Was it a decision of the panel to inhibit the head-hunters from giving you that information, or was there some other reason why that information was not known to you?

Dame Janet Gaymer: Of course, I didn't participate in the appointment process, so I do not know what transpired. I know there have been different comments about what transpired. All I will say is that in any appointment process, particularly if you are using an executive search agency, you would expect due diligence to be undertaken in relation to all candidates. It is the responsibility of the members of the selection panel to ask the question about whether due diligence has been undertaken, on the assumption that it will be handled professionally.

Sir Oliver Heald: Thank you.

Chair: May I press you on the issue, which is the elephant in the room in many ways, of the role of the Clerk and chief executive? We all accept that there needs to be a Clerk. We have not come to a formal decision, but there needs to be a chief executive managing the place. You have, all three, said, I think, that the person who is the Clerk should be the senior of those two, if there are two, and should be the accounting officer. Would you split the role, or would you have, underneath a chief executive-cum-Clerk, a managing director-cum-COO? How would you do it? We have had a variety of suggestions. One was that there should be two parallel posts; one is that there should be a chief executive over the Clerk; the other is that there should be the Clerk over the chief executive.

Barbara Scott: I think that is very dependent on how the rest of the structure plays out. I do think the role should be split. Based on my experience here, I think that the job is far too big for one person. The skill set is very different. It makes sense for the Clerk to be the accounting officer, but that does not mean that they have to be the senior post. Some parts of the accounting officer role are the corporate responsibilities that would sit with the chief exec, so it is about looking at all of those. If it is to be split, both should be present at the Commission.

Alex Jablonowski: I have two answers to this. One is a longer-term solution where actually I believe that the back-office functions—for want of a better word—of the Lords and Commons should be merged. We have parallel universes doing exactly the same things, and that is not very clever, frankly. I would merge facilities management, maintenance, cleaning, finance, HR, procurement, contract management, IT, catering and security, outsourcing where appropriate. I would put them into one shared service organisation at arm's length and put that under a professional operations CEO. That is my longer-term solution. You would then have two Clerks who would buy services from a parliamentary delivery authority, which may well then manage the upgrading of the building. That is how I would separate the roles.

Q133 Chair: Meanwhile...

Alex Jablonowski: Meanwhile, there is the issue of whether you have a COO. I pondered this when I was on the Board and I had discussions about this. I find this one quite difficult. If you can create a COO role which is meaningful, then yes, you should, and that would be a good transition into the next stage if you then wanted to merge functions. But the devil is in the detail. Before reaching at it, you would have to change the roles of the major part of the members of the Management Board. It would need careful putting together, but it is an option.

Dame Janet Gaymer: I am in two minds about it, too. I would love to get to a stage where there were shared services between both Houses, but I am a realist and we are not going to get that tomorrow, so one has to take a pragmatic view about what is feasible and possible in the short term.

I do see the advantage of having a chief operating officer working under the Clerk as the most senior person. One of the reasons I say this is a pragmatic one. Doing the job of Clerk and being a CEO requires a very special mix of skills and expertise, and in order to produce people who are capable of doing that, the organisation needs to have sophisticated, long-term succession planning and training. In my view, that has not happened here, because it has never needed to happen.

As was recognised in Tebbit, it will be difficult to find a pool of candidates for that kind of role. It follows, therefore, that you want to have the best possible skilled people you can, doing the jobs that you need to get done. That leads me down the path to say that I can see the argument for the Clerk at the top and a chief operating officer underneath, suitably skilled—not necessarily from inside the House. That could be an outsider.

Q134 Chair: If you did that, you would then remove the chief executive bit from the Clerk.

Dame Janet Gaymer: Yes—well, some of it might stay. It depends. You would need to look at the corporate officer responsibilities quite carefully.

Barbara Scott: Can I just add that the clarity between the roles is vital, because unless it is very clear what each role is responsible for, it could be a licence for disaster?

Q135 Mr Watts: If I just run through some things I think are important in a successful organisation, can you tell me if you agree and whether the present structure achieves them? First, it is important that we understand what the aims and objectives of the organisation are. Is that clear? It seems to me that it is not, but I might not have got that right.

All witnesses indicated assent.

Q136 Mr Watts: Secondly, you need a business plan to deliver your aims and objectives. It is a question of whether we have got one, and if we have, whether everyone understands it.

All witnesses indicated assent.

Q137 Mr Watts: The third one is about leadership and whether we communicate that business plan and aims and objectives and whether we have a training system and clear delegation, so that everyone understands who is responsible for what and who will be held accountable. That is what I think is needed in a successful organisation, and I would be interested to hear your views about that.

I will make one comment about the Clerk. Because of all the things that I have said about accountability, I have difficulty with a Clerk who is going to be responsible for something but will not know what is going on. What will be going on will be the chief executive, if you have one, doing the day to day and dealing with strategic issues of the

organisation. I know that is fairly wide, but I would like your comments on the points I have made.

Dame Janet Gaymer: All the things you have mentioned are important. Starting with the purpose of the organisation, it is the old story of, “Are you selling drills or holes in the wall?” You have got to be clear about what it is you are there to do. As I have said, the House of Commons Service is a service. It is there to provide a service and support the House in what it does, in scrutiny and everything else. I think we are all alive to that and clear about it.

All the other things you have mentioned, the Board certainly strives to do. It has a business plan and it certainly seeks to communicate. I think the communications could be a lot better. A lot of people do not understand what the service or the Management Board do. Much more could be done there. Indeed, when I was appointed to the Management Board, I lost count of the number of times I had to explain to people outside the House, first, that there is a Management Board and, secondly, what it does. The public do not even know it is there. Work needs to be done on that in my view.

Q138 Mr Watts: And clear delegation? Accountability?

Dame Janet Gaymer: Absolutely. It goes to all the things we have been talking about.

Q139 Mr Watts: My experience is that there is not clear delegation or accountability.

Dame Janet Gaymer: Well, you heard us comment about the relationship between the Commission and Management Board, so that probably needs closer examination.

Q140 Mr Watts: Finally, there is the issue about how you can be held responsible and accountable for something when you do not know what is going on on a day-to-day basis.

Dame Janet Gaymer: Again, that goes to the overall governance structure. That is why I said at the beginning that, if you are going to fix this, you have got to look at the overall structure, because you have got to ensure that those communications are going on.

Q141 Mr Watts: Does anyone have anything to add?

Alex Jablonowski: In general, there has been a plan, a strategy, implementation, performance measures—the normal stuff you would expect. Has there been as much accountability as you would find elsewhere? Probably not, actually. I think that is a long-run cultural thing. Is its performance management of staff in the House very strong? The answer, in my experience up to a year ago, is no. It was okay, but it could have been a lot stronger.

Did we have a plan? I think the plan was fit for purpose. Did we have a vision for the House of the Parliament of the future? I do not think we did. Work was done, but that was

one area where, frankly, I do not think we had traction with the Commission. We had a plan that was fit for purpose, given a lack of vision.

Q142 Chair: How often does the Management Board meet?

Alex Jablonowski: Monthly, which is normal.

Dame Janet Gaymer: It still does.

Q143 Chair: But does the Management Board see the Commission's minutes?

Barbara Scott: Not as a matter of routine.

Q144 Chair: Extraordinary. Does the Commission see the Management Board's minutes?

Dame Janet Gaymer: Everyone sees the Management Board minutes; they are on the intranet.

Q145 Chair: Are the Management Board minutes submitted to the Commission? I don't mean are they available.

Dame Janet Gaymer: I don't know the answer to that.

Barbara Scott: I believe they are.

Dame Janet Gaymer: I would be amazed if they were not.

Barbara Scott: It goes to my point earlier about the disconnect between the two drivers.

Q146 Mr Watts: Can I push you on that because I think it is important? If I were being held accountable for something, I would want to know exactly what is going on. This is where I have a difficulty with the Clerk having a higher priority than the chief executive. If you are going to delegate to people and hold them accountable, you have to give them the ability to know what is going on. I worry about that, if you do not divide or separate it, so that it is a clear line of accountability in the system.

Dame Janet Gaymer: May I just add to that? That is why the working relationship between the Clerk and the COO is so important. It can go badly wrong. I have seen situations where, with the equivalent of the Clerk and the COO, the Clerk has had to fire the COO. You have got to have a situation where, if it is going wrong, you can deal with it.

Barbara Scott: It also goes to my point that both should sit on the Commission. That is where I believe you will have that connect and, more importantly, build the relationships that are needed to drive things forward.

Alex Jablonowski: You also need transparency of management information. The House has done not a bad job of a balanced scorecard. I do not know where we are at the moment—*[Interruption.]* We still have it. The more transparency you have in terms of what is happening, what the performance requirements are and the actual performance measured against benchmarks, targets or whatever else, the fewer places there are for people to hide, and therefore accountability becomes more transparent. The House has made good progress on that.

Q147 Jacob Rees-Mogg: I was going to ask a question about joint services with the House of Lords, but it has already been answered. If I may, I am going to ask another question about the hugely important issue of culture. We spend a lot of time looking at the details of the structure. Would it be fair to say that if you have a culture that is not open and transparent, but is closed and inward looking, it is extremely difficult to change, so you must look for leadership that will open things up? Further—this is a tricky problem—if you do not have a good working relationship between the key people, however good your structures, you are in trouble.

Barbara Scott: I totally agree. I am passionate about the culture of organisations. One of the things that I find very strange here is that in any other organisation you would get messages from the strategic hub to the organisation saying, “This is our direction of travel, and this is what we believe in.” You don’t get that from the Commission. There is a complete mismatch between the Commission and the rest of the organisation. Hence, the Management Board becomes the whipping boy or the blame-all, because it is blamed from above and from below, which sometimes puts it in a very difficult situation. The clarity of roles’ responsibilities is what helps to create that culture. I am a big believer in the shadow of the leader. Culture, at the end of the day, is how we do things and how we behave, and it has to come from the leadership.

Dame Janet Gaymer: Sitting as chair of the audit committee, culture is something that I very much bang on about. As a professional lawyer, if I was given a deadline I had to meet it. I get very annoyed when people are set targets, and they are somehow not met and are rebased. Then the report comes out saying, “We met the target, but it was not the original target.” I’m afraid I’m a bit of a hard person when it comes to that. I forgive the House for that kind of attitude, which is almost, “Well, we’ve done it like this, and we know what we’re doing.” I always plead for everyone to raise their eyes and look at benchmarks in other sectors and at how other people are doing things. I think that would make a huge difference to the culture here, but it will come from the leadership—from the top.

Alex Jablonowski: I recognise this. It is what I call a liberal professional culture. You get it in legal firms and accountancy firms; I have been on the board of the Office for National Statistics, and you get it with statisticians; you get it with actuaries and the board of the GAD; and you get it here. It goes along the lines of, “I’m a professional. I know what I’m doing and I know best. You give me guidance. Yes, that’s very interesting. If it suits me, I will comply with that guidance. If it doesn’t, I will continue to do things the way I have

always done them.” I think we still have a bit too much of it here. We need more of basic management discipline, accountability, reporting and the rest of it. That is quite difficult to achieve in a liberal professional culture, such as we have.

Q148 Jacob Rees-Mogg: I wonder whether it has become almost institutionalised between the Commission and the Board of Management. Some of the evidence we received says that the Commission has fits of enthusiasm that are not strategic but are detailed, the Board of Management gets irritated by that and therefore tries not to do the relatively random things it is being instructed to do by the Commission, rather than getting the big, strategic picture. Is that fair, in your experience?

Alex Jablonowski: I have seen an awful lot, whether it has come from the Commission or the Commission committees, about the price of lager and tea in the House, when actually we should be looking at much bigger issues. The answer is that it can go from the big to the very trivial.

Q149 Mr Heath: Following on directly from that, isn’t there an inherent problem that is shared with sports and social clubs—that is the only example I can think of—where the members of your strategic body or your board are exclusively your consumers? It seems to me that unless you get away from that and somehow mix and match the strategic board, you will always have that approach.

All witnesses: indicated assent.

Mr Heath: You are all nodding.

Alex Jablonowski: Can I make one point, which we have not mentioned and it is the whole issue of stewardship and the longer-term continuity of the House? Both the Commission and the Board have form on this: insufficient attention has been given to long-term stewardship, whether it is the fabric of the building or the human capital fabric of the institution. There has been too much, sometimes, of a master-servant relationship. The Board have done what the Commission have said for short-term reasons and they have not necessarily bitten back and said, “Actually, there are longer-term issues here that we need to push back on.” I think the stewardship one is very important.

Q150 Ian Paisley: Given what you have just said, do you think that victory has been declared in terms of sorting out a dysfunctional Management Board, or do you think there is still some way to go?

Dame Janet Gaymer: I am always a believer in improving things.

Q151 Ian Paisley: What about you, Alex, because they are your words?

Alex Jablonowski: Yeah, we’ve still got a fair way to go. I think it is a complex structure that needs to be grossly and very radically—

Q152 Ian Paisley: Is victory in sight?

Alex Jablonowski: It depends on you, gentlemen. We are travelling in hope because there is a big problem to be addressed.

Chair: You are learning politics. Thank you very much indeed. I am sorry that we have had to truncate it. I am really grateful to you.

Examination of Witnesses

Witnesses: **Rt Hon Mr David Blunkett MP, Rt Hon Mr Peter Hain MP, Rt Hon Margaret Hodge MBE MP, and Mr Bernard Jenkin MP** gave evidence.

Chair: Thank you very much for coming. We are still waiting for Margaret Hodge, but we will crack on. As you know we are expecting votes some time around 5.45 pm—there will be three votes, so we will have to stop the proceedings then. If we run out of time and we have to find some more we will do our best on that. Thank you very much to each of you for your excellent written evidence. Jacob is going to start, but if there are things that you want to add by way of preliminary points, please do so.

Q153 Jacob Rees-Mogg: Thank you very much for coming. Could each of you set out your views on whether the roles of the Clerk of the House and chief executive should be split or continue to be performed by one person? If they were to be split, with each accountable to the Speaker, what in practice could be done to protect each one from the other interfering in their area of work and to ensure that there was an integrated service? If the role of Clerk and chief executive were to be split, who would be the accounting officer? Mr Blunkett, if we start in alphabetical order I hope you will not think it is unfair.

Mr Blunkett: Thank you very much and thank you, Chair, for this opportunity. First, it is perfectly feasible to define the role of the Clerk. In fact, in the debate in the House in September the role was defined. It was very clear that people felt that the expertise, the development of experience, the knowledge that the Clerk and those working to him—as it is at the moment—have about procedure, process and constitution were clearly defined and were crucial to retaining that particular function at a very high level. I think it has defined itself, and because that experience has to be gained—this point was made over and over again—within the particular confines of the parliamentary process itself, it is by definition a separate role. An independent chief executive can gain experience anywhere, and they should be able to apply that in those areas that would apply in other areas of our life and business and commercial activity, of which we are all aware, whereas the Clerk's experience would be very specific.

I have seen this work in areas such as Education, where it was perfectly feasible to have an independent chief inspector of schools and a permanent secretary running the Department. Although from time to time there may have been disagreement, there was a very

clearly defined role, and the chief inspector was a Crown appointee. I have seen it happen and I have seen it work, and I cannot see any other way of working this, because if the role of the Clerk is to be defined in the way in which Members with all sorts of different points of view have defined it, it is impossible for that person to gain the wider experience necessary to have overall charge.

I think that the two should be on equal terms. The chief exec—not a chief operating officer—should have a very clear role in terms of managing the estate and the employees that would be under that function, as opposed to the Clerk's, and should then be able to carry out a modern function in a 21st-century Parliament.

Mr Hain: I agree with that. I will simply answer your specific point about the accounting officer. Ultimately, as I argued forcefully in my submission, both posts should be senior posts, with the Clerk obviously in charge of parliamentary procedure, privilege and everything to do with the running of legislation and Parliament itself in terms of its primary function, and the chief executive responsible for the administration and services—but both ultimately responsible. In that sense, other than the Secretary of State in a Whitehall Department and the permanent secretary as the chief accounting officer, it is a slightly different position, because both would be answerable to the House of Commons Commission and the Speaker, so it is a different situation from Whitehall Departments. But in my view, in those circumstances, the chief executive would be the accounting officer, because the chief executive would be responsible for finance, administration and services. Obviously, they would discuss these matters with his or her colleague, the Clerk, and they would work together—they would need to.

I do not think that the current situation is satisfactory where we effectively have a part-time Clerk and a part-time chief executive, all in one person. That is not to denigrate the role of the Clerk. I formed close friendships with the Clerk when I was Leader of the Commons. In fact, Sir Robert Rogers, for whom I have the highest regard, used to bring me apples from his orchard, such was the nature of the friendship when I was Leader of the Commons and he was, I think, a deputy Clerk. This is not to show any disrespect for the Clerk, but we are in a situation now where we have a House of Commons—let alone the other side of the Palace of Westminster—with 1,700 direct employees, and another 1,700 employees of Members of Parliament. The Clerk in the chief executive role is responsible for 3,500 or so people in conditions where a litigious culture exists, and where there are health and safety, IT and diversity issues. All these are questions for a modern organisation, and we are a big organisation—in business terms, we are huge. Yet although we are being run by very able people—some of the most able people I have ever encountered in my life—in the form of the Clerk, you simply cannot do both jobs. That is why I strongly feel that it is in the interests of the Commons and of the Clerk him or herself—they have only ever been him—to have that distinct role on the parliamentary legislative side, and the administration side should be under a chief executive.

Mr Jenkin: I think that we can all agree, and I think that recent Clerks would concur that it has been very difficult for them to do their job. However, the question that we should be asking is whether that has been because of the structure or other factors. I am sitting here as the Chairman of the Public Administration Committee, with their approval, and for the evidence that I have submitted—*[Interruption.]*

Chair: Mrs Hodge, our apologies: we tried to get a message to you, but we are going to have to finish at about quarter to 6 for a vote. If necessary, we will have a re-run. There will be three votes, we think, from quarter to 6, so I truncated the earlier session by 15 minutes. I had search parties out for people.

Margaret Hodge: I did not get the message.

Chair: Mr Rees-Mogg will catch you up with the questions. We have come to the key question, which is what you do about the role of the Clerk and the chief executive, and Mr Jenkin was just answering.

Mr Jenkin: I will carry straight on. All the advice that we have seen—everything that we have learned—has shown that organisations tend to fail not because of structural reasons but because of reasons of culture, behaviour or attitude. The questions we need to ask to understand what is going wrong and why are therefore about those things. When we get to the end of those questions and understand why things are going wrong there may be some consequent changes to structure or governance.

I can do no better than quote from one of the advisers who has helped prepare our evidence: “Your view of Clerk and chief operating officer, and the idea of a separate Clerk and CEO, could still end up solving little. Unless the teamwork and the relationship between the two is exemplary, then they will hide behind their governance protocols and in fact make an already undesired situation worse.” One can just imagine, in the atmosphere that can pervade this place, a situation in which there is no accountability because they push the blame for what is going wrong on to each other rather than sharing and understanding. We should be looking at the relationships in the organisation first—the quality of those relationships.

Chair: Mr Rees-Mogg, would you mind repeating your question?

Q154 Jacob Rees-Mogg: Certainly. I will repeat it in truncated form. Basically, the question is whether you feel that the job of chief executive and Clerk can be done by the same person, or that the roles should be split; if they are split, who they should report to, whether on an equal basis or not; and which one—conceivably, it could be both—ought to be the accounting officer.

Margaret Hodge: Okay. My experience comes from being a member of the interview panel trying to replace the existing Clerk. My other experience comes from being a Back-Bench Member of the House who works in this building—my office happens to be in this building.

When we went through the interview process, it was absolutely clear that trying to find an individual who could fulfil both roles was well nigh impossible, so through that process I became convinced that the two roles should be split. I also have to say as a Back-Bench Member of the House that I do not think that the House works well. Priority has always been given to ensuring that the way we conduct ourselves in our proceedings is well supported through the Clerk, but I do not think that the House works well. I do not think that it works well as an open institution as part of our democracy.

Q155 Chair: Do I glean from that that you are saying that the procedural side of it—the debate on new clause 1 to the Modern Slavery Bill, and making sure that what is decided is recorded, and the complications, and so on—works okay?

Margaret Hodge: I am talking about the Palace of Westminster—the support to Members, and the administration. The other thing I would say, as Chair of the Public Accounts Committee, is that the budget is £200 million, which is a lot of money. We all have tight budgets at the moment and we are seeing massive cuts in public expenditure. I am waiting to get my beady eye on that £200 million to see whether it is efficiently, effectively and economically used.

I will give a couple of examples of where the administration of the House does not work well. I get a lot of visitors coming to see me. Time and time again, they wait an hour in the queue to get into the House. That is completely unacceptable. This is a key part of the fabric of our democracy, and easy access, not just for Members of Parliament but for members of the public, is vital. When the computer systems are changed, that is always a total mess, and you find that you cannot use the IT for a few days because the changes have not been properly implemented.

To give a recent example, if I may, last week the Public Accounts Committee held a conference on tax avoidance. It was a fantastic conference. We got all the players in a room together, so we had the development charities and the tax campaigners together with the big four and a lot of multinational companies. It was a really good opportunity. It felt fantastic to me to get all those people in the same room together. When I tried to get a tiny bit of funding to support the holding of this conference, I was unable to do so, despite the fact that we have a budget of £200 million. Thanks to the generosity of the City of London and the Institute of Chartered Accountants we were able to hold it—actually in Guildhall—and then it even came down to having to pay for the breakfast in the Speaker’s House. We had a lot of visitors here and people from other countries. I could not even get the money to have a little breakfast of croissants and coffee. So it doesn’t work well.

Mr Blunkett: You would have been alright at No. 11; they do that well.

Margaret Hodge: I would split it. Can I just say one other thing, Jack? I would not be happy with a compromise, in effect the status quo, which is that the Clerk would be the chief accounting officer and you would have an administrator under him. I would not be happy with that. The only solution and way forward for me would be two equal people reporting up to the Commission of the House of Commons.

Q156 Jacob Rees-Mogg: I am very impressed that the Chairman of the Public Accounts Committee got her event privately sponsored. That seems a very good way of avoiding spending public money. On the issue of the Clerk and chief executive, if they are two different people, what happens if they disagree? Who makes the final decision? If it is a matter that impinges on the Chamber but costs money, can you not see the potential for quite serious clashes? You then have to have either very good working relationships or an order of seniority.

Margaret Hodge: I do see that the tasks are very different. I am sure that you can imagine a very odd circumstance in which they would come into conflict with each other, but I think they are very different jobs. Making sure that we function effectively as a legislative Chamber is one task and ensuring the good administration of the building is another. Were there to be conflict—I just cannot see it happening.

Mr Blunkett: Chairman, can I ask Jacob if he could give an example?

Q157 Jacob Rees-Mogg: I can give a couple of examples. One is the fairly obvious one that running the Chamber is very expensive, so you may have things relating to printing costs. The Clerk feels it is very important that Members have the right to pick up the papers, which is an expensive thing to provide. The chief executive says that this is an obvious area for saving and we must cut it back. The other example is security. Members have a constitutional right not to be obstructed from getting in and out of the Palace, but that adds very significant security costs, because you cannot secure every entrance in the way that a chief executive might want to.

Mr Blunkett: But aren't the options for budget costs put to the Commission? I am asking a question here, not answering it. Aren't the options put to the Commission? The only time, incidentally, that I have never made it to the Chamber is when the Division bell did not work in Portcullis House, which is another example of the dysfunctionality of this place.

Mr Hain: But on the question of disagreement over printing costs in respect of the House's functions, ultimately, if there is a literal stand-off and two rational top-qualified people cannot find a way through, then the Commission—

Margaret Hodge: Yes.

Mr Hain:—and the Speaker have to resolve it. In the end, the Commission is the statutory body in charge.

Q158 Chair: I understand the strength of the case that you are making. There has been a lot of evidence that the post should be split. There has been a great debate and a multiplicity of evidence about the relationship between the two. If you take the issue of security that Mrs Hodge has just raised, although all of us have had experience of this, without going into detail, part of the problem—I have gone into detail about this and Mr Hain is aware of this as well—is that there is not clarity about who is in charge. There is not a clear line of command all the way up. The worry that I have is that, if you have two of these posts and they are *primus inter pares*, there will be a lot of jostling. The other evidence that we have had so far is that the Speaker and the Commission do not operate in the way that a Secretary of State does. If you had a Secretary of State, you could sort it out, but the Speaker does not, on his evidence, give the time—nor, I suggest, does he necessarily have the natural qualities—to do what amounts to the managerial direction that we who have been Secretaries of State have to go for.

Mr Blunkett: I shall be brief. If it is a security issue, I had a parallel experience when I served under the chairmanship of Menzies Campbell on the Committee that examined the

events surrounding what happened with Damian Green. That was a classic example of why we need to sort this place out. To be honest, the person who was dumped on was the Serjeant at Arms. If you have never seen an example, you just have to go back to the script of the evidence given to see people shifting the blame on to someone else in terms of decisions. The sooner we sort out the accountability lines for a whole range of managerial activity in this place, the better.

Mr Jenkin: There is a lot of assertion about the advantage of splitting the roles, but I do not think that you have actually been presented with evidence that that would fix the problems. There are problems and they do need to be fixed, but a high-functioning organisation requires relationships that are based on a very high degree of trust, openness and honesty. I suggest that that is what is lacking in our arrangements. We need to look at why that is the case. It will be because of the way people tend to behave and the attitudes they tend to adopt. It is a big challenge in this place—in what is essentially a divided House of Commons with people generally opposing each other and jostling for power—to create a governance and management structure that reflects a unity of command, a sharing of intent and objectives, mutual support and all the other things.

The engagement scores we see in the House of Commons people survey are actually quite impressive. Most of the individuals involved who I have spoken to are very willing and very aware of things not working as well as they should. They are dealing with an environment that is extremely difficult to operate in because of the way the governance structures work. I was pleased to hear the previous discussion, which concentrated on the role and composition of the Commission, and the role of the Management Board. We elect the Speaker very much by popular suffrage in the House of Commons, based on how good a presiding officer he will be or for other extraneous political reasons. That is legitimate, but we tend not to think about how good a chairman of a strategic board he or she will be. This Committee should be considering whether, in fact, the chairman of the Commission should be separately elected with that particular expertise and capability in mind.

Margaret Hodge: There is a danger that we are moving off the main point if we get into that.

Mr Jenkin: I do not think we are.

Margaret Hodge: If I may say so, with the greatest of respect to Bernard, the argument that he made about whether the roles should be split is deeply flawed.

Mr Jenkin: What is your evidence?

Q159 Chair: Hang on a second. Both of you chair Select Committees, so would you mind accepting the authority of the Chair for a moment?

Margaret Hodge: It is deeply flawed. You cannot have a structure which is entirely dependent on people getting on. What Bernard was suggesting was, in essence, that we maintain the current structure and just try to ensure that people get on better.

Mr Jenkin: No, I am not sure that that's right.

Margaret Hodge: That is how I understood it. Three of you in this room have been Secretaries of State. Government is complex and there are many issues that you tackle in government, as Cabinet Ministers, which go across departmental boundaries. There are lots of issues where you have to work across departmental boundaries, but you manage it perfectly well. If we are very clear about the definition of security and where the responsibilities lie, and if we set those out sensibly, we can perfectly well manage what is currently an unmanageable job. When you interview these people, it is absolutely clear that they cannot be both Clerk and chief executive, so stop trying to do it and recognise that both roles are equally important but we have to separate them.

Q160 Ian Paisley: We are doing the classic political thing—we are all saying what the problems are. Most of us know that there is a problem here, but what is important is that we get prescription. Peter, you said in the House that the Management Board is not as effective as it should be. What should be done to make it more effective? Bernard, you said that there is opacity like a Victorian mystery about how this place is run. Can we have a clear prescription for what should be done?

Mr Hain: The Management Board should be led by a chief executive, just like how a chief executive would lead any other organisation. That is the key missing ingredient here. I do not think the problem is solved by the fudge of having a chief operating officer under the Clerk with the Clerk still as chief executive in all but name. You have got to have clarity here. That would provide the direction, supervision and co-ordination that the Management Board lacks at the present time because it does not have a leadership that gets a grip on the whole organisation in the way that a chief executive would.

Ian Paisley: Okay, give them some clear lines.

Mr Hain: Clear lines of accountability and so on.

Mr Jenkin: I am not against changing the structure, but before we do that we need to understand why people do not feel able to talk about what is going wrong within the organisation, why there is a sense of client disengagement from the House service and Members, and why Members feel so uninvolved and disengaged from the management of the House service. Those are behavioural things; they are not structural. For example—this one of the things I said in my evidence—why doesn't every member of staff wear a badge with their name and job title on it so that we know what they do?

Chair: I agree with that.

Mr Blunkett: You could fix that very easily.

Mr Jenkin: It is telling of an attitude. This is what Andrew Kakabadse, one of our advisers who advises corporations and Governments all over the world, says: "I have seen and been involved in scenarios like this"—he has read all the evidence—"with the same outcome. Structural adjustments are made, money is spent, but greater disengagement is the outcome and a considerable amount of time is spent trying to put right what was wrong in the

first place.” We need to analyse what was wrong in the first place, why people don’t feel able to speak and why there isn’t an open and honest culture among staff.

Q161 Ian Paisley: We had three people in front of us earlier who are on the Management Board and I would say that most of us probably did not know who they were. I have been here five years and I do not know what they do. Whose fault is that? Is that our fault as Members for not engaging with these middle managers in grey suits? Because we are not getting the service—

Mr Jenkin: I think this Committee is an example of the House beginning to get a grip on the problem, but it is a shared problem and a leadership problem. It is not necessarily about what job titles or roles people have got. It is about having clear accountability, but, whatever structure you have, there will not be accountability unless you have an atmosphere in which people want to accept accountability, are encouraged to take accountability and are rewarded for that accountability not just in a financial sense, but a real sense.

Ian Paisley: They are well rewarded.

Mr Jenkin: I venture to suggest that it is much better than the civil service, but it is parallel. Incidentally, in the civil service, they split the role of head of civil service and Cabinet Secretary and now they have put them back together again, because they realised that it was a Tweedledum and Tweedledee situation that did not contribute anything to the underlying problems faced by the civil service.

Q162 Mr Watts: I have been involved in failed and successful organisations, and my experience is that leadership is what makes the difference.

Mr Jenkin: Absolutely right.

Q163 Mr Watts: If you are to fix an organisation, you have to recruit the right leader. Then you set out your aims and objectives and your business plan and your leader has to help you to deliver that. The point I am trying to make is that whoever does this has to have the ability and skills to do it.

My worry is that if you do not separate the role and give power to the chief executive, the Clerk will retain the accountability. So the Clerk will spend their time looking over the shoulder of the chief executive because anything that goes wrong will end up in their court. I am asking whether you accept that, because if you do, leadership and the position of the chief executive is crucially important to fixing this place.

Mr Jenkin: I accept a great deal of what you say, but making the relationship between the Clerk and a chief operating officer work will depend upon the leadership provided by the governance structure and the way it is overseen, as much as anything else. That would apply even more so if you separated the roles so they could be in competition with each other. However, the point is that that is a secondary question. Let us find out why people are not

talking to each other and sharing their objectives, and why there is not shared intent and shared understanding across the system.

Q164 Mr Watts: Isn't that because there is no leadership?

Mr Jenkin: It might be because, as we heard in the previous session, the Commission sometimes micro-manages, sometimes does not listen to strategic questions that need to be addressed and sometimes takes an interest in strategic questions. We must address the consistency of the leadership at the top more than the mechanics of how you join things up underneath.

Mr Blunkett: But Chairman, Bernard is making a perfectly reasonable point, but he is making it about the dysfunctional system that we have got and translating it. He is saying, "I don't want to change it. All I want"—if I understand him right—"is for the Clerk to take a bigger role than he has already got, with a chief operating officer and clarity about relationships, and we will all ask people to get on with each other."

Mr Jenkin: That is what leadership is about.

Mr Blunkett: Put that to Tesco at the moment, and see what it thinks about it.

Mr Hain: Briefly, the chief operating officer would be re-badging the Director General of Facilities and giving him or her a pay rise—that is essentially what it would be—as opposed to getting clarity about who is the leader of the administration of the House of Commons.

Q165 Sir Oliver Heald: I want to ask about the Commission, basically, but I wonder whether Margaret can clarify one thing about the appointment procedure before I do that. Due diligence in respect of all candidates is a clear principle of head-hunting and recruitment, but it did not seem to happen, at least with one candidate, on this occasion. There were investigations going on in the Australian Parliament, and apparently the head-hunters did not brief the panel about it and full information was not available. Was that a decision of the panel, or were the head-hunters inhibited in some way? What went wrong?

Margaret Hodge: This is one of the areas, if I may say so with the greatest respect, where rumour became reality without anybody really knowing what happened in practice. I have been involved in a lot of appointments, and I think we conducted ourselves with total and complete integrity. I thought the process was really good, and in the end we appointed the only appointable candidate, given the job description we had. On the issue of whether that candidate talked about the investigations that are taking place in Australia, yes she did.

Q166 Sir Oliver Heald: What happened about the head-hunters' briefing? Didn't they tell you about that?

Margaret Hodge: No, she told us.

Q167 Sir Oliver Heald: Why didn't they?

Margaret Hodge: To be absolutely honest, I can't remember whether it was in the briefing, but it was certainly part of the interview process and there was a perfectly valid explanation. It is very difficult to talk about these interview processes, as you can understand. There was a perfectly strong explanation, which we all accepted, and she was the only appointable candidate with the job description and the duties we had before us. I can absolutely assure you of that.

Q168 Sir Oliver Heald: Right. May I ask you all whether you would support the election of Commission members—in particular, the three Back-Bench members? What do you think of the idea of having external members of the Commission and possibly an external Chair? Should the Clerk and/or the chief executive be on the Commission as full members?

Mr Hain: Having sat on the Commission with you, Oliver, when I was Leader of the Commons, I think the idea of external members is good—it is like having non-exec directors, to use a private sector parallel. I think the Commission should continue to be chaired by the Speaker, because ultimately under the constitutional basis of Parliament, or at least the House of Commons, the Speaker is supreme. Members elect the Speaker, and I don't think people would want that chain of accountability broken. I don't think there should be a different Chair, but I am open to the idea of Back-Bench members being elected. We have gone down that route in respect of Chairs of Select Committees, so I don't see why we can't transport it across to the Commission.

Mr Blunkett: For speed of operation I agree with that.

Margaret Hodge: So do I.

Mr Jenkin: I would just say that I thought John Thurso's evidence on this was exemplary; that the Commission should feel much more like a regular board, with non-executives, and that MPs should be elected to it. There is a case for considering separating the role of the Speaker from that of the chief executive, because we elect the Speaker to be the presiding officer of the House, holding much less in mind all the executive responsibilities that currently fall under the speakership. We need a body that is going to provide much more coherent and much more structured leadership, under which any structure will function better than the present performance. That should be done as the priority and they should decide whether it is necessary: once you've got a new, coherent board structure with outsiders on it, providing scrutiny and assurance about what is happening, they should be in a position to decide whether the roles need to be split. This is jumping the gun; that is my only complaint. I am not against changing the structure, but this is jumping the gun, and if this change is made, we may well find that it doesn't actually fix anything.

Q169 Valerie Vaz: I have a question for you, Margaret, and then one to everyone else. Is there anything you'd do differently in the appointment process?

Margaret Hodge: No. We put a lot of time into it, because of the challenge of trying to find somebody who could fulfil both roles, and we interviewed the leading candidates twice, because there was a real dilemma. It is very difficult to break confidence, but because we recognised the challenge of the dual roles, we did suggest in agreeing to recommend the appointment of one candidate that there should be a redefinition of the Clerk's role, with increased financial compensation.

Q170 Chair: That is the redefinition of the Clerk Assistant's role?

Margaret Hodge: Yes. We suggested it should be rechristened and that the post-holder should earn more. We were faced with having to define a job description and that was how we did it, but both in the search, the short-listing, the preliminary interviews and the second interviews, we were very thorough and completely professional, assisted by having an external person with us, and we were very representative of Parliament. I know people have questioned why I was on there. I think it provided gender balance and I hope that, after all my years in Parliament, I am a slightly experienced Back Bencher. I also have my responsibilities in the Public Accounts Committee, representing an important element in the House with a responsibility for oversight. We did a really thorough job and I think a bunch of people getting together to do it again would not do it differently.

Q171 Sir Oliver Heald: Obviously, I have already raised the issue of the lack of due diligence.

Margaret Hodge: There wasn't a lack of due diligence.

Q172 Sir Oliver Heald: On the point of your position on the Committee, aren't you conflicted on that panel? There you are, Chairman of the PAC, responsible for overseeing the National Audit Office, who do all the value-for-money studies in the House, and your Committee looks into all that. How can you appoint the chief executive?

Mr Blunkett: That is out of order.

Margaret Hodge: Where is the conflict?

Q173 Sir Oliver Heald: You are appointing someone as chief executive whose work you are going to be looking into as Chairman of the PAC.

Margaret Hodge: I don't see that.

Q174 Sir Oliver Heald: I thought I'd give you a chance to answer the point.

Margaret Hodge: I don't see that. May I answer the other question about the Chair of the Committee? In my role, I do oversee public expenditure, and one of the welcome reforms that this Government have undertaken is in the governance of Departments, where the

Secretary of State now acts as the chair of the board. I think that that political leadership of a Department has been a good move, which has strengthened governance. I think we should imitate that, not draw away from it by distinguishing between the two.

Q175 Chair: Okay. That is a really helpful point. Whatever changes are made are going to impose a greater burden on the Speaker to manage this place and that will have to form a part of the job description. There are only so many hours in the day, but they obviously have to preside in the Chamber as much as they do. A lot of the rest of the time will be spent less on representational duties and more on running this, otherwise the parallel with the Secretary of State is mixed up.

Mr Blunkett: Chairman, that depends on the competence and leadership of the chief exec. As you, I and Peter know, the competence of the senior staff that we have related to and where we have determined policy has also determined the amount of time we had to spend on micro-managing, hasn't it?

Chair: I am not talking about that.

Q176 Valerie Vaz: Just one final question from me to all of you. I don't know if you had an opportunity to look at each other's written evidence—thank you all for submitting that—but, Mr Jenkin, you suggested that there should be a pre-appointment hearing for the Clerk. Can you explain why? Maybe I could hear everyone's views as to why there should or should not be.

Mr Jenkin: I think it is indicative and I don't want to go into any criticism of Margaret or anybody involved in the process. It was indicative that as this happened, there was a lot of unease among a lot of Members—it was not just on one side of the House—and there was a great deal of reluctance to talk about what was happening. We finished up with a call for a pre-appointment hearing. That is certainly a way of strengthening accountability and engagement in the appointment process, and I think it is highly appropriate in this day and age.

If I may just comment on the recruitment process, there was a lot of unease about it and a lot of distrust of it. There have to be lessons learned about that. I don't accept that Margaret was unavoidably conflicted, but there should be oversight of the appointment panel that is appointed for the purpose—maybe by the Public Appointments Commission—so it is transparent and people have assurance that there isn't some kind of hidden fix being cooked up. That is what a lot of people felt, however unjustified that may have been.

Mr Hain: I am open to that suggestion of a pre-appointment hearing, but I think, without knowing the detail that others do, they were being asked to do a job that was impossible. To appoint one person to two roles that, in the modern setting, which is really one of the principal issues before your Committee, you can't have performed by one person. That was at the root of the problem that has given rise to all the issues that have spilled over from it.

Mr Blunkett: Related to the earlier question about the future role of the Speaker, so with the future role of the Clerk. If the Clerk were to effectively be the overseer—in practice, the chief exec—then the ability to do the job that is expected of them would be impossible. With the R and R, the development of the education centre, the demands that are being made on Parliament now, the changed advice that will be needed in relation to further devolution, including to city regions, and the relationship—if we have one in future—with Europe, all place a bigger burden on the existing practice role of the Clerk and make it impossible for them to do if they had to do the wider chief exec role as well.

Mr Hain: Added to which, this Commons may have to move—moving the whole shebang. That is a huge issue.

Q177 Valerie Vaz: Mr Blunkett, would you have a pre-appointment hearing?

Mr Blunkett: Yes, I would. I see no problem with that.

Margaret Hodge: I think it would be a good thing to have a pre-appointment hearing and it would tackle some of the issues that Ian Paisley talked about, such as Members not knowing who the Clerk is. I have just got to say this about the appointments process: the criticism of the appointments process has been entirely based on rumour and conjecture. Very little of it has been based on fact. If there is one thing I regret it is that the criticism has been so widespread without any basis in reality or fact.

Q178 Valerie Vaz: Just to go down once more, if the roles were split, would you have a pre-appointment hearing for each one?

Chair: For each post.

Margaret Hodge: Yes.

Mr Hain: Yes.

Mr Blunkett: Yes.

Q179 Chair: Last point, picking up on what Mr Jenkin has said, some people regard this issue of having staff with name plates on, a badge saying who they are and what they do, as a trivial point. I happen to be on your side and regard it as a really important point. It is interesting that, so far, there has been resistance to this.

Mr Jenkin: I think it is interesting that there is resistance to it. We need to ask ourselves why people might be resisting that and why they might want to avoid accountability when they should be grabbing it with both hands in order to provide a better service to Members. I think it comes down to leadership. I don't accept that running this building, or even transferring it and running the project, is beyond the responsibility of one person, providing he or she has sufficient capacity and people to delegate to. Unity of

command is the first principle of warfare, and it is probably the first principle of running any successful organisation.

Chair: Can I thank the four of you very much indeed? We packed a lot in to 45 minutes. Thank you very much.