



Public Administration Select Committee

Oral evidence: Civil Service Skills, HC 112

Tuesday 25 November 2014

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Written evidence from witnesses:

- [Dr Adam Steinhouse](#)
- [Paul Grant](#)
- [FDA](#)
- [Prospect](#)

- [Watch the meeting](#)

Members present: [Mr Bernard Jenkin](#) (Chair), [Mr Nigel Evans](#), [Paul Flynn](#), [Sheila Gilmore](#), [Kelvin Hopkins](#), [Greg Mulholland](#), [Lindsay Roy](#), [Mr Andrew Turner](#)

Questions 106-233

Examination of Witnesses

Witnesses: **Rob O'Neill**, Assistant General Secretary, First Division Association (FDA), **Leslie Manasseh**, Deputy General Secretary, Prospect, and **Karen Foster**, Learning and Education Officer, Public and Commercial Services Union (PCS), gave evidence.

Q106 Chair: May I welcome our first panel of three witnesses to this section on Civil Service skills? We are interested in hearing your views not just about the hard skills, the technical skills and the commercial skills, but also the soft skills, the leadership skills and the people skills that are required to improve the effectiveness of the Civil Service. Please can I ask you to identify yourselves for the record?

Karen Foster: Karen Foster, PCS.

Leslie Manasseh: Leslie Manasseh, Prospect.

Rob O'Neill: Rob O'Neill, from the FDA.

Chair: We have got three panels this morning. We are quite compressed for time. We are starting a bit late. Could I ask you to keep your answers as short and crisp as possible? We will endeavour to ask short and crisp questions.

Q107 Mr Turner: The Capabilities Plan focuses on four key skills. Is this likely to result in producing the right future leadership for the Civil Service?

Rob O'Neill: The key priorities have been determined by the annual skills review, where Departments have been looking at their own capability and where individuals have been looking at and self-assessing their own competencies. As a result of that, those priorities that are in the Capability Plan have been assessed. We think that they are broadly the right priorities. There is clearly a need to develop digital skills within the Civil Service. There is clearly a need to do more about commercial skills and contracting skills. The focus is very much around that. We very much welcome some of the work that is being done at the moment. The DWP Digital Academy, we think, is a very good development. We are always in favour of building your own timber. We think that that will help.

However, it may be that with some of those skills they will have to recruit externally in order to bring some of those skills in. As you know, the pay issue in the Civil Service is a big one, in terms of being able to recruit and attract the right type of skills and the right type of people to bring in to the Civil Service. Clearly, that needs to be addressed fairly soon as well.

Chair: Thank you for a full answer, but it was too long.

Rob O'Neill: Okay.

Chair: I am going to have to pull you up if we have long answers. I apologise for that.

Leslie Manasseh: We do not have a disagreement on focusing on those four areas, but we think the focus is rather narrow. Let us take procurement, for example. Procurement, I think, is better defined not as a skill, but as a function that requires a number of complementary skills to make it work effectively. It is very complicated in Government circles, as you know. Procurement in the Ministry of Defence, Department for Transport or whatever, requires not just procurement contract purchasing skills, but, sitting behind that, skills which make up what we call the “intelligent customer capability”. These are scientific and engineering skills that have to enable the procurement function to take place properly. You cannot have proper procurement in the defence industry unless you have an understanding of defence technologies. Our concern is that those complementary skills, scientists and engineers, are being hollowed out. That being the case, it makes those four top-level skills more difficult to deliver the kind of Civil Service that we all want.

Karen Foster: Again, there is not a difficulty about the key areas, but it is the balance of the approach. When I was looking at the latest Civil Service Reform progress report, it showed that 5,200 civil servants completed courses in digital skills. I know that the digital ambitions weigh very heavily on civil servants having digital skills and, if you compare that, 47,000 completed training on commercial skills. The balance, to me, shows that the emphasis seems to be more on the commercial side than the digital skills, for where the core of the Civil Service lies.

Q108 Mr Turner: Is there sufficient focus on behaviour rather than simply skills?

Leslie Manasseh: Sorry, is there an overemphasis on behaviour?

Mr Turner: Is there a sufficient focus?

Leslie Manasseh: I think that is difficult to say. The competency framework focuses on behaviours. Clearly, we all recognise that you do need to focus on behaviours, but if you focus only or exclusively on behaviours then you are missing one of the key problems.

Q109 Mr Turner: Are people missing things or are you hitting that button?

Leslie Manasseh: We represent professionals and specialists. In my experience, the response of my members is that they think the focus on behaviours and soft skills does not help them do a better job. That is the problem. There is insufficient attention to specialist and professional skills, which, as I say, are being reduced. That is the difficulty. It is a question of balance and how people perceive the priorities.

Karen Foster: I have nothing further to add on that.

Rob O'Neill: I would just agree with Leslie that it is about balance. There has to be a balance between both. Whether there is too much emphasis being put on behaviours rather than on skills I think is a good question. Clearly, there needs to be a balance.

Q110 Mr Turner: What I would quite like is an answer. I recognise that it could be this and it could be that, but which do you prefer? Do you think it is over-skilled or over-behaviours?

Rob O'Neill: Our view at the moment is that there may be too much of an emphasis on behaviours. More should be put on people skills and developing those. As I say, there is some good work around that and we support that.

Q111 Chair: Can I just interpret one question? The Government talk more and more about creating a single, unified service, and the career paths of civil servants tend to be less vertical and more horizontal than they used to be. There also tends to be more movement; people tend to move around different areas, particularly in the senior Civil Service, and the Civil Service Fast Stream. We are creating more generalists and fewer specialists. To what extent is this strengthening or undermining the right skill sets that people need when they finish up leading Departments?

Leslie Manasseh: I am not sure people are moving as much as they should because I think there are obstacles in the way to movement around the Civil Service. That is a problem. For example, creating shared services has required bringing civil servants together from several Departments to focus on one single function. That has actually been beset with difficulties because, frankly, of the consequences of delegated authority, and, therefore, the terms and conditions and pay that people have. I think there is a problem about wasteful internal markets caused by pay problems.

I would think there is a case for a much stronger focus, for example, on the professions. I am very attached to the notion of strong professional communities, which serve as career development, skills acquisition, mentoring and even pay bargaining arenas. While we have, I think, a half-built platform in place, I do not see it being strengthened in the way that it should be. I think some professions are better than others, certainly. Of the 24, however, far too many are too weak in terms of advocacy, structure and understanding of their roles in terms of the challenges of the future.

Rob O'Neill: Again, I agree with Leslie on that. There is variability across the professions. A number of them are seeking to offer a central training offer for members of the profession. In one of the surveys we do, we have asked our members about whether they are engaging with their own professional group and if they know who the head of their profession is. More than 50% of those responding in that survey said that they were not engaging with their professional group. We think that is something that attention needs to be given to, because we certainly feel that there is scope for strengthening the professions, and the professions have a strong role in helping to develop career paths and people skills.

Q112 Mr Turner: The National School of Government has been closed. What do you think is the impact of that on the Civil Service to address those skills now?

Rob O'Neill: The feedback we have had from members, and we said this in our submission, is that members prized the ability to be away on residential courses and the quality of what they found there. I think the National School became a victim of what has been happening right across the public sector for the last four years, which were all about cost-cutting. You wonder whether, in cutting costs and closing the National School of Government as part of that, that has been mainly about understanding cost but not understanding value.

We think that it may have had an impact. There is now a move talking about making sure that people go through business schools. That may be a bit late in the day. There has been a bit of a gap since the National School of Government closed. I think we feel that it was not a particularly helpful step, but it has to be seen in the context of the cost containment that we have seen over the last few years.

Leslie Manasseh: I would agree with that. If you look at the results of the Civil Service people survey, they record a steady decline in satisfaction with the training provision from 2010. There has been a very slight recovery recently, but it has not reached the levels of satisfaction that it was in 2009. That seems to be directly related to the closure and the introduction of a much more generic kind of platform, Civil Service Learning, which has yet, I have to say, to establish a good reputation amongst our members.

Karen Foster: It is worth acknowledging that, on the people survey, with satisfaction in learning and development dropping so drastically, it coincided with the abolition of the School and Government skills, and the set-up of Civil Service Learning. There was going to be a bedding-in process anyway, but the increase has been very minor. Of the top 10 Departments, we are still sitting at, on average, less than 50% satisfaction. The results for this year's people survey are not out yet, or I am certainly not aware of it. I do not know if there has been any further increase, but I think it is of great concern. The School of Government represented an opportunity and was a centre of excellence. With it not being

there now, what we do is more inward-looking. I think that could, in actual fact, be linked to less movement between the Departments as well, because there is not that opportunity for cross-fertilisation that there was.

Q113 Chair: In a word, what is wrong with Civil Service Learning?

Karen Foster: Selective.

Chair: It is selective; it is too narrow.

Karen Foster: Yes.

Leslie Manasseh: It focuses too much on generic problems with skills and behaviours, and does not have sufficient reputation.

Chair: Reputation?

Leslie Manasseh: Within the Civil Service amongst our members. They do not see it as something that benefits them.

Q114 Chair: It is not really an institution, is it? It does not have an identity. It might be one provider or another provider. It is not an institution.

Leslie Manasseh: No, but I think they have a view of Civil Service Learning, in the way they had a view of the college, possibly.

Chair: Who are “they”?

Leslie Manasseh: Certainly my members, when I speak to them.

Q115 Chair: Does the Cabinet Office have a coherent view of what Civil Service Learning should be, in your view?

Leslie Manasseh: I am not sure. I think you would have to ask them.

Chair: We will. We will.

Leslie Manasseh: I have asked them that question and I have not had a very good answer.

Rob O'Neill: I think the problem with Civil Service Learning is that it is both a provider and a broker. It determines what courses are available. Some Departments have had some frustrations with Civil Service Learning, where they feel that the courses on offer are not of sufficient quality and they want to do their own thing. They find Civil Service Learning a blocker.

Q116 Mr Evans: Looking at the website of your organisation, it says you “help members develop their professionalism and skills. We have programmes to help members achieve their potential and meet Civil Service Competency Framework requirements, to help them to further their careers”. Is it your organisation stepping in where you believe the Civil Service themselves are deficient?

Rob O'Neill: We are stepping in to help our members to progress and not just our members, actually. We are doing a lot of work with people who are not in the membership group that we represent to try to help them to develop and to get into the grades that FDA represents. There is a demand for more and better-quality training. We do a lot of training around softer skills, which is very well received. In some respects, we are filling a gap that our members feel is not being adequately provided.

Q117 Mr Evans: What is that gap?

Rob O'Neill: I think in some respects it is providing training around some of the softer skills that they do not feel that they can adequately get from Civil Service Learning.

Q118 Mr Evans: Just for the record, what are those softer skills?

Rob O'Neill: We run courses about storytelling for leaders, on how you can inspire people within your team and how you can get them to understand the direction in which you feel that they should be going. There are a number of other courses like that that we do that are very popular and very well subscribed.

Q119 Chair: That brings us neatly on to the development and support for leadership, and the development of leaders. The Cabinet Office, in its written evidence, assures us that leaders are being equipped with the tools they need to deliver the changes they want to see made. This involves sending leaders on to business school leadership programmes before taking up an appointment. However, in the evidence we have from Professor Colin Talbot, he says, "We are probably the weakest country, certainly among the big OECD states, in terms of having a system for developing our senior public leaders, not just senior civil servants." Do you agree?

Leslie Manasseh: I cannot talk about the business community, but I can talk about the Civil Service. I do think there is a view that it is simply a question of somehow getting people steeped in business and commercial skills, spending a spell in the private sector and then coming back, and then you can very simply apply those skills to a completely different organisation. I think that is a problem because the Civil Service is different from the private sector, in that sense. Of course, it needs leadership, but it is not exactly the same thing.

Q120 Chair: He is saying, for example, and I quote him again, that the British Civil Service is "heavily reliant on some fairly narrow approaches". He says, "It is very unclear who the 'guiding mind' might be behind an effort at creating such a leadership development system". What do you make of these comments?

Rob O'Neill: I have got to say, I think one of the problems, and this is from some of the feedback we get from our members, is not so much what is available, but whether they have the time and the resource to be able to take advantage of training that is available. Again, surveys of SCS members show that over 40% of our members do not feel they have adequate opportunity to enhance their skills or competencies, due to lack of time, and due to lack of resource. These are the people who are managing change right across the Civil Service, and have been over the last few years, managing the cutbacks that have been made, and quite often they feel that they do not have the time, or that there is not the recourse available, to allow them to do that.

Karen Foster: Leadership in change and management is one of the courses that PCS provides for a number of our members. It is very, very popular because they are not getting the opportunity to do that kind of learning in the workplace. The allocation of five days a year, when you go down to the lower grades, is very often used for business critical training. They do not have the chance to develop any leadership; they do not have a chance to enhance any other skills or, in fact, there is no skills utilisation that gets developed from our members. We have thousands of members every year who we support into various forms of learning, education and training that enhance them in the workplace, but they are not getting that in the workplace. On the leadership part of that, I do not think the net is cast wide enough to look for the talent that is already in the Civil Service because we are not providing the learning and the opportunities for our lower-graded members to do that.

Chair: Professor Talbot describes four types of learning in respect of leadership. One we will recognise immediately is “experiential learning”, which is learning on the job. “Conceptual learning” is being sent off to be taught things out of context, and we see the Civil Service doing that. The other two types of learning he describes are “reflective learning”, which is role-playing in different scenarios and seeing what works or what does not work, or “experimental learning”, which is about actually trying different things in the job that you would not usually be encouraged to try to see what works and see what does not, and learning from your peer group. Do you recognise all four of these methods of leadership training being taught and understood in the Civil Service? Do you feel there is a broad understanding of the four types of learning in the Civil Service?

Rob O'Neill: Most of them, but I think the last one is problematic because of the pressure not to make mistakes, not to do things and then by perhaps taking risks and then making mistakes. The public focus that is on senior Civil Service leaders is such that it is an environment that makes it very difficult for them to experiment and potentially to make mistakes.

Chair: It is ironic that the one programme that Professor Talbot refers to where experimental learning has been run is in GCHQ, which is not exposed to as much public scrutiny as other parts of the Government.

Leslie Manasseh: I agree. I can see evidence of these taking place. However, as Rob pointed out, I think we are in a very risk-averse arena and it is therefore difficult for people to push the envelope and push the boundaries in terms of acquiring leadership skills.

Q121 Chair: What about reflective practice? Do you see people being given much opportunity to role-play and experiment outside the workplace?

Leslie Manasseh: I do not actually, because I see people who are so busy and who have such long working days, increasingly, that all their time is taken up on operational matters, and hardly any taken up on reflective practice.

Karen Foster: Yes, very much, with the pressure of work, there is not the opportunity within the workplace to take on any other opportunities to develop yourself, particularly the experiential. I cannot see that being something that is—

Q122 Chair: In your experience, how many civil servants are getting the five days' training per year that the Government says they are entitled to?

Karen Foster: I cannot put a figure on it, but I do know that many members say that they cannot get the time off to train because of operational needs, deadlines and workloads.

Q123 Chair: Is that not self-defeating? If you do not people give time off for training, does it not actually degrade the capability of your organisation? People will be busy being less effective.

Leslie Manasseh: Yes, but there is a conflict, is there not, between, if you like, the pressures and targets upon operational managers and what might be a centrally-driven approach to upscale the Civil Service? If you do not have enough resources, you are going to be reluctant about letting people go.

Q124 Chair: Is this an attitude problem? If the Government and the leadership of the Civil Service place enough emphasis on the importance of training, people will go and do their training.

Rob O'Neill: I think so. We think that there needs to be more of an emphasis given to this, and almost making it mandatory for people.

Chair: So there is not enough of a training culture.

Rob O'Neill: No.

Leslie Manasseh: Can I just add one point? There is mandatory training and there is also a lot of online training. Again, amongst the members I deal with, neither of those has a very high reputation. It is a bit of a "tick in the box". "We have to do this, and we have to sit in front of a screen for 40 minutes, so let's make it as short as possible". I think that does degrade the quality of the training as well.

Q125 Mr Evans: I am just wondering, if you are making comparisons between the public sector and the private sector, whether you believe the public sector are operating at a disadvantage on training and improving your skills, as compared to the private sector.

Leslie Manasseh: I believe that. I think one of the problems with the Civil Service Reform Plan is it is not based on a clear assessment of the future role of the Civil Service, the challenges it is going to face, and therefore the skills, organisation and structure it needs. Unless you have a clear idea of the skills you need and the resources you need, it is going to be very difficult, I think, to put in place a comprehensive training plan. In my experience, the private sector is a little better at foreseeing what it has to be able to do in a few years' time.

Q126 Mr Evans: Is that because if the private sector do not get it right, they are out on their ear, whereas the public sector are always going to be there?

Leslie Manasseh: That may be a factor. I am not so sure about that. The mistakes are made in both sectors.

Mr Evans: In the private sector, you pay a bigger price. In the public sector, when they get a contract wrong it can cost hundreds of millions and it seems nobody pays a price apart from the taxpayer.

Leslie Manasseh: That is true. There is, within the private, sector a view, too, that you can buy in skills when you need them. It is easier to do that in the private sector. Indeed, one of the things the Civil Service suffers from is the pay gap between the private and the public sector, and therefore the leakage of skills.

Q127 Kelvin Hopkins: On the pay gap, apart from being demoralising and whatever, it also means that there is a shortage of skills. People are drawn away to the private sector, where they can earn more money. How much has the Civil Service been affected by the crude cutting of the headline numbers of civil servants at every level, over the last few years? The pay gap helps this, but would you like to comment on that?

Rob O'Neill: There have been some problems in recruitment over the last few years. When the Civil Service does go out and tries to bring in skills, it quite often finds that it cannot do so at the rates of pay that it wishes to recruit people into the Civil Service. Retention has not been so much of a problem for the Civil Service in recent years. We have recently been surveying HR managers across the Civil Service and they are quite clear that, as the economy picks up, their problems are going to rise and that we are going to start to see people leaving the Civil Service more. Indeed, as the Civil Service increasingly prioritises skills that are very prized in the private sector as well, especially digital and commercial skills, then you are competing in those markets and the current pay arrangements in the Civil Service are not sufficient to allow you to properly compete.

Q128 Kelvin Hopkins: How much has this been drawn to the attention of or emphasised to, Government? Is there a political appetite to address the problem?

Rob O'Neill: Constantly. It is not just us that are doing this. I am not sure if he is giving evidence here, but one of the directors of the Hay Group—which is a big consulting group that has got the most used job evaluation system in the UK and possibly across the world—has recently gone on record as saying that the Civil Service has the lowest-paid leaders of any sector across the economy. He has actually given some figures of the gap that exists between the Civil Service and the private sector. The gap is huge and it gets greater as you go up the scale.

Q129 Kelvin Hopkins: Colin Talbot talked about other countries that compare with us unfavourably in many respects. Is there a case for having an approach like, say, France, where they recruit the best minds, retain them through their whole career and they have this enormously strong, powerful centre, the State. Even when governments collapse and fall apart, the government carry on because the State and public service are so strong.

Leslie Manasseh: I don't think I would put it quite like that. It is well documented that there are significant recruitment problems across the Civil Service, both at senior levels and specialist professional levels, and clearly that is having an operational impact. There are an awful lot of sticking-plaster solutions in place, in terms of the way people are trying to manage without having enough of the right skills across Departments. That is storing up enormous problems for the future.

The Government have got ambitious plans for transport infrastructure, but I am clear that unless you have enough geo-technologists, traffic modellers and the like in the Department for Transport, you are not going to be able to deliver that. It may be that the problems of a skills shortage now are not visible for some years. However, that does not make them any the less, and certainly it makes it more important that they are foreseen and mitigated now. Unless the pay gap is recognised and dealt with then I can see no way in which that problem is going to get better. It will get worse.

Q130 Kelvin Hopkins: What about recruiting career civil servants straight from universities? Given that we have got the City with enormous incomes, some of the best minds from universities must be tempted to go there rather than the Civil Service these days. The Civil Service, in my day certainly, used to recruit the very best graduates for the senior Civil Service. Is there a problem now with pay and recruiting the very best from universities?

Rob O'Neill: I think the pay that graduates enter the Fast Stream at is generally competitive. Increasingly—and we are being told this by our Fast Stream members—the problem is that they are coming in, they are developing their skills and they want to work in the public sector for a few years, but increasingly looking outside, and seeing the Civil Service as a stepping-stone to being able to go off into the private sector and earn more. What they are also seeing and they are not happy about is the lack of respect that civil servants get quite often from politicians and certainly from the media. They feel that quite strongly, and feel that they would be valued more, perhaps, by working elsewhere. Those two forces are coming together and making a lot of these bright young Fast Streamers, who we really need to keep in the Civil Service, think very carefully about where their long-term future is.

Q131 Kelvin Hopkins: It is a question of respect, by Government and the public, for civil servants, instead of being regarded as a burden and a cost on the taxpayer?

Rob O'Neill: Exactly. One of the things our members say constantly to us is that they are fed up with being praised in private and criticised in public.

Q132 Kelvin Hopkins: Would it not be much more sensible to find a way of retaining those people for life, once they have been recruited and once they have been trained, in the Civil Service, rather than seeing them float off into the private sector?

Rob O'Neill: Of course.

Leslie Manasseh: Yes, of course.

Chair: Very good. I think we are finished. Is there anything you want to add? Thank you very much indeed. That was a very helpful contribution to our inquiry.

Examination of Witnesses

Witnesses: **Clare Moriarty**, Director General, Rail Executive, Department for Transport, and **Bill Crothers**, Chief Commercial Officer, Cabinet Office, gave evidence.

Q133 Chair: Welcome to you both. May I ask each of you to identify yourselves for the record, please?

Clare Moriarty: I am Clare Moriarty. I am the Director General for Rail Executive in the Department for Transport.

Bill Crothers: I am Bill Crothers. I am the Government's Chief Commercial Officer, based in the Cabinet Office.

Chair: Again, I must invoke short answers to short questions, please. I will pull you up if I think you are going on too long because we are under pressure of time. Thank you for being with us. I want to do something rather unusual in this Select Committee. I do not want to dwell on what is going wrong and seek publicity for exposing that. I want to find out what you are learning from what has gone wrong, and therefore what is going right and what you are putting right.

Q134 Sheila Gilmore: This is particularly for Bill. Could you say briefly how successful you think you have been in addressing the commercial skills gap?

Bill Crothers: Mixed, I think, if it is an honest assessment. A lot has happened in the last three or four years and I could list some of it, but perhaps the one to mention is that, because of the deficit and the need for making savings and doing business better, commercial has come onto the agenda. Your last speakers were talking about respect. I think actually procurement and commercial has become more important; they are second or third-class citizens. A lot of things have flowed from that. It is mixed. We have made some good progress. There is more to do, which I can talk about.

Q135 Sheila Gilmore: Some of the commentary around this has been to suggest that it is not just a question of skills, but also a question of culture. To what extent has there been a change in culture?

Bill Crothers: Often when I talk about what people need it is skills experience, judgment and then confidence. The key thing is being able to have the confidence to make judgments. I think that is the biggest cultural change we need, where people do not feel worried about being criticised in the press, criticised in Committees and criticised by politicians. If they were actually confident, they would use their judgment based on their experience. We have a way to go there. We have made some small people, who are not big enough to make judgments based on their experience.

Q136 Sheila Gilmore: Do you think you have identified the right skills gaps now?

Bill Crothers: I do think we are getting there. I heard you talk about training. I think it is actually a career model. We need to develop people's careers all the way up, as a private sector organisation would do. I have been with John Kingman, the Treasury Permanent Secretary. We have been doing a review of commercial capability across each Department. In summary, what we have found is that at the experienced level we have probably got about

half as many people as we need. At the junior, inexperienced level, we have got far too many people. We need fewer people with deeper experience and the confidence to be able to make proper business judgments.

Q137 Sheila Gilmore: Does that mean attracting external skills? How successful have you been in doing that?

Bill Crothers: It is quite a departure, I think, from how the Civil Service has developed specialists. I do not think there is a cross-Department function, like commercial, that has been managed this way before. I think we need to recruit, absolutely, but hundreds not thousands. I also think we need to grow our own. This year, for the first time, we have got a commercial stream to the Fast Stream. We are actually recruiting top graduates coming in and they nominate that they want to specialise in commercial. We are also out building links with universities because this is a good time to pick up graduates. We need to grow our own and bring them in, really nurture them and develop them, and not just train but give them experience against a template, as well as recruit people. No doubt we will talk about remuneration, because that is a factor.

Q138 Sheila Gilmore: When you are recruiting graduates, and we have got a Fast Stream, is there any particular type of graduate you look for? Alternatively, do you see it as something you can train once you have recruited?

Bill Crothers: There is a saying that Richard Branson has, and that I believe, which is, “We recruit attitude and train skill.” I think there is a lot in that. In terms of my background, I was in Accenture for 25 years or so. In the private sector we prided ourselves in developing the very best. We would have people who were classicists, historians and English graduates, and within two months they were coding as if they were experts. If you recruit attitude, potential and capability, you can go a long way to train people to do the job.

Q139 Sheila Gilmore: To what extent is Civil Service Learning helping you in this training?

Bill Crothers: It is a component. Really, Civil Service Learning is just a platform. We develop the training courses. They deliver some of them online. The vast majority, something like 36,000 conducts, happened online in the last year. 2,000 or 3,000 happened face-to-face. I am much more focused on the face-to-face. That is not really Civil Service Learning. That is us to develop the content. There is a Major Projects Leadership Academy that typically DGs go through. I make sure I go up and spend two or three hours for every cohort talking about what Government spends and key commercial skills. We have got the commission academy that is face-to-face and going out to the wider public sector. We have now got a two-day master class for commercial specialists. It is about developing the content. I think that is my responsibility. Civil Service Learning is a delivery platform. I think we need senior, experienced practitioners to be on the courses delivering them because you bring it to life with previous stories and experience.

Q140 Sheila Gilmore: Would you be able to sum up what you have taken away from your experience so far in your current role?

Bill Crothers: We have made good progress, but there is more to do. I think we are really very keen to take a look, over the next five years, to establish a proper career development model, growing our own, developing our own, and recruiting in against a proper set of standards. There is a tendency to recruit in and say, “Private sector good, public sector bad”. That is too simplistic. We should be developing a standard so that we assess people when we recruit them to see what relevant commercial skills they have. We probably need to develop a set of specialists, so a specialist grade in the Civil Service. We probably need to change our remuneration and it is not just a case of paying more. It is actually pretty hard for a civil servant to lose their job. If you are in the private sector you can lose your job pretty easily if you do not perform. That is the environment I lived in. We inch up the remuneration; we take away some of the tenure; we perhaps take away some of the things people who are coming in would not care about, like pensions. We assess them against a proper standard of relevant experience. Then, when they are in, we develop them.

Q141 Chair: You cannot do that at the moment, can you?

Bill Crothers: It is being discussed right at the top of the shop. Those conversations are happening more than I have seen in the last four years, Chair, and I am really hopeful.

Q142 Chair: Are the 16 jobs or so in the Ministry of Defence in that category now?

Bill Crothers: 16 jobs?

Chair: After the failure of the GOCO, there was latitude given to the Ministry of Defence. Is that the kind of latitude that you have described?

Bill Crothers: Yes.

Chair: They have got that, so the precedent has been set.

Bill Crothers: Yes. They have got it and they are probably a little bit more advanced in my thinking because they have been given the freedoms before. We are looking at getting exactly the same. By the way, I do not think that it is a lot. If I picked a number, it is 500 or 600, outside of MOD, that we need of really deep commercial specialists.

Q143 Chair: What about the problem of what we call “tissue rejection”? Do these people suffer tissue rejection, where they get expelled by the system because they do not understand the culture of the system?

Bill Crothers: Again, the easy answer is yes. The Autumn Statement will be coming out soon, with an emphasis on savings. Jeremy Heywood gave a conference call with the top 200 civil servants last week and priority number one was commercial skills, and getting commercial skills right because it is so important for the reputation of the Civil Service. The messages from the top are right. Therefore, Permanent Secretaries are beginning to see that deep specialists should be welcomed and can help in certain situations. We have enough examples now: the negotiations with Serco and G4S were us working closely with the Ministry of Justice. I could give other examples. I think it is turning. It would be too much to say it has turned, but I think it is turning.

Q144 Chair: I know other people want to come in, but is there enough emphasis on growing our own talent in-house? I worked for Ford. If you look at really successful organisations—look at an organisation like Caterpillar—they have always grown their own talent from within. These are the most successful organisations we can see. The John Lewis Partnership hardly recruits from outside at all. Is it not an indication of internal failure if we have to recruit people from outside?

Bill Crothers: I am not sure, Chair, it is a failure. I do think we should do much, much more in growing our own, developing our own and moving specialists across Departments. We should do much more.

Q145 Chair: What is the leadership doing about that?

Bill Crothers: As a functional leader, as a leader of one of the key functions, commercial, I have been asked to work up, essentially, a proposal. The proposal is worked up. It is with the top of the shop, so Jeremy and John Manzoni as well.

Q146 Chair: What does that proposal recommend, if we are allowed to ask?

Bill Crothers: In summary, it says that we should develop a cadre of specialists.

Q147 Chair: Is that going to be trained from within or are we going to have more of this rather unsatisfactory Civil Service Learning modular training.

Bill Crothers: My recommendation is that you do both. You develop from within. You grow your own. You really nurture them. However, you also continue to keep it vibrant by recruiting from outside. It is a mix.

Q148 Chair: With the demise of the National School of Government, are you not lacking some institutional framework for this kind of institutional learning?

Bill Crothers: Part of the proposal is to set up a training academy. Let's start with all new civil servants who are commercial specialists going through a standard training course, not for a day but perhaps for three or four weeks. We make it residential. You get a cultural bind and you get people who understand common experiences and so on. That is part of the proposal.

Q149 Chair: Forgive me for asking another question. Is the question of getting the Civil Service working together not more about sharing a culture rather than having particular skills? If you and your colleagues share an understanding of how you work in your institution, even if you have the wrong skills or are adapting your own skills to a different set of circumstances, if you share a culture, how does the Civil Service train that cultural affinity across disciplines in order to make the Civil Service work? Is it there?

Bill Crothers: There has been a traditional emphasis. At least in my experience since I have been a civil servant, the primary line has been the Departments. There has not always been a natural sharing across Departments. I think over the last few years I have seen it change.

Q150 Chair: Was the National School of Government not a cross-departmental organisation?

Bill Crothers: Yes, it was.

Chair: How do you replace that capability?

Bill Crothers: We replace it by having a stronger function and by continuing to have training courses that people do not just do by e-learning but physically attend, so they have common experiences.

Q151 Chair: Do we not need co-operation between professions as well?

Bill Crothers: Yes.

Chair: Do the separate professions need to be in joint training courses?

Bill Crothers: Yes.

Chair: How is that delivered now?

Bill Crothers: For example, there is close working between commercial and finance, or commercial and legal. The functional leaders speak. Julian Kelly, who is finance, and I speak. Probably not as much, but a few times there have been joint courses, of people from—

Q152 Chair: I am genuinely not trying to trip you up here. I am trying to identify what kind of gap there exists in the broader institutional training of the Civil Service, because the Government are very keen on creating a more unified Civil Service. You are thinking about one profession, but how much have we actually addressed the cross-profession and cross-departmental institutional education, and education of leadership, of the Civil Service? Is there still a gap?

Bill Crothers: I can talk through my optic, if you like, and how I see it. I think John Manzoni's appointment will make a big difference. From conversations so far, one way that John is tackling that job is to understand the importance of mature cross-departmental functions, as he would have had in BP, I would have seen in Accenture and other places, and you would have seen in Ford, I think. He has got seven or eight functions. Again, these are standard corporate functions you would expect. He will have those functional leaders report directly to him. They will meet on a regular basis and he will set a common agenda for them so that he gets interaction between them. Then below that people will mix and interact and so on.

I think we are at the very beginning of that, but that is the agenda that John is going to drive over the next few years. It is a difficult model to understand, because it is a model based on intra-dependence and people working together, and it is not traditionally how most things have happened. The advantage we have is Chris Last, who is Head of HR, is ex-Ford, so he knows exactly how it worked there.

Q153 Lindsay Roy: You said there had been a positive change in culture. How do you gauge that effectiveness?

Bill Crothers: Goodness—

Lindsay Roy: In two minutes.

Bill Crothers: You do not measure culture. That is not meant to be trite.

Lindsay Roy: What are the indicators?

Bill Crothers: You see the impact. I always think that you do not need to measure the wind-speed to know wind is blowing. You see the trees bending. The way we would measure the impact is we will have fewer contractual failures. That is the key. We have too many contractual problems. We will have fewer contractual problems; we will see people naturally working across Departments; we will see MOD pick up the phone and say, “How can I help, Home Office?” and so on. They are the best indicators: people co-operating, and us not being in the press for contract failures as often as we are. I think that is the measure.

Q154 Kelvin Hopkins: I am quoting you from January this year. You said that IT industry suppliers had behaved “appallingly”, and I will not do the full quote. Is it not the case that it is absolutely vital to develop in-house, long-term capability, with not just IT skills but actually commitment to a public service ethos as well? We are not going to get to grips with these industries that rip off the public purse until that happens?

Bill Crothers: Yes. The Government Digital Service, which is essentially another function, has recruited 200 or 300 people at the centre. GDS, and Mike Bracken as the functional leader, has now helped Departments recruit. The MOJ, I think, has now got a couple of hundred specialists in new digital IT techniques. We absolutely need to be developing our own capability, so I completely agree.

Kelvin Hopkins: Thank you.

Mr Evans: We have heard Mr O’Neill decrying the fact that civil servants are not held in high respect and I speak as a member of a profession that is highly regarded throughout the country. Do you think that it is part of what you are talking about, in as far as security of tenure really does the Civil Service no good whatsoever, that it would be far better if there was more fluidity within the organisation? We spoke in Washington about, “Surely more civil servants should get out into the private sector more often?”, but there was a fear that, if that happened, they would not come back. Just as there should be in-training to bring the leaders up to scratch, but also bringing people from the outside into the Civil Service to breathe fresh air into this is how we do things, do you not believe that, basically, it may take a full review? It is not just pay; it is the whole gamut of Civil Service.

Chair: Thank you. Ask a question, please.

Mr Evans: That was it. That was the question.

Bill Crothers: I think that bringing people in and people going out is a good thing. It creates vibrancy; it stops stagnation. Actually, I take issue with one of your previous

questioners when he said you would like to keep people a long time. If someone leaves, in some ways that is to be celebrated, because it means we have done really well. Why I am here is because it is very rewarding, very stimulating and very interesting work. It really is. Getting that message across to people is important. I think there is vibrancy.

It works both ways. I think there should be stronger accountability, yes. I think there are consequences for not doing well, but not that everybody is on a knife edge and not a very aggressive American culture. However, I do think that if something goes wrong, you should take responsibility. But there is a flip side. If something goes really well, you should similarly get a reward. At the minute, there are not enough rewards and there are not enough consequences.

Q155 Mr Evans: I have a last question. In your opinion, have there have been too many failures within the Civil Service, which, of course, appear in the newspapers, where the buck does not stop anywhere?

Bill Crothers: I think there could be greater accountability, yes, Minister.

Q156 Chair: Thank you for that. Clare Moriarty, do you want to comment on anything that has been said so far, before we come to your bit?

Clare Moriarty: There is one particular thing about how we grow our own, because that is something that is certainly a preoccupation for us within Rail Executive. I would agree with all the things that Bill was saying. We have created within the Department for Transport our own commercial fast track, because actually one of the ways in which people learn best about commercial skills and capabilities is actually doing the job. If you look at the way that private sector organisations would train their commercial people, they would be sitting second seat in negotiations. They would be working on negotiations. They would then move into doing it more for themselves.

What we are trying to do, therefore, is bring in a cadre of people who can take advantage of the huge variety of opportunities we have within the Department for Transport actually to be involved in commercial negotiations. We have started to bring in apprentices, and we are trying at each level. We bring people in at the graduate level, and pull through some of our people who have got a lot of experience to make sure they get exposure and they move through doing negotiator roles into doing project lead roles, and we grow our capability like that, as well as supplementing that with people who have got direct and recent external rail industry experience.

Q157 Chair: Very good. You were closely involved with the cancellation of the West Coast franchise competition, which went so badly wrong. We had the two reports. The Laidlaw report talked about deficiencies in organisational structure and resourcing, and how key skills were lost. We had generally rather more junior people in the Department dealing with much more experienced and senior people outside the Department. Then we had the report from Richard Brown, the chairman of Eurostar, who pointed out something more interesting. He talked about the need for people to “have the confidence to engage at senior

level when appropriate”. Can I ask you to just comment on that? Why do you think that was his finding?

Clare Moriarty: At a simple level, franchise competitions in particular are very high-value contracts for the rail industry. Each time we run a competition, on the bidding side they would be putting together senior teams with experienced people from around the industry. A lot of people move around industry. They specialise in bidding; they do not always work for the same company, but they will specialise in that area. They are significant senior people and we need people on our side who can really sit across the table and be credible negotiators with them.

Chair: So this was not about internal engagement.

Clare Moriarty: I do not think it is about internal engagement.

Q158 Chair: I misread it, because later the Permanent Secretary, in his response to the Laidlaw and Brown reports in February this year, and I will quote the whole paragraph, if I may, said, “A culture of open and honest exchange by staff at all levels with senior managers is fundamental to the way the Department does business. The Department recognises that senior leaders and managers have a vital role in demonstrating in action that honesty is welcomed and that nobody is later penalised for raising issues that their colleagues may find uncomfortable or challenging. In parallel, we have endeavoured to change the tone of dialogue with the rail industry to something that is more open”. This is a very unusual thing for a Permanent Secretary to have said. This looks like, to me, quite a big change in culture. Could you say something about this?

Clare Moriarty: Certainly. I think, as you say, what happened on the West Coast competition cancellation is well documented. Certainly, in terms of the leadership that I have offered to the Rail team since I took over at the beginning of last year, it has been very much about creating an environment in which people can move forward and move on. I think there was a sense, rightly or wrongly, that people did not feel as able, or had not felt, that raising concerns was necessarily the most welcome thing to do. I spent a lot of time, very visibly and almost theatrically, saying to people, “Please do raise your concerns. I want to hear; I want to know”.

There is a constant balance to be struck between actually getting on and delivering things, and making sure that everybody feels comfortable about them. An awful lot of my time was spent making that judgment and making sure that nobody felt there was a concern that had been brushed under the carpet, but equally being clear about where the responsibility for holding risk sat. A lot of the time I was receiving risks from people, making sure that they understood that it was welcome, and that I was really grateful for them to have raised it. Actually, then, it was for me, the Permanent Secretary, and the senior team, to hold that risk and to make a judgment about when we should proceed and when we should go back round the loop again.

Q159 Chair: At the time that all this broke, there was a great deal of public opprobrium heaped upon individuals at a relatively junior level in the Department. To what extent are you now saying that that was a bit unfair?

Clare Moriarty: We went through a very thorough process in the Department to look at everything that had happened. We looked at both Sam Laidlaw’s inquiry, which

established the facts, and we had an HR investigation that sat alongside that that interviewed 30 or 40 people. Everybody who had been in any way involved in the competition, including the whole executive team, was interviewed and reviewed as part of that process. In a sense, what plays out in the media is always going to be a small slice of what is going on. It is right that Departments should not be conducting HR investigations in full public, but that process did go on in a very thorough fashion.

Q160 Chair: Of course, and I am very anxious not to intrude on anything that should not be in the public domain in this cross-examination. Usually the public sector just says, “Let’s just move on. It is all over. It has died down; let’s just move on.” To what extent did the system find it novel to have this kind of investigation that you conducted?

Clare Moriarty: I cannot answer for what has or has not happened in other Departments. What I do know is that within the Department for Transport, we felt that it was very important that we did look seriously, thoroughly and comprehensively at what had happened, and conduct an absolutely comprehensive review so that we were able to understand and follow the normal processes that exist.

Q161 Chair: What do you think the key lesson in the DfT has been for how the Department is led?

Clare Moriarty: I think there have been all sorts of lessons. It was a deeply, deeply traumatising experience for the Department.

Chair: It was and I am sorry to be raising it all again.

Clare Moriarty: I think it is something from which we all can learn and we all should learn. Certainly, I know to some extent that the external perception was that this was about a very small number of people. I can certainly assure the Committee that we went through a very thorough process, both in terms of understanding what had happened, but also in looking from top to bottom at the things that the Department needed to do. One of the things that we came out with was a response to Sam Laidlaw’s report, which was published when it came out. We boiled that down into something we called the Laidlaw prescription, which we have got printed on little cards, which people carry around with them. That had five elements: clear process, clear responsibility, adequate resourcing, openness to challenge, and escalation and honesty about risk.

I think all of those five themes have then been translated into some quite specific action. We have documented and clarified our processes. We have reviewed a lot of our governance. We have created clarity around the responsibilities, particularly of the people leading projects—SROs, as they are called. We went through a very thorough process of looking at how we needed to resource not just the franchising programme, although that was a big area, but across all of our significant projects. As you quoted, we also put a very strong emphasis on making sure that not only were we as the senior team open to challenge but that people knew that. It is one thing to be open to challenge, but if people do not recognise that, it does not achieve anything.

Q162 Chair: So one of the key skills gaps in the Civil Service is perhaps on that card, about being open to challenge and being prepared to escalate concerns and risks. Very often we have heard that the Civil Service is not a very easy place to do that.

Clare Moriarty: I would hope, personally, that it always is possible to do that. I think there is sometimes a question about whether people's perception in a world where you have to deliver—

Q163 Chair: Let us ask Bill Crothers. Do your senior leaders and their people carry that card in their pockets?

Bill Crothers: No.

Chair: Should they?

Bill Crothers: Yes. Good idea.

Q164 Chair: How is the learning carried from one Department to another? This seems to me a really good, positive lesson to learn.

Bill Crothers: The problem is that there are too many of them. I do have a group who work for me who read any old PAC, PASC, etc., reports that concern commercial, which they try to abstract, distil and send around to people. That one I missed. I did read the Laidlaw report; I just did not distil those five points.

Q165 Chair: Does this not underline again that there is an institutional gap, or capability gap, in the Civil Service? There is no institution to share learning and experience of this kind across the whole of the Civil Service.

Bill Crothers: Yes. I might express it differently, which is that there is not a thirst for people seeking it. In other words, if you push it out and say, "I am going to share", people get bombarded with material. If you are hungry to get it and seek it, that would be a better cultural change.

Q166 Mr Evans: I catch that train from time to time. I have to say, as a Member of Parliament for 23 years, I have experienced a few shambles in Government. Clearly the West Coast mainline counts as one of them. Was an estimate ever made as to the financial cost of the irregularities that took place during that bidding process?

Clare Moriarty: The cost was mainly that we refunded the bidders' costs, and that was in the region of £40 million to £45 million.

Chair: I have to say, this is not what I want to really dwell on at this stage because it has all been done before. This has all been done before.

Mr Evans: No. I am just going to carry on.

Chair: You are entitled. I cannot stop you.

Q167 Mr Evans: I do not want to get involved in the blame culture, as such. However, it goes back to what was said earlier on. Did anybody pay a price for that?

Clare Moriarty: As I was saying to the Chair, we went through a very thorough investigative process, at the end of which there were disciplinary proceedings.

Mr Evans: Would these have been similar to what happens in the private sector?

Clare Moriarty: The Civil Service has its own procedures, but they were certainly thorough proceedings.

Q168 Chair: The question I would ask is about the people who were publicly identified at the time. If they were not working in a culture where it was possible, or they were encouraged, to escalate risks and be open and honest, how much are they really to blame for what occurred? Is it not much more of a systemic cultural failure that led to this incident? You seem to be addressing this. What does accountability mean when nobody really feels accountable because they are not encouraged to be accountable by raising the risks and escalating the concerns?

Clare Moriarty: I think people within the Department for Transport are very, very conscious of personal accountability. I do not think there is any doubt about that. Indeed, to some extent, as I was saying, my job has been to make sure that people feel accountability at the right level, because it is possible for everyone to feel they are personally accountable for making sure nothing goes wrong and actually that can result in a situation where nothing ever happens. I have been holding for my organisation, for the last best part of two years, the requirement to be able to say, “We need to move on. I hear what you are saying.” Sometimes, when people have raised risks, I have gone back and we have revisited a process that has already been through in order for people to feel more comfortable about it.

There have been times when, again very visibly, the senior team, the Investment and Commercial Committee for the Department as a whole, has said, “We see that risk, and we are making the decision that we are going to take that risk”. They have been very clear with people that people have individual accountabilities. They are accountable for making sure that their job is done properly, and they are accountable for making sure that risks are escalated to the right level. If they bring a risk to me that I do not think they should be burdened with, then I have almost physically taken it from them. At the moment, I think it is a natural reaction to the trauma the Department went through. People feel very accountable and they feel anxious about the consequences of that accountability.

Chair: In a way, the key accountability is that you feel accountable for their level of accountability.

Clare Moriarty: Yes.

Q169 Mr Evans: When we go through the bidding process again, which we will do, are you absolutely assured now that the changes that have been made, because of the lessons learned, will mean that we will not go through similar problems?

Clare Moriarty: I am absolutely as sure as I can possibly be. We have a very, very different process. I think one of the lessons was that we simply did not have the dedicated resource working on these competitions that we needed. Every single franchise competition now has a franchise project team leader at a senior level. We have fully staffed and dedicated

teams for each franchise competition. We have our financial, legal and technical advisers in place. We have processes that just make sure that we do things really, really thoroughly.

The first franchise that we let following the West Coast was the Thameslink/Southern/Great Northern contract, and that project just last week won The Commercial Award at the Civil Service Awards. I think we have come a huge long way. I am absolutely not complacent. Every time we go through one of these processes, they are very high risk. There are so many things that can go wrong when you are letting a £9 billion contract. I am very conscious of my role and accountability. Our Managing Director of Rail Passenger Services is very conscious. I cannot guarantee nothing will ever go wrong, sorry.

Q170 Chair: Sorry, we are getting very long-winded. I do apologise. Do you think you also lay sufficient emphasis on contract management and the franchise management after the franchise has been let?

Clare Moriarty: We have always had very good teams doing contract management within the Department for Transport. We have dedicated teams who are responsible for making sure we realise the benefits from each of those contracts when they have been looked at. In particular, in the recent review of the Serco contracts, they were given a very clean bill of health.

Chair: Now is not really the opportunity to raise it, but many of my constituents travelling in on the Great Eastern Main Line would beg to differ. I just put that on the record, not to press you on it.

Q171 Greg Mulholland: I have just a slightly wider question following on from Nigel's question. This was a debacle, clearly. It has not been the only one; there have been major errors. A few years ago we had the NHS IT fiasco and the extraordinary cost of that. There have been several huge, high profile disasters of this nature. It is good to hear that you do not think it can happen again. You obviously accept the damage it does when tabloid newspapers then attack the very basis of the Civil Service, the professionalism of staff. Has there really been a change in how such projects are dealt with? Are you also, as well as dealing with them internally, sufficiently robust in saying to politicians, when they are asking you to do things that actually you do not believe are necessarily achievable, to think again to avoid such situations?

Bill Crothers: About a year ago, following the electronic tagging episode in the Ministry of Justice, one of the things I was asked to do by the Minister for the Cabinet Office was to review all contracts—as it happened, all Serco and G4S contracts—and how they were being managed across all Departments, and then to extrapolate from that. I came up with a report and some advice. We are now following up, reviewing each Department and seeing how they are implementing that.

One of the findings is that there are three stages of commercial, in a simplified view. There is working with policy, with the market, and with suppliers before you start procurement. There is then running a procurement. Then there is post-contract contract management. Those are the three stages. The 4,000 people who are called “commercial specialists” typically spend all their time in the procurement function. They typically have not spent their time in pre-procurement, and they have not spent sufficient time in contract management.

Actually, in this regulated system, all the relative value is in pre-procurement—working with policy, saying to Ministers, “That is not the way to do it”, and getting the market to maximise competition—or in contract management. Traditionally, and it is a bit of a generalisation, the Commercial team have spent their time in exactly the wrong place. What’s more, 75% of those 4,000 people are either SEO, band 7 or below. They are actually relatively junior. A big junior cadre, a not sufficiently experienced bunch of people, have all been working in the wrong thing.

The report said we should fix that. The report focused on contract management. DfT actually reacted very, very well to West Coast, and I think they are in a good place. That might be the kiss of death for their next contract, but other Departments need to improve and they are embracing it. It is not process; it is culture. Some Departments have responded as a process response, and that is difficult to have a conversation with, because they can show you how they have done tick lists. It is actually a cultural response to the problems. I am not sure if that answers it, but we are trying very hard.

Chair: It is a very good answer.

Q172 Greg Mulholland: No, Thank you. I have a final question, if I may, very quickly. Is the timetable for the Universal Credit realistic? Will it be achieved? If not, have you told Ministers?

Bill Crothers: It does not sound like that is one for Clare. I don’t have the details; I really don’t. I don’t have anything meaningful to say to you. We believe it is realistic. I know the Department is giving a lot of time to it. At certain milestones, it is reviewed by MPA. I take part in those reviews. However, I am not current on it, I am afraid.

Q173 Chair: You may not be current on it, but do you think there has been learning from the Universal Credit experience? In some respects, the first two years of attempted implementation do seem to reflect the same lack of transparency, openness and honesty. There must have been people in DWP who knew it could not be achieved on the original timetable, but it took an awful long time for the leadership to find out.

Bill Crothers: I have been a civil servant for seven years. I do see a big contrast today with seven years ago. Maybe that is just because now I am in the Cabinet Office and I see it more. Only this morning, I was talking about a situation in a completely different Department, and I was drawing a parallel with Universal Credit, and saying, “We really need to learn from that and not do the same thing again”. I do not know whether it is systemic, but I think there was a lot of learning from Universal Credit.

Chair: We want the learning to be systemic.

Bill Crothers: Of course. I understand. I am just saying that I am not sure many people do that.

Chair: Universal Credit people should be carrying Clare’s card in their pockets.

Bill Crothers: I am going to take the card and send it around. I will write to you and tell you I have done it.

Chair: Can you send it to us as well, please, if it is not a classified document?

Clare Moriarty: It is certainly not.

Bill Crothers: Learning is not always public. I do think that DWP have learnt a lot from Universal Credit and the same people, if they were doing it again, would do it differently. I feel pretty confident on that.

Q174 Chair: How can we make sure we do not have to go on learning the same lessons over and over again? That is what these questions are really about. How can we do that?

Clare Moriarty: I think the MPLA, which Bill referred to, is a really important space for cross-departmental learning at the level where it really matters. We have had nine people from Rail Executive who have gone through the MPLA. They are our directors and are deputy directors, so these are people who are leading our franchise projects and leading our major projects. It is a safe space. It is a place where, certainly, people are able to talk about their experiences. Some of my people who have been through the West Coast experience have talked to their peers. It is different types of environment for different moments, but I think we do have some of the right mechanisms to do that.

Bill Crothers: I would briefly add—and maybe this will be as interesting to you as Clare’s card—that we created a team called the Complex Transactions Team. It is essentially a big deal team.

Chair: This is within the Cabinet Office?

Bill Crothers: Yes. It is within my group, so it is within the commercial function. Chris Hall, the chap who runs it, is sitting behind me. He has extremely deep commercial expertise. Essentially, what we have done is mimic what the large suppliers do. The large suppliers who are selling to a Department have the same team who then go to the next Department, and the next Department. Typically, it was often the case that the civil servants who were buying a big deal were doing it for the first time. It was a battle of unequals.

We have a team about 50 people now who essentially move around from deals, either disputes, negotiations or procurements. They pop up in one Department and then another Department. When they are dealing with a supplier who is bidding in one Department, it is the same people who then pop up in the next. That is a straight copy from what the big suppliers do. They have a big deal team. We now have our own big deal team; we just do not call it a big deal team. We call it the Complex Transactions Team, comprising 50 people who have been recruited with deep expertise. Actually, if you went across and were to ask a number of Permanent Secretaries and DGs, that team is getting a lot of plaudits, because they are carrying experience. Typically, one of the most powerful things that someone can say is, “This is how we did it in that Department; this is not”, because it means they have got experience. That is one small mechanism. Actually, 50 people can make quite an impact in the pond.

Q175 Kelvin Hopkins: Is the overwhelming problem of the whole concept of franchising that it was dumped on the Department for Transport by politicians, and the Department for Transport just had to cope with it? Would it not be much more sensible to

have all of the railways integrated under a national railway authority accountable to Parliament? In that case, we would then start to reduce costs both to passenger and to taxpayer, and perhaps perform as well as—

Chair: I think that is a policy question. You can decline to answer.

Kelvin Hopkins: I think it is an important question. It is the elephant in the room and it has to be asked.

Clare Moriarty: I do not want to take too much of the Committee's time on a policy question, but franchising has been a very successful model. We have twice as many people using the railways as passengers as we did 20 years ago.

Kelvin Hopkins: Excuse me for interrupting, but that is coincidental. It is not a cause and effect.

Chair: I am going to stop this. We have not got time for this, I am afraid.

Q176 Paul Flynn: In assessing which way the wind is blowing, you described your epiphany moment, where you seemed to smile at the idea that although these foul-ups cause enormous disruption to millions of families, they do have the advantage of acting as a form of adult learning for senior civil servants. Is that a justification for the foul-ups?

Bill Crothers: You mean for the contract failures?

Paul Flynn: All the contracts. It has happened with all Governments.

Bill Crothers: Experience comes through failure, ultimately. If people do learn, then that is good, but it is not desirable that we have those failures. I am not sure I get your point.

Q177 Paul Flynn: The point is that one would expect the Civil Service to deliver, without going on a learning exercise, fouling up and then learning from their mistakes. The cost of the mistakes is enormous, not just in financial terms, but in things like what is happening with benefits now. The turmoil is very intense.

Bill Crothers: I completely agree. When I gave the answer to "What is the indicators?", the indicators are we have fewer failures. We are stopping those things earlier or not even embarking on the road. The way you stop them is not through lots of people raising potential problems. It is through deep specialists who have been there before and who can use their judgment, and be confident to speak up and say, "This will not work, Minister."

Q178 Paul Flynn: Is there some kind of disaster index among Governments? I have been around this place for 27 years and the disasters always occur. I saw the beatific smile on your face when you said, "Well, at least we learnt something. We are better human beings. We are more educated. Of course, it was chaos outside; we lost billions. But civil servants are better people as a result." Is that joy—

Bill Crothers: No. My strong goal is to stop those failures.

Chair: Are we aware of any organisation on Earth that does not make mistakes?

Bill Crothers: No. The Minister for the Cabinet Office last week at the Civil Service Awards instigated a new award. Essentially, it was for the best failure. He would like civil servants to recognise failure faster, stop, learn, and not happen again.

Chair: So we want more talking about failure.

Q179 Paul Flynn: Finally on that, 40 years ago, a commentator said that the overriding ethic of the Civil Service was the “unimportance of being right”. Foul-ups take place; people warn about it and the people who warn and say this is going to go wrong, their careers wither, but those who go along with the accepted foolishness of the Department with the Ministers and are collaborators in the disasters succeed and prosper. Is that still the situation?

Bill Crothers: I honestly think that is an unfair stereotype. My observation is, as I said, the deficit, the focus on savings, the focus on efficiency. Francis Maude has made a change in some of the culture. I think there are more voices speaking up against things going wrong now than there were perhaps five years ago. Perhaps there are not enough; perhaps more are needed, but it is more acceptable today.

Q180 Paul Flynn: However the wind is blowing, could you not look at your evidence and question whether you have reinforced that stereotype this morning?

Bill Crothers: Okay.

Clare Moriarty: I have been a civil servant for a long time. I hear what you say. It is not something I recognise. It is certainly not something that is part of the current Civil Service culture. For the avoidance of doubt, I personally, and all my colleagues as well, profoundly regret what happened on West Coast. I would not have wished, personally, organisationally, for the public and the taxpayer to have gone through that. Given that we did go through that, we have at least made sure that we have learnt from it and learnt from it not just in terms of our own business in franchising, but also more broadly across the Department and more broadly across Whitehall. We do not tolerate failure as a means of making sure that we improve.

Chair: Thank you. We have had a really interesting session with you. It has been a pleasure to talk about learning and improvement. I personally think that you and your Permanent Secretary have set a wonderful example of how to prevent large-scale failure by learning from this particular failure. I am very encouraged also to learn that there is enthusiasm to learn across the whole of Government. Thank you.

Examination of Witnesses

Witnesses: **Dominic Cummings**, former Special Adviser to Michael Gove MP, **Paul Grant**, former Senior Lecturer, National School of Government, and **Dr Adam Steinhouse**, former Head of the School for European Studies, National School of Government, gave evidence.

Q181 Chair: It is a slightly unusual panel; you may have never met each other, but could I ask each of you to identify yourselves for the record, please?

Dominic Cummings: Dominic Cummings

Chair: And you are?

Dominic Cummings: Unemployed.

Chair: Unemployed. A former special adviser, yes?

Dominic Cummings: I am a former special adviser to Michael Gove in the Department for Education, yes.

Paul Grant: I am Paul Grant. I describe myself as an independent trainer in Parliament and Government. I was on the staff of the National School of Government for 20 years as a member of the teaching staff, until its closure a couple of years ago. I should just also mention I work as an associate of Capita, delivering some of the Fast Stream training programmes that Civil Service Learning offer.

Chair: That might provoke one or two questions.

Dr Steinhouse: My name is Adam Steinhouse. Like Paul, I was also at the National School of Government. I was part of the European team, giving training on EU matters to British civil servants. I am now an independent consultant, but I do not work with Capita.

Q182 Chair: Again, we will ask short questions. It is the deal if you give us short answers, and we will get far more in. Can I start by asking about leading change? Mr Cummings, you have been listening to the previous session. Do you think the Civil Service leadership have a full understanding, or to what extent do they have an understanding of the real skills gaps? It is easy to talk about technical skills gaps or hard skills, but what about the leadership skills and the people skills?

Dominic Cummings: No, I do not think they do. Some people get it. Unfortunately most people who I know who do understand the problems are leaving. There are obviously some changes going on. The scale of some of the failures has meant that people are doing some things, but a lot of it is a Potemkin exercise. You do not know what you do not know. A lot of the senior civil servants themselves do not know what is wrong with their Departments. I have not got very much confidence in the process I do not think.

Also, the key civil servants themselves know that none of the three party leaders actually care about this issue. So I do not think there is really any drive to actually deal with the fundamental problems. They know that they have made some terrible cock-ups and they know that some things have got into the public domain and the media. Some small number of people know we have got to get procurement sorted out; we have got to get more people in who can understand contracts. There are some small steps being taken by some Departments to deal with that, but I think systemically there is no grasp of that.

At the heart of the problem is incentives. You have got a permanent Civil Service, in which is extremely hard to fire anybody. People are not incentivised to learn, and you do not see any of the systems that you have in place in the scientific world, or in effective commercial markets like Silicon Valley, that deal with these problems.

Q183 Chair: In the Department for Education, how did you feel that this manifested itself?

Dominic Cummings: The Department for Education, when Michael and I arrived in 2010, was a complete and utter basket case. Everything that could go wrong did go wrong. Contracts blew up left, right and centre. Procurements blew up left, right and centre. You get legal advice saying, “This procurement has blown up. If you go ahead you will be judicially reviewed and lose. If you stop you will be judicially reviewed and lose. Whatever you do you are going to be judicially reviewed and lose. It makes no difference. You’re screwed”. Also there is a culture in which no one cares. It is normal: “We have lost 50 million quid on another capital decision”. “Yes, well, that is life. These things happen”. “Are you going to fire the guy in charge?” “Are you mad? Of course we’re not going to fire the guy in charge. What on earth do you think you are doing suggesting we fire the man in charge?”

You have a really, really dysfunctional system in which it is in nobody’s interests really to speak up about the truth. The MPs do not want to speak up about the truth, because anything could happen and they will just make enemies. The senior officials themselves have got a very comfortable life, a lot of them knocking off at four o’clock whatever the shambles on TV is. They do not care. They are very well paid. There is not really any incentive for anyone to do things.

There is one classic example, which I think puts a lot of this into perspective. Look at an industry that works extraordinarily well in terms of major failure: airlines. Why? Because the pilot goes down with the plane. What did they do from the 1950s? They developed checklists. How many planes in the western world now crash? Very small. Major failure is extremely rare in that industry. What happened in surgery to deal with the same problem? Doctors fought checklists for the last 60, 70 years. It is only now starting to change. Now that medicine and surgery have changed culture and has adopted checklists you see that sweeping through the world, not just the West but also the East and all over Asia. Millions of people’s lives have been saved, a completely different culture regarding failure. Look at the Civil Service: nothing remotely like that kind of culture change that you need. That is because the incentives are fundamentally misaligned.

Q184 Chair: You identify both aviation and medicine. In aviation, it is the honesty and openness that allows the exchange of information to take place so that people learn from what goes wrong and they correct each other. That is coming into medical practice as well now.

Dominic Cummings: Exactly.

Chair: Is the culture of fearless openness and honesty what you are really looking for, and a checklist is just a means to that end?

Dominic Cummings: Exactly, but why does it happen in those industries? It happened in the airline industry because the pilot dies with the plane, so he is very strongly incentivised to develop a culture of openness and face errors. If you do not face reality, then you die. In places like the Department for Education if you do not face reality, who cares? You get promoted. It is just the same.

Q185 Chair: How should the Civil Service leadership manage this change in culture when the political leadership comes and goes on this question? Let’s put it charitably?

Dominic Cummings: I agree it is very hard for the Civil Service to get to grips with this when the political masters have got no interest.

Q186 Chair: Is that not the challenge for the leadership of the Civil Service?

Dominic Cummings: It is a challenge for the leadership of the Civil Service.

Chair: How should they address it, rather than just saying, “It’s very hard”? How would you advise the Cabinet Secretary and the Permanent Secretaries to get this kind of cultural change?

Dominic Cummings: As I said before, I think it is fundamentally impossible with the concept of a permanent Civil Service. The concept of a permanent Civil Service is a concept that should be binned. It itself is the problem. The idea that the senior civil servants are going to sit around and say, “You know what? After 150 years since Northcote-Trevelyan, we have actually got to go in a different direction” is pie in the sky. Turkey does not vote for Christmas and the senior Civil Service are not going to ditch that.

Q187 Chair: We have just been to Washington and looked at the American system. Yes, they have 6,300 appointments that take up a huge amount of time, and, yes, there is a huge loss of corporate memory when there is a change of administration. However, the same relationship between the political appointees and a permanent structure exists, just a couple of levels down. They have to cope with transient political leadership. In our view, from our visit, they cope much better with transient political leadership than our permanent and impartial Civil Service does at the moment over here. Why do you think just replacing one layer of permanent officials with appointees is going to resolve the problem? That is a structural change. How will it change behaviour?

Dominic Cummings: I do not think that by itself will solve the problem.

Chair: What will solve the problem?

Dominic Cummings: There are a whole set of different things that I think you need to do. First of all, I would divide off the role of the Permanent Secretary. The Permanent Secretary role itself is a problem. This is because Permanent Secretaries are supposedly chief policy advisers. They are also supposedly chief executives of the building and they are also chief fixers to make everything move around in Whitehall. You are asking people to fulfil three roles, which is a very hard thing to do. So I would separate it off.

I would have a chief policy adviser, who is a permanent character, but has no responsibility whatsoever for management and implementation. They would also be in charge of things like libraries. There has been an appalling destruction of libraries in Whitehall: the DfE library was destroyed, the Foreign Office library was destroyed. You have got a system that is parochial not just about the outside world, but about its own past. I would have a system of a chief policy adviser, which is a permanent role, but with a very small team. They would be in charge of things like that institutional memory and record-keeping and libraries, but I would separate that off from implementation and the management side of things.

Secondly, all these organisations are far too big. We roughly halved the Department for Education. We cut the press office from something like 250 people to about 50 people. We cut the comms budget by 99%. Everyone told us, “The whole thing will fall apart if you do that”. In fact, everything got better because we did that. A lot of these organisations are simply too big.

Thirdly, you have got to change the whole human resources culture. A fundamental part of the problem is no one cares. No one fears being fired. Ministers have no say over hiring, firing, training or promotion of the people. Senior civil servants do not fear being fired. I disagree with what the lady before said. At the heart of the process, you have a very, very strong culture in which the Civil Service promotes people who are “do not rock the boat” types, and who are going to protect the system mentality. It very ruthlessly weeds out people with a different attitude. You have a whole human resources system in Whitehall designed explicitly to weed out the characteristics that make great entrepreneurs and make great scientists who actually solve hard problems in the world. It is no surprise if people then turn around and say, “Oh God, we have got no one who can solve hard problems”. It is no surprise because you have got the whole human resources system that is designed to stop that happening. Hiring, firing, promotion: that whole system needs to be swept away.

Q188 Chair: I think I need to challenge: how does the human resources system filter these people out?

Dominic Cummings: It is because of the whole appointments system. Who has control over appointments? The inner workings of the Civil Service. The Civil Service decide who gets practically all appointments. The number that you can affect formally is absolutely tiny. Even the number you can affect informally and by devious methods is pretty small as well. You have these panels that are created internally, and who do you think gets promoted by them? Is it the person that says, “The Department for Education has completely cocked this up, capital is a disaster, Building Schools for the Future is a disaster, the people responsible should be fired. We should change how we operate”? Are they the people who get promoted? Of course they are not. The people who get promoted are the people who know, “Old boy, our job here is to sweep this under the carpet and make sure that the Civil Service does not get the blame for anything”.

Of course, this is not a universal thing. It is not a uniform thing. There are odd people here and there, but I have been very struck by the fact that if you look at the big debacles that have happened in the Department for Education, the people who are most responsible for them all got promoted and got gongs and pay rises and fat pensions. Normally what happens is some poor schlep down the food chain, if it gets into the media, is the one who ends up getting fired. That happens over and over again.

Q189 Chair: Is what is rather impressive about what happened in the aftermath of the West Coast Main Line that Clare Moriarty was part of a process that made sure that whatever happened at the beginning of that disaster was not the long-term outcome.

Dominic Cummings: Which senior people in the Department for Transport got binned?

Q190 Chair: It was a difficult Department because it went through four Permanent Secretaries in rather a short period, one of whom died incidentally. So there was a problem in the leadership of that Department in terms of continuity and depth of understanding.

Dominic Cummings: Did any Director General level person get fired?

Chair: The problem is how do you make sure you have sufficient expertise at the top of Departments if you are going to replace them every time there is a change of Government?

Dominic Cummings: I do not understand the question. You can separate out certain kinds of specialist ability, like contracting and procurement.

Q191 Chair: What about leadership?

Dominic Cummings: What do you mean leadership? Leadership of what?

Chair: Leadership as a skill.

Dominic Cummings: I do not see much leadership as a skill in the Civil Service. If you got rid of most of the senior people now, what leadership would you be losing? You have got the blind leading the blind at the moment. The MPs have not got priorities and the senior civil servants do not know how to manage processes. I do not think you would lose very much.

Q192 Chair: What we found in Washington is that the leadership of the public service, the permanent public service, is actually quite capable, but they are adapted to changing political leadership within each of their Departments. Our system does not seem to be so adaptable. It is not because the top people are changed all the time that makes the leadership of the permanent Civil Service in the United States capable. It is that they have made themselves capable to deal with that change of leadership. You are just recommending a change of leadership in a far more numerous quantity and at a lower level, but the same problems will replicate themselves.

Dominic Cummings: No, I am saying you need to divide things out. You need some specialist capability, particularly in things like contracting, procurement, legal stuff, all of which in the DfE was a nightmare. I suppose I am making a slightly different point, which is the Permanent Secretaries themselves are not incentivised to care about these things. Which Permanent Secretary gets binned because a whole set of contracting things like that go wrong? The Permanent Secretaries know that that is not what they are promoted on. You have to look at what their incentives in the system are. What does Jeremy Heywood care about most? He does not care about whether the DfE's capital programme loses billions of quid. So is that what Chris Wormald cares about most? No it is not.

Chair: He might dispute that, but we will ask him.

Q193 Mr Evans: You paint an incredibly depressing picture as to what is happening at the moment, and you do not give much hope either, Dominic, that things are going to get

any better whatsoever. You have said some of the things that you think should happen. How do you think that is going to be effected or do you think this is what should happen but it is never going to happen?

Dominic Cummings: Of course it is always possible that a system can generate some internal force that wants to change it. It is possible that a group of people at the top of the Civil Service would say, "Enough is enough, we have got to change" and they come up with their own plan and they persuade the politicians. Though historically, as a matter of obvious fact, that sort of thing happens extremely rarely. It is technically possible, but I would not hold my breath on it. What is more likely is that one of the parties says, "We have got to change things, and here are some key ways in which we are going to alter it" and they push that through. Normally, historically, the way that these things happen is via crises. Things blow and that is how bureaucracies change. After Pearl Harbor the whole national security establishment changed radically in Washington. That is generally how things change.

One thing, for example, could be if you use the current Civil Service model for operating plus the Treasury system for doing a spending review, whoever comes in next year and tries to do a spending review, it is going to blow sky high. It cannot possibly cope with it. Of course that would depend on people looking ahead for a few months, which is itself extremely unlikely. Something like that on the horizon could force people to say, "Okay, we have really got to change how we do things or else we are all going to go down in a sinking ship".

The spending review next year will be horrible for whoever is in. The processes there are designed to fail. They cannot do anything other than failure. All the Departments are in competition with the Treasury. The Departments all hide money. They hide money from their Ministers, down the back of the sofa, and then the Ministers hide money from the Treasury because there is no collective agreement on what the priorities of the Government are and therefore how to save money. The whole process is designed to fail from the start. Before, there was so much low-hanging fruit and there was so much massive waste in the system that they could do that easily. In fact, in my opinion, contrary to most, I still think there is massive fat in the system and lots of low-hanging fruit. But conventional wisdom is that that is not the case and very hard things are going to have to be tipped to be cut. So that is one obvious way in which that could happen.

Another obvious way is some kind of security disaster. If things blow up again, people will start challenging the whole basis on how the Human Rights Act, ECHR, judicial review works. That is something else I will just come back to that was not mentioned before. A lot of these problems are treated in silos, but in fact you have to look at how they are all connected. The contracts and procurements process is not just a contracts and procurements process. Duff legal advice comes in on what that is. Then if you try to correct the problems that you were told by the duff legal advice, you are then told, "Oh well, it will be judicial reviewed if you try and stop this procurement now or if you alter how this procurement works". "Oh God, what? Is that right?" You then go and hire some external advice. You find out two weeks later that that was not the case at all, because you have hired an expert and the expert tells you that the advice of the Cabinet Office was complete rubbish. "Okay, well now stop that that we were doing". Then you have the Civil Service human resources problem of incentives laid on top of that. You have all of these connected issues, the judicial review, Europe on top of everything else, the Civil Service human resources problem, which disincentivises people from facing reality. All these things interact.

Q194 Chair: Why is it not in the interests of the politicians to start directing that this should be sorted out?

Dominic Cummings: It has become so complicated very few of the politicians are really capable of getting to grips with it. Also, it is hard to do. No one apart from the Prime Minister can fundamentally do this. One of the core problems of dealing with the Civil Service is all the senior Ministers know that the Prime Minister has zero interest in this issue. Therefore, all of them know that they cannot really push very hard in terms of dealing with their own specific problems because there is no support. Francis Maude is trying very hard, but everyone knows that Francis Maude does not have support from the Prime Minister. So because of the nature of how the British system works, the Cabinet Secretary and the Prime Minister have extreme power. If the Prime Minister says, “I agree with the senior Civil Service. There is nothing really wrong with the system; everyone is jolly polite to me”, then nothing really fundamental changes.

Q195 Kelvin Hopkins: Just briefly, I have a profound disagreement, because I think you gloss over or ignore what human nature is like. You have a view of human beings in which, it seems to me—correct me if I am wrong—that we are all deeply ingrained with original sin. We are all only driven by force, and power, and threat, and fear, and actually conscience, commitment to public service, intelligence, all of that counts for nothing. When it comes to it, you have got to bully people and force them to do what they want on fear of death.

Dominic Cummings: I totally disagree. Part of my whole point is that if you look how very high functioning teams work, they work because there is extreme motivation. People trust each other. There is a willingness inside the team to face responsibility, to face errors, fundamentally to face reality, because “nature cannot be fooled”, as Richard Feynman said. You see that all the time in great teams. You see very positive working cultures in which people enjoy what they are doing, they love coming to work and they work very hard. My point is everything in Whitehall now conspires to the opposite. We have disaster after disaster where we are leading the news at 15.30 and you see the guy in charge slinking home in the lift. Why? Because he does not care, it makes no difference to him. The answer to that is not fear. It is not fear and whacking people. It is because the whole incentive structure has gone wrong.

Q196 Chair: So why do you suppose that individual feels so disengaged from the leadership of the Department that, as you say, he is slinking home at four o’clock?

Dominic Cummings: Because it is totally widespread. It is normal. Failure is totally normal.

Q197 Chair: Yes, but why is he so totally disengaged?

Dominic Cummings: Most of them are disengaged. It is not him. It is not an aberration. My point is that is a normal thing.

Q198 Chair: Why is it a normal thing?

Dominic Cummings: It goes back to what I said before: who is incentivised to care about any of these things? Who gets promoted? When all the capital blew up on Gove in 2010, what happened to the senior people who totally failed? Nothing. A few junior people got the blame. What happened when the national curriculum review went wrong? The most senior officials in charge of it, who designed the whole thing, got away scot free, got promoted, got a fatter pension. A guy who was very good got all the blame for it. That is a normal part of the culture.

Q199 Paul Flynn: I am reluctant to interrupt this monologue, because it is so enjoyable and, I think, very nearly true. Your picture of the Civil Service is of people who if they are caught in possession of an intelligent idea or originality, or entrepreneurship, they have it lobotomised out of them. There is this inheritance of lobotomised staff going from generation to generation. How did things change while you were in Mr Gove's office?

Dominic Cummings: We got rid of a lot of the senior people and we tried to change the culture to the extent that we could do. We broke an awful lot of the rules about how the whole system is supposed to work. If we had not done that then nothing would have happened. We would just have stayed in the shambles of 2010.

Q200 Chair: But you did that within the existing system and you achieved a lot.

Dominic Cummings: We did that in the existing system, but I would not say that we did it by sticking to the spirit or the letter of the rules. That is for damn sure.

Q201 Paul Flynn: But this led to your being unemployed now. It is not a recommendation for a career path for people with similar bold views to you.

Dominic Cummings: With respect, it did not exactly. I resigned happily at the end of last year because I did not want to be involved with the election. What we did in the Department did not lead to me going. I chose to leave for other reasons, which I do not think are of any interest to the Committee.

Fundamentally what we tried to do was we moved some of the senior people, though that did not happen nearly quickly enough, and we tried to develop a culture in which people realised that we were there to improve schools. We were not there for political gimmicks. Actually, that did develop. People in the Department started to realise, "Actually, that team is not here to keep Clegg happy or Number 10 happy, or anyone else happy. They are here to try and improve schools". When civil servants realised that the culture started to change internally in very interesting ways. A lot of our officials then started working with us against the other parts of the system who were trying to screw things up with stupid political gimmicks. So there is, in terms of your point about different motivations—

Q202 Chair: Does that not show that it is about how the system is led? It is not about just smashing the system up.

Dominic Cummings: No, I do not think that is true. Of course that is partly the case. How you lead things and the culture you try and set in an organisation are obviously very important things. For obvious reasons I cannot go into detail about this, but we found a way of working within the system and managed to get a lot done. A lot of people come up to me and say, "How did you guys manage to get so much done in the Department for Education?"

We did it by doing lots of things that were outside the rules. The whole process of Government is supposed to work through the Home Affairs Committee. We just ignored the Home Affairs Committee. We did not submit anything to Clegg and the Home Affairs Committee. Not “anything”, that is an exaggeration, but huge amounts of the most important stuff we just did ourselves. We did not tell Clegg and we did not tell the Cabinet Office. We just did it.

Q203 Chair: It sounds like a strenuous act of leadership.

Dominic Cummings: It is not sustainable, though. It does not answer the question of how can you actually change Whitehall to make Whitehall work, to make it work properly.

Q204 Chair: That pertains a problem for other Ministers and the Prime Minister, does it not, rather than on smashing up the Civil Service. If you smash up the Civil Service when you yourself say the problem is actually political, are you shooting the messenger?

Dominic Cummings: That is not exactly what I was saying, Mr Chairman. I am saying the problem is very complicated because you have lots of deeply flawed things. You have a Civil Service system that is wrong, and particularly a human resources aspect that is wrong. You have failure of political leadership. You have failure of core skills at middle and lower levels in all of these organisations. You have a lot of MPs in charge who have never managed anything themselves. The scale of what they are suddenly dealing with is vastly out of proportion to their own experience. There are lots of complex problems fitting together. I am not saying it is all the civil servants’ fault, because it certainly is not. A lot of the biggest problems are actually the blame of Ministers.

Q205 Chair: Why would you let these hopelessly inexperienced Ministers appoint the top of the Civil Service?

Dominic Cummings: I would also change how you have Ministers. For example, what you should do is the Prime Minister should be able to appoint who he wants to have as Ministers. Whack them in the House of Lords; give the House of Lords rights of audience in the Commons. If Bill Gates wants to volunteer to be Health Minister, brilliant, bring him in and get him on it.

Q206 Paul Flynn: How would you implement your very persuasive theory of people being responsible for their actions? Would we send senior civil servants and Defence Ministers in ditches against Isil and the Taliban? I am sure it would improve things, but how would you do it? I would be very much in favour of doing that. I think it would alter things very famously.

Dominic Cummings: It is a very deep question, the question of incentives.

Chair: I think you have dealt with it. We need to move on and ask questions of other members of our panel. Just briefly, Lindsay.

Q207 Lindsay Roy: Could I just ask one question? With all this activity, what improvement has there been in schools?

Dominic Cummings: I think there have been all sorts of improvements.

Q208 Lindsay Roy: So what? The “so what” factor. You have done all this; what is the dividend?

Dominic Cummings: If you look at a lot of the results coming out now, whether it is the phonics test or whether it is the primary SATs, there is lots of evidence that things are starting to improve. Though for something like education or those kinds of large organisations when you have got that scale of workforce, generally speaking, it takes at least a decade before things start to feed through, as we said from the start. There are lots of promising signs that you can already see now, whether it is changes in the workforce or, as I said, changes that are happening now in phonics in primary schools. Of course it is going to take a long time. You do not turn around something that is dealing with £70 billion and millions of staff in three years.

Q209 Paul Flynn: Final question, just before I get onto the general questions. Were you here for the last session?

Dominic Cummings: I was here for part of it but not all of it.

Paul Flynn: Would you agree—and the two witnesses disagreed—that it still remains that the overriding ethos of the Civil Service is the unimportance of being right?

Dominic Cummings: Certainly. I think that is correct. I do think that things are changing, for a combination of reasons.

Q210 Paul Flynn: For the better?

Dominic Cummings: Yes, in some ways. What Gove did and I think what Francis Maude is doing, trying to do, is pushing things a little bit. It goes back to what I said at the start. If you know that the very top of the Civil Service does not really want to change very much and none of the three party leaders want to change very much, then when you have got a broken system you have got a vicious circle, which by definition is hard to break out of.

Q211 Paul Flynn: We have had the disappearance of the National School of Government, replaced by Civil Service Learning. Can I ask all three of you what are the gains and the losses as a result of this change?

Dr Steinhouse: I am happy to start because I disagree with what two of the witnesses said. Civil servants do lose jobs. 300 of us lost jobs. Some, of course, did find some other positions within the Civil Service, but most of us did not. What have you lost? You have lost a professional public service ethos that was ingrained over 42 years. I can speak with great passion about this. We did not only do it, but we taught it. You do not see any of what I would call pedagogical values on offer in Civil Service Learning, unfortunately, because the best teachers were not allowed to teach within the public sector. It was part of a contract that we have mentioned, won by Capita.

Q212 Paul Flynn: I was going to ask why you lost your bidding. Is it, as has been suggested, because it was that you were right, that you did not fit into the Procrustean bed of civil servants' moronocracy?

Dr Steinhouse: Yes. The National School of Government did not fit in with Civil Service priorities, but that was the institutional issue that we should be addressing, the systemic issue. When you look at a public service academy, what are the issues? You have to do bulk training, which you have not talked much about. It really cannot be done by e-learning. You also do senior management leadership training. We touched on that a little bit. The third aspect is research. None of you have talked about that. None of the witnesses have. You have talked about learning from mistakes. We can learn from success as well. You can learn from rigorous analysis. These components though have to be tied in to what I would call public service priorities and that is what the last Government did not do. We did not see that at all with the National School of Government. Unfortunately, looking ahead, I do not see it either.

Paul Grant: As one of the witnesses on the first panel from the trades union mentioned, I think the closure of the National School of Government was fundamentally about cost cutting. There was also a feeling that the private sector, frankly, can do some of this stuff better than the public sector, which is a view that I would very, very strongly challenge. We have lost a lot of in-house expertise from the Civil Service with the closure of the School. My biggest concern is that civil servants, particularly those civil servants who are working at the central Departments, working closely with Ministers, are just simply not being trained in the fundamental processes of Government in the UK. They do not understand how Parliament works. They do not understand the key principles in which the Civil Service is based, the principles of impartiality and objectivity, etc. That is what we have lost.

What have we gained? I am struggling. To be honest with you, I am really struggling to find anything where I would say that the approach of Civil Service training now is better than it was when the National School was in place. I am not an apologist for the National School. I worked there for 20 years. It had a number of problems. We did not have the focus on our role in the way that we should have done, but I think—Adam can probably confirm this—we are probably unique in the world, certainly in Europe, in this country not having an in-house training and development organisation.

Q213 Paul Flynn: The Canadians last week, when the members of the Committee went across there, were very strong in emphasising the need to do the learning away from the habitat of the workplace, but this has been lost now. We have got people learning on computers and so on. Is this a serious loss, having people not going away on their away days down to the National School?

Dr Steinhouse: I am Canadian and I have dealt with the Canada School of Public Service. What is very interesting is, given very similar Governments and administrations, the solution in Canada has been totally different than found here in the UK. There is an Advisory Committee on the Public Service through the Privy Council that has talked about the importance of learning and training and investing in learning and training. This is all through the prism of a school as an institute devoted to public service training, which obviously we are not talking about here in the UK.

Can I just add one element? In the previous session we heard the Cabinet Office spokesperson talking about functional leaders. This was because of the new Chief Executive position. I just would like to mention to the Committee that the advertisement for the Chief Executive position within the Civil Service did not even refer to human beings. There is not a single mention of the word “human” in the ad, and I did not understand any of the talk about functions. Think about the European Union. In 10 years, we may be in a position of renegotiating our membership. Who has and who will have the proper negotiating skills within the Civil Service to do that type of work? We will still have to engage with either the rest of the EU or the EU, however we would like to put it. Who would have that? That is not a function; that goes across Government. Mr Hopkins appeared in one of my courses, I remember, many years ago. Within the National School we had debate and we had skills and we had knowledge. You need all three. You cannot do that through a commercial provider such as Capita, which is only interested in profit.

Q214 Paul Flynn: We normally point out that in Capita, the R is silent. You have gone from the frying pan into the fire, have you not, Mr Grant? How are you finding life in Capita?

Paul Grant: I am not an employee of Capita, but I work as an associate running a particular training programme for new entrant fast streamers. It is difficult, frankly. Running a training programme is a much more difficult experience than it was in the days of the National School when we had the support that running those kinds of courses needs: course administrators and the finance people, etc. It is a challenge. It is particularly a challenge because, if I use the example of Fast Stream training, you have a training course that used to run over five days or even longer—eight days or 10 days when I first started doing it—that has now been squashed down into two days. This is not Capita’s fault but we are not just simply spending enough time, particularly with new entrant fast streamers, in making sure they have learnt the basics about being a civil servant, what that means, where they fit into the structure of Government, etc. It is difficult. It is very frustrating when you are training new entrant fast streamers to be just skating over the surface of some very, very, very, very important topics, but with the constraints of time that is how it is.

You have mentioned about using computers to learn, using e-learning. Something that really strikes me is that I spend a lot of time training people who are the age that my children are. These are people who have grown up with computers since the day they were born. When they say to me, “E-learning is no substitute for classroom based training”, I just think it is worth listening to those people. Where are they doing the e-learning? They are probably doing it in the office, where there are all sorts of distractions. I know from my experience of running these courses that where there is pre-course work, whether it is e-learning or whether it is doing pre-course reading, when they turn up on the course it is absolutely evident that they have learnt almost nothing from that pre-course work. That is either because they have just not done it or because it has not stuck, because that type of training just does not. It is just not as effective a way of learning as classroom based training is.

Q215 Paul Flynn: Have there been any studies on this to evaluate how people learn from e-learning or from classroom learning?

Paul Grant: I would be surprised if there have not. I could not actually reference one, but I just know from my own experience how it will never be as effective a way as classroom-based training. That is not to say I think we should be going back to a two-week course where everything is done in the classroom. However, you have got to have a significant proportion of particularly new entrants' training being done in the classroom, where you can have a discussion about what does it mean to act with impartiality and objectivity as a civil servant? What does speaking truth to power, to Ministers actually mean in practice? You cannot learn that. You cannot learn that from a computer. You learn that by talking to people who have worked in the Civil Service and who understand what these principles actually mean.

Dominic Cummings: Just on your question about e-learning. There is a lot of work being done at the moment on e-learning, particularly in California. It is very important to distinguish between two different types of thing. There is a lot of reason to think that e-learning could be very useful, extremely useful, in things like, "You have got to learn this calculus model" or whatever it might be. That is very different than the kind of thing that these guys are talking about. To actually practice leadership, to practice taking decisions in risky situations with massive complexity, you cannot do that, certainly with current technology, on some kind of e-learning course that a civil servant over there logs onto during lunch break, and does for half an hour, and then it logs in its tick. These people have to be immersed, in my opinion, in real problems, real case studies, success and failure, as this gentleman said. That is the only way they are actually going to learn: both classroom-based and then get them out into actual organisations.

Q216 Chair: So you would agree that the abolition of the National School of Government and the failure to replace it with anything else is a bit of a mistake?

Dominic Cummings: I know little about it, but prima facie and the little that I do know suggests to me that it was extremely big mistake. If you look at Micklethwait's recent book he talks about the new Chinese leadership academy that works in Shanghai. People are working on this sort of thing that these gentlemen have been doing all over the world. The answer for Britain surely was to say, "Don't abolish the library of the Foreign Office. If there are new technologies, we will learn from the new technologies. Don't abolish the School of Government, say, 'Okay, how do we actually make it world class?'" That is what they should have done.

Paul Grant: We threw the baby out with the bathwater when the National School was closed. If we started from scratch now I would not go back to where we were even two and a half years ago, let alone 20 years ago. A reformed, slimmed down National School of Government that focused very much on the knowledge and skills that civil servants need, so not the kind of training you can buy on the private market, is what we need. That is what we should have in Government.

Dr Steinhouse: You have before you three white men, and this is not the Civil Service, not that we are still civil servants. What I am getting at is previously we talked about the problem of retention and the problem of engagement. What about diversity? How are you going to train people with different backgrounds? I think the British Civil Service should reflect the British country. We do not have a French model. In other words, you do not select on the basis of knowledge through an École nationale d'administration. We do not

have what they call *préalable*, initial training. What we do is we recruit on the basis of competencies and then we, in theory, have training that should be open to all. If you believe, as I do, as we do, in a Civil Service marked by diversity then I think you need to think about competencies and how to train people. The institutional structure therefore follows some kind of need for a public good, to go back to the railway discussion.

Q217 Paul Flynn: The fast track has received a great deal of praise of how people are recruited that way. How is this going to be affected, the value of those recruits? I am alarmed to hear about the destruction of the memory in the Civil Service with the libraries going. The other change is the loss of the college. Are the fast track people going to be selected in the right way? Has that changed? Will they be brought on in a way where they can be useful and challenging to their Ministers?

Paul Grant: Selection is something quite separate to training and development. In my experience of seeing fast streamers coming in over the last 20, 25 years, I think we have improved the way we select fast streamers. That is whether we are looking at how diverse the people coming in are or just basically the kind of interpersonal skills that are more important now than perhaps they used to be. 20 years ago we used to just recruit brains on legs, basically, as fast streamers. Now the Civil Service looks for more slightly rounded people.

My concern is what we are doing with these people when they actually get in post. There is a new approach in the Fast Stream now to move people around from Department to Department every six months, which I think is broadly a good idea, even though six months might be slightly too short a period of time. What I am involved in is providing them with the training. Two days training on understanding Parliament and Government and Ministers and civil servants is simply just not enough. When you are running those training courses in London you would be amazed actually how often I am losing course participants, who have got to go back to the office because some urgent business has come up for them to deal with. They are getting so little training as it is, and yet being called back by their line managers who, frankly, really ought to know better, and will miss half a day of a two-day training course. It just shows training is just not taken as seriously as it really ought to be.

Dr Steinhouse: As I mentioned in my written evidence, what is missing from the Fast Stream training is of course anything about the European Union. To go to the other part of Europe question, you may well know that the European Commission, the European institutions, have changed their recruitment procedures to select on the basis of what the Fast Stream does here, on the basis of competencies. There have been scandalous results for the British because of course British applicants have to do it in either French or German. We only had five people two years ago, seven people the previous year. This is very woeful. Is it linked to the lack of training? I cannot give you a thorough analysis on that.

Q218 Chair: What you are telling us is that the number of Brits going into the Commission's service is way below quota.

Dr Steinhouse: Yes, way below quota. I am not allowed to teach the British applicants because the contract would have to go through Capita, so I have just been teaching Swedish applicants. I think they do quite well actually.

Q219 Mr Evans: Why do you think we are not getting our fair share?

Dr Steinhouse: I would say that the climate here that we are talking about in this session, where there is absolutely no attention to the European Union, is certainly part of the answer. Another part is the lack of any type of EU network. When we were in the National School of Government we promoted a lot of EU events, just to talk about awareness, to bring together community within Whitehall devoted to these issues. Some of that still takes place, but very little.

I will give you a precise example. I used to represent the National School of Government at the DISPA network, which is the Directors of Institutes and Schools of Public Administration. The British have not been represented for the past three years. As a special favour I was invited a few weeks ago to the Rome meeting. It is linked to each presidency. I was put after Ukraine, but without a flag. I would like to tell the Committee the Swiss have offered to take the place of the British in hosting the possible 2017 meeting, you will be pleased to know. The serious point I am making is that the British are not at these meetings. The National School of Government was widely respected, not simply because of its EU training, but because of everything you have just heard my colleague, Paul Grant talk about.

Chair: This sounds like a brilliant precursor to a renegotiation.

Paul Flynn: And an end to compulsory ignorance on Europe by this Government. This is all very refreshing.

Dr Steinhouse: It is skills. That is the point we are making. You are right, the ignorance is an issue there, but it is the wonderful British success in how to negotiate. That is the real point we are making. It is not simply an e-learning programme about what the European Commission does. It is how to influence it, how to lobby, how to win the argument, if you do not mind using a British expression in a European context.

Paul Flynn: I think was the result of the last negotiation we had was 27 to two.

Q220 Chair: In the earlier session I asked about the importance of being able to grow our own skills and grow our own leaders within the Civil Service. It is perhaps the inability to do that that leads people like Mr Cummings to say, “You haven’t got any leaders here who are capable of doing anything, and we need to bring in people from outside”. That is certainly quite a widespread frustration expressed by Ministers and special advisers on both sides of the House of Commons. How would reinventing the National School of Government help us address that and reduce the frustration that people like Mr Cummings and Mr Gove found in the Department for Education?

Paul Grant: There needs to be a balance, does there not? We need to be able to grow our own people in the Civil Service and we also need to bring people in from outside. Far fewer are coming in now than was the case a few years ago. Fast Stream training is just the first part of that leadership training I think. New entrant fast streamers are the leaders of tomorrow. Again, there is no replacement for giving people the proper training that they need in the classroom on leadership and on management.

Dr Steinhouse: Anecdotally, most, especially junior civil servants, do not have the opportunity to take courses these days. If anything, they may have the opportunity to do something online, but that is probably restricted. So what would inspire them? Blended learning is another expression that we often use. I am not saying we should just abandon

e-learning; we are dealing with hundreds of thousands of people. But you need in-person, face-to-face training to instil the passion. It is not a dry subject. Even commercial skills could be taught better in person. That is not my forte, but what we are talking about here is the public service ethos, honesty, impartiality, and how to instil that. You do that through, I think, some kind of institutional structure that recognises that a public good exists, as opposed to a private company making enormous profits out of this subject, and then not even offering most topics.

Q221 Paul Flynn: Mr Cummings, have you got anything to say about Civil Service Learning? Has it got any merits?

Dominic Cummings: The current situation is obviously very bad and it is good that people are at least thinking about it. I have not got an awful lot of hope, partly because I know some of the people who apparently are going to be running the Civil Service Learning project. I would say that some of them at least prove exactly my point before, about the nature of the appointment process and who it is that gets put in charge of these things. I have not got an awful lot of confidence in it, I am afraid. I do think that things like the National School of Government could work if it is genuinely based on looking at what works best in the world. Whitehall is extremely, amazingly parochial. In meeting after meeting if you say, “Who has already solved this problem and how can we steal what they have done?”, which is a very standard question to ask in the private sector, everyone looks at you as if you have asked an extraordinary question.

Q222 Chair: Are there any particular countries you would look to?

Dominic Cummings: The ones that people are looking at at the moment most are the ones in Shanghai and in Singapore. Those are the two. I think these guys will know better than me, but my impression is that the Shanghai one is very much based on Lee, whatever his name is, the Singaporean guy. That Singapore seems to be agreed, generally speaking, as the world leader.

I also think that you could do a lot more by talking to universities to change the degrees, degrees like PPE—as if PPE to special adviser, to Prime Minister is a good route to go. It obviously is not a good route to go. You need degrees that have a different intellectual mix of things. They need particularly to introduce quantitative skills, so you can actually understand things like probability and risk and randomness, but also I think you need things that get people out into the real world. You only really understand about leadership, about management, about project management, about failure and disaster if you actually see great people doing it. If you want great people to run the Civil Service projects or to have important Cabinet jobs, you want to have those people working in Silicon Valley with so and so, or wherever they are in the world. That is how you will really develop skills.

My final point would be it is not just about training. Training can only get you so far. In all organisations there is a long history of thinking that training is the solution to all problems, the super soldier serum, as it is known in the military. It can only take you so far. In a way, the most important question is how we make all these institutions more permeable so that the cleverest and the most able to get things done can move in and out and actually help Government. We have the highest IQ people in the world in research—scientists and mathematicians—almost totally excluded from Government. We have the people who are

proved to be the best able at getting things done in the world—entrepreneurs who start multi-billion dollar companies—also totally excluded from Government. These are the people who solve problems best in the world and we exclude them completely from solving our hardest problems. That, to me, is the fundamental thing that has got to change.

Paul Flynn: You were pretty critical—

Chair:: Can I just bring in Adam Steinhouse and then I will come back to Paul, of course.

Dr Steinhouse: The three points I would like to leave you with is that there is a long term cost to having a Civil Service that is less well trained. I have mentioned that in terms of especially diversity, but in other areas too. Also, I think both Paul and I are saying there is no one thinking now about the needs of civil servants, either now or in 10 years. The third point is the excitement of learning. That is what my colleagues were wonderful at and that is what we have lost. I would like to say that is the most important thing. You do not get that in front of a computer screen.

Paul Grant: I was just going to say that I think Ministers will eventually not appreciate having civil servants who are not well trained. For example, there will be civil servants who cannot draft an answer to a parliamentary question properly and civil servants who cannot write an accurate brief and clear submission to a Minister. They have been on a training course where they have been given one piece of paper and a pencil to practice writing a submission on rather than doing it properly in the office with a PC where they get two or three attempts, and they get some proper feedback from experienced trainers as to what was good and what was bad about their work. Eventually, Ministers themselves would start to question, I think, why the civil servants who are working for them are not giving them what they need.

Dominic Cummings: I think they are questioning that, for exactly those reasons

Q223 Chair: But how do you train civil servants to take responsibility and be accountable? Can you do that? Is that something you can train a civil servant to do?

Paul Grant: You can certainly train them so they fully understand what it means to be accountable. In the discussion of accountability that has taken place all morning here, perhaps one of the issues that has not been discussed is what is different about the Government is that civil servants are accountable through the Ministers to Parliament.

Q224 Chair: But Mr Cummings is saying they do not seem to be accountable.

Paul Grant: I have some sympathy with what Mr Cummings has said about that, but I think it is always going to be difficult in a system where Ministers are the ones who are accountable. That is the way the UK system works: that Ministers are accountable to Parliament for what goes on in their Department. What was interesting about the West Coast Main Line and the Universal Credit policies was actually where Ministers were, in almost a new way, actually publicly critical of how their civil servants operate in those two areas. People were quite surprised by that. The accountability of civil servants is through Ministers to Parliament.

Dominic Cummings: You can only get accountability and those sorts of things if the culture at the top is right. A fish rots from the head. If you have got a culture that is wrong at the top of these systems—both Parliament and the Civil Service—then training can only get you so far. Yes, you can have courses in which you train people what to do at lower levels. However, if everyone knows how decisions are made at the top and how people are hired and fired at the top, and that the message that comes from the top is that it is not the people who do a good job who get promoted and it is not the duffers who get fired—which it is now—then you are not going to be able to change the culture that you are talking about.

Q225 Kelvin Hopkins: It is skills, absolutely. We want mathematicians and scientists at the top as well, I say as someone who did A-Level maths myself. However, civil servants are different from people in the private sector. They have to have a very strong sense of public duty. Is it not vital that they have some philosophy, some ethics, some moral obligation in their education, and some psychology? This would mean that they know when they are managing people the worst thing they can do is to disparage them, to bully them, to demoralise them. You actually have to appreciate people and give them esteem if you want them to perform well. They will perform well. Human beings are driven as much by inner feelings as they are by external bullying. Is that not vital in public servants? I find it a lot in public servants, I have to say. My own relatives do not want to work in the private sector. They want to work in the public sector because they want to work for the public good, for the public realm.

Paul Grant: If you want a short answer I would say I agree with that entirely.

Dominic Cummings: The problem is, as I said before, the current human resources system does not encourage that culture. It discourages that culture. It incentivises behaviour the opposite of what you want.

Chair: You have made the point, Mr Cummings.

Dominic Cummings: Exactly. The transparency about a lot of these things is important. I was re-reading the Trevelyan Report last night. When lots of these things were formed originally, back in the second half of the 19th century, there was a great emphasis on Parliament really getting to grips with these things. They were looking at it, things were being published and everything was written down. MPs were able to go and look at it and inspect it. You guys have not a clue what happens on senior appointments now. It is all kept completely hidden from you. There is no proper transparency. Therefore you get self-perpetuating cliques in which, “Oh, it is Charlie’s turn for a bow on this Committee, and then we will...” and everyone knows. So you have the appointment committees, which are nominally open and competitive, but where everyone knows the fix is in from the start. If you want to change that culture you guys should do your bit for that by insisting on more transparency, bringing in these people and really nailing them. I do not think you have done it on the rail thing.

Q226 Mr Evans: Is this where the pre-appointment hearings come in?

Dominic Cummings: I do not think that is so important, because you have got to let the executive hire people. Your job is not to try and second guess and add more. The American system there is a very bad thing. The President should be able to hire who he

wants, but then take responsibility for it. You guys adding another layer at which you start answering questions, and then it will all be party political, would just get in the way, and it is not your job. Your job is the transparency and holding people to account in intelligent ways afterwards. I would say do not gum up the works by pre-appointment hearings. That would be the worst of all worlds, to do that and then leave the current system afterwards. What you should be doing far more is prising open the appointments system: where is the money; who gets paid for what? All of these things that are now a closed book in Whitehall. You guys do not see any of it. That is where I think you should be putting the pressure on. I do not think you have got to the bottom of the rail fiasco. I think they have pulled the wool over your eyes, frankly.

Chair: I do not agree with that.

Q227 Paul Flynn: There has been at least one incident with a pre-appointment hearing and getting a superior candidate into a job. Someone was turned down and a far better person was appointed, so it does have some use. I am just curious about what you suggest about what MPs should do and where they are failing. We have talked before about the lack of understanding of science among MPs, which is incredible. Not in the Lords and their understanding. What are your thoughts on how MPs can improve and take control of the Civil Service?

Dominic Cummings: One of the things that Gove did, which I think was one of the most interesting projects, was with a Fields medallist at Cambridge University called Tim Gowers. He is one of the best mathematicians in the world, and has developed an idea for a course for 16 to 18 year olds. It is a sort of maths for presidents course. It is not how to do advanced calculus so you can send off things to comets. It is about looking at all sorts of very practical complicated problems and figuring out what sort of maths you need, how maths can help in various ways, and how physics can help in various ways. That course is being explained to schools now, and hopefully will start in September 2015. I think that a very good thing will be to get Tim Gowers and some other people to do a version of it for MPs and start training MPs in these sorts of skills.

There has been a fascinating experiment that you should look at called the Good Judgment Project in America. That is done by the guy who was the number one researcher on political expertise and political judgment, a guy called Philip Tetlock. He did research over 20 years about predictions made by, quote, “political experts”, showing that they are, roughly speaking, like chimps throwing darts at a board, but with some exceptions. The US intelligence community said to him, “Is there a way of training and improving these sorts of skills?” Everyone thought, “Everyone who has tried this before has failed”. Tetlock appears to be getting extremely good results by training similar sorts of things to the Tim Gowers course. So I think some projects around there could potentially cost absolute peanuts but would have a very big impact.

Q228 Chair: You have touched on a very interesting question, which is about whether in fact a National School of Government should also be available to the politicians, for politicians to access the same type of training.

Dominic Cummings: In Shanghai it is. The senior civil servants and guys like you go to it and do a lot of the same kind of training programmes, which I think would be a good thing.

Paul Grant: The National School has dipped its toe in those waters in the past. We did some ministerial training at the National School.

Q229 Chair: What about training of Back Benchers so that they understand what is going on?

Paul Grant: I remember after the 1997 General Election we put on some training for particularly the new MPs. I think we had one training course for MPs on the Government side, Labour MPs, and another training course for opposition MPs. So few of them actually turned up to the training course that it was never tried again.

Q230 Chair: There is a scheme called the Armed Forces Parliamentary Scheme, and there is a police scheme and there is a Parliament in industry scheme. Why do we not have a Parliamentary Civil Service scheme? Any aspirant Minister would want to do the course, surely? If it is just there for Ministers they will not turn up because they are too busy. I think the Institute for Government has discovered that. Mr Steinhouse, I think you wanted to address the point raised by Mr Hopkins.

Dr Steinhouse: I wanted to answer your point by referring to the meeting I attended. One of the delegates showed a clip of an American video featuring the former chief executive of a well-known computer company. The French representative from the École nationale d'administration in a way objected by saying we should be talking about public service. She said that you cannot easily compare what happens in the American market, the private market, with what we are facing in the European context. At that meeting they were talking much about the Eurozone crisis, but the point remains. That is why I was thinking of your comments about the rail disaster. There is the erosion of a public good here. The National School of Government, and previously the Civil Service College, created in 1970, just with the flick of a pen changed and then closed. Is that really the type of country we want to live in? No other country in the EU, as far as I know, has gone through that type of process and so brutally and with what results. That is what we are really talking about: with what results?

Q231 Kelvin Hopkins: I have a very simple point. I have made the point many, many times. Since we introduced the drive towards neoliberalism into the world of Government and everything in Britain, we have seen a resistance to the idea of alternative ideas. I was taught economics by a former Treasury official, who said that in those days they would have alternative scenarios in backrooms. So, for example, when the 1965 devaluation took place, they had a policy to put in place straight away. If you drive out all opposition to the current philosophy you finish up with apparatchiks. You do not finish up with minds who are committed to the public service and have differing views. You do not have a debate within Government and private debates between civil servants. You finish up with people slogging downwards a view that you must accept. I have been a member of this Committee 12 years. Within this Committee before the last election, we had one person coming along to say there was a technique where civil servants who did not fit were moved out to, as I put it, manage power stations in Siberia. You finish up with apparatchiks.

Chair: Is there a question in that?

Kelvin Hopkins: I am just saying: have we not seen a degree of demoralisation in the Civil Service because of that lack of respect and lack of esteem?

Dominic Cummings: I do not think it is neoliberalism's fault. I think it is a broader problem. There is now a huge amount of scientific research on decision making that shows the importance of cognitive diversity in groups. You have a whole load of people sitting together who have done similar sorts of things like PPE, who all agree with each other in their premises and they do not challenge. That is one of the things you see over and over again whenever there is a lessons learnt report on disasters. There is a general lesson, I think, about that.

There is a very specific thing that you could maybe push to answer it. Warren Buffett had a very interesting idea when he was asked about why it is that so many mergers and acquisitions go ahead that then destroy shareholder value. His answer was, "It appears to me that there is only one way to get a rational and balanced discussion. Directors should hire a second advisor to make the case against the proposed acquisition, with its fee contingent on the deal not going through". That is a very interesting idea, because it goes in a way to what I was talking about before, which is so fundamental to this debate: incentives. Who is incentivised to force people to face reality? There is the scientific method and physicists have all sorts of institutional architecture to do this. You guys, us guys in Parliament do not have these sorts of mechanisms, so some kind of institutionalised red teaming system like that. I do not know how you would do a similar thing to Buffett's idea in Whitehall, but that could solve some of the problems we are talking about.

Chair: But you think the Civil Service is the red team.

Dominic Cummings: That is a different question.

Q232 Mr Evans: Some it is incentives for failure, but there does not seem to be the punishments for failure, which is maybe the other way round on the Warren Buffett thing. If people in the Civil Service do go ahead with projects that end up in disaster there does not seem to be a punishment.

Dominic Cummings: There are also not rewards for success. The issue that Kelvin mentioned is another one. For all successful teams you see the same patterns. There is accountability for failure, but there is also a great positive motivation. People enjoy what they are doing, they love it, they think that their goal is worthwhile and therefore they put in huge efforts. Every successful team that changes the world people are in there all hours of the day and night, working hard. How often do you see that in Whitehall? You practically never do you see that. That is because people are not positively motivated to really care about the outcome of what they are doing.

Q233 Chair: This has been an unusual panel. I would just like to check whether there is anything anybody wants to add before we end.

Dr Steinhouse: The only thing I would add is that people should not be binned, and nor should the idea of a public service ethos.

Paul Grant: I have nothing else to add. Thank you.

Chair: Thank you very much to all three of you. I think we have had some very interesting ideas come out of this, some of which we will adopt in our report.