



## Home Affairs Committee

### Oral evidence: [The work of the Permanent Secretary](#), HC 798

Tuesday 25 November 2014

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Members present: Keith Vaz (Chair), Nicola Blackwood, Michael Ellis, Paul Flynn, Lorraine Fullbrook, Dr Julian Huppert, Tim Loughton, Mr David Winnick.

#### Questions 1 – 84

*Witness:* **Mark Sedwill**, Permanent Secretary, Home Office, gave evidence.

**Q1 Chair:** May I welcome the Permanent Secretary at the Home Office, Mark Sedwill? This is part of the Committee's normal scrutiny of the work of the Permanent Secretary. Mr Sedwill, could I start with the child abuse inquiry, which seems to be rather leaderless at this moment? You have had two chairs who have subsequently resigned. We know that the panel is meeting at various different locations as we speak, but why is it that so many people are so reluctant to take the chair of this inquiry?

*Mark Sedwill:* Mr Chairman, thank you. As you say, we have lost two chairs, and I should put on the record again—as I think you have—that Elizabeth Butler-Sloss and Fiona Woolf are both people of the highest integrity who would have done a creditable job but, for reasons I am sure you will want to discuss, it was not possible to pursue them. I do not think there is a lack of people willing to do it. Indeed, as the Home Secretary is discussing the forward plan for the panel with the various survivors' groups that she is meeting—I believe she still has several of those meetings to go—we have suggestions of 100 names. We will have to work our way through all those, but there is quite a number of suggestions at least of people who might be appropriate to do this.

**Q2 Chair:** Sure, but you were brought in when you were appointed—you have been there now for a year and a half—as the safe pair of hands, the new broom in the Home Office, but here we have a situation where the Home Secretary has been left dangerously exposed, both in Parliament and outside, with a lot of criticism over the way in which the due diligence was carried out. This is not something Ministers should do. This is something for your officials, and therefore you are responsible as head of the Home Office. Why wasn't that proper due diligence carried out in both these cases before these names were put to Theresa May?

*Mark Sedwill:* Mr Chairman, I think proper due diligence was carried out. What we had not understood—and I certainly accept I had not appreciated—was that the threshold that we were setting was probably different for this inquiry from that for any other. If I can just talk briefly

about the due diligence, this is done rather like security vetting. Checks are done on people's professional associations—are they on the board of anything that has an association with anyone who might be the subject of the work of the panel? There is a widespread search across the internet and so on. But in the end we rely on individual panel members themselves to identify whether in particular they have any social or personal connections that might either be a real or perceived conflict of interest, because there is no way of—

**Q3 Chair:** You are saying it was not your fault and the fault of your—

**Mark Sedwill:** No, I am not saying that, Mr Chairman.

**Chair:** But do you accept any responsibility?

**Mark Sedwill:** Yes, I do.

**Q4 Chair:** Would you like now basically to apologise for the fact that this was not carried out in the way that it should have been?

**Mark Sedwill:** If I can just finish the point, Mr Chairman, I think we worked to carry out the due diligence in a thoroughly professional way. What we had not appreciated—and I entirely accept this, I must bear responsibility for this as well—was that the threshold we were setting was the threshold set in the Inquiries Act as to whether there is a real or perceived conflict of interest that might in some way undermine the credibility of the panel. This particular inquiry is on such a sensitive issue and the scale, scope and complexity of the work is extraordinary. We had not appreciated that the threshold, as Fiona Woolf herself said, as the Home Secretary said, was in a different place. It needed to be that the chair of the panel could command and can command the confidence of survivors and their representatives.

**Q5 Chair:** But that is a basic failing over the way in which this matter was handled and it has left the whole inquiry in a bit of a mess. This is something that should have been done right at the start, surely. Knowing the problems, you should have sat down with your senior officials and worked out a process of due diligence that would allow the person selected to be the subject of the greatest possible scrutiny. You now accept that that was not carried out. Leaving the threshold aside, this is a judgment that you have failed to make.

**Mark Sedwill:** Mr Chairman, I am afraid you are trying to make this an issue that it is not. We were applying the tests set out in the Inquiries Act, which we felt was a reasonable way to proceed. We were relying on information that our officials can gather separately and information that the individuals, all the panel members themselves, declare, including their social and personal connections, and we made a judgment on the basis of that. It became apparent that that threshold, as I say, was not appropriate to this particular inquiry. Maybe we could have anticipated that at the beginning.

**Q6 Chair:** You adopted the wrong threshold?

**Mark Sedwill:** We adopted the threshold of the Inquiries Act, Mr Chairman. In retrospect, I entirely accept we had not realised that the threshold for this particular inquiry is different, but I do not think it is unreasonable to have adopted the threshold set out in the Act of Parliament for

inquiries of this kind. I am sorry. I repeat what the Home Secretary said in the House, I am sorry that we are in the situation we are in. When I was last before you, we were talking about the first chair of this inquiry being able to get the inquiry moving promptly, and of course inevitably this has caused a delay and that has caused a great deal of stress to survivors and their representatives. We are now trying to put that right.

**Q7 Chair:** We are grateful for that apology. Were you involved in the redrafting of the letters concerning Fiona Woolf?

**Mark Sedwill:** No.

**Q8 Chair:** When did you first know that there was a redraft of her letter? We found it very odd, and we discovered this not by going through great due diligence. It was in just one session of the Home Affairs Committee that we discovered that there was a problem in the whole process. We were astonished that Fiona Woolf's letters were being redrafted by your officials. Who knew about the redrafting of these letters?

**Mark Sedwill:** Again, to be frank, I think there is less to this than meets the eye. I was not aware there were seven drafts but, to be honest with you, I do not find anything surprising in the fact that a letter of this kind from the chair of the inquiry to the Home Secretary would go through several drafts as she was seeking to reconcile three diaries, establish the facts and so on. The original draft of the letter, which I think is set out in the Home Secretary's letter to you of 5 November—I do not really have anything to add to that—was done by the solicitor to the inquiry. I think most of the work on it in subsequent drafts was done by officials in the panel secretariat. What they were seeking to do was to ensure that the letter that Fiona Woolf signed off was a complete and transparent record of contact.

**Chair:** I understand that.

**Mark Sedwill:** As you will have seen, for example—

**Q9 Chair:** You are saying you had nothing to do with the drafts?

**Mark Sedwill:** Not personally, no, but I would not expect to.

**Chair:** Did you know the drafting process was going on?

**Mark Sedwill:** I was aware that there was a letter in draft. That is perfectly normal, yes.

**Q10 Chair:** You see, what the public will think very odd is that somebody is appointed to this job and you ask them to declare their interests. You work for the Home Secretary; you do not work for Fiona Woolf and your officials do not work for Fiona Woolf. Isn't it odd that the very person who should be open and transparent is having her letters redrafted by the officials who work for the woman she is writing to? Do you not think it odd?

**Mark Sedwill:** Mr Chairman, she is not having her letters redrafted. As I said, the original draft was done by the solicitor of the inquiry panel, not by my officials, and the officials who were working on it with her were mostly those officials in the panel secretariat. It is their job to support the panel and to support the chair of the panel. I get drafts all the time and they will

have been through iterations before they get to me. They get to me in draft; I send them back. When I write a letter, for example, to this Committee, I take personal responsibility for the final version of it and make sure that it is a complete record. The fact that it goes through some drafts and iterations, either before it gets to me or indeed after I have seen a draft, is not out of the ordinary.

**Chair:** I understand the drafting process. We have all been there and we have been around for a while, but the fact that someone from outside is appointed and then has her letters drafted by people who work for the woman who she is then going to apply to join may be seen to be odd.

**Q11 Tim Loughton:** Mr Sedwill, notwithstanding what the Home Secretary is currently proposing over counter-terrorism measures, do you think the historic child sexual abuse inquiry is one of the top three priorities of the Home Office at this time?

**Mark Sedwill:** Yes.

**Q12 Tim Loughton:** In which case, given the sensitivities of the appointment of the chair having failed once, do you not think that you might have taken a rather closer interest in the process that led to that final letter and the appointment?

**Mark Sedwill:** Sorry, just to get the sequence right, Mr Loughton, the letter was the other way around. Fiona Woolf was appointed and announced. After she was announced, she brought to our attention the fact that she had a social relationship with the Brittans. As she said in her article in *The Times* and I think to this Committee, she had not declared that beforehand because she had not considered it material to conducting the panel appropriately. When she did so, we took advice on whether that met the test in the Inquiries Act. We then went through the process of asking her and the rest of the panel to set out in writing to the Home Secretary any social relationships of that kind. That is the sequence. It was after she was appointed.

**Q13 Tim Loughton:** I understand that. I am interested not so much in the detail, but in the interest you have taken in that whole process, given that it was after Elizabeth Butler-Sloss had fallen on her sword.

You referred to the Inquiries Act. Notwithstanding the letter of the Inquiries Act, in retrospect do you think it was unwise to allow to go forward the name of Elizabeth Butler-Sloss as the sister of the senior law officer who was in place at the time of many of the cases that were highly likely to be included in this inquiry? Was that an oversight?

**Mark Sedwill:** I do not think it was an oversight, because we were aware of it. Indeed, when I appeared before this Committee on the issue of child sex abuse back in the summer, I think it was the Chair who asked me about—I think it was announced that day, Mr Chairman—whether it was appropriate, given that she was the sister of a former Lord Chancellor, and we discussed it in the Committee at that point. We were well aware of that and made a conscious judgment that somebody with that record of integrity could conduct the panel notwithstanding that. As I have said, all of us—I take my share in this but this is a judgment that all of us made—did not appreciate that for this particular inquiry the threshold has to be in a different place.

**Q14 Tim Loughton:** Going forward, given these false starts, given these serious question marks about reiterations of drafts of letters and given that the Home Secretary has met, and you say will continue to meet, various survivors' groups, who some of us have met—and it is very difficult to have a single view, a single representation—do you think we can reach a place where, by and large, the survivors will have any confidence in the next person or persons the Home Secretary nominates to be the chair of this inquiry?

*Mark Sedwill:* I believe so, because we have learnt the lesson. That is why the Home Secretary set out in the House that she wanted to meet survivors' groups and have a series of meetings of survivors' groups before appointing the new chair, and not just on the question of the chair but on the questions of how the panel itself is constituted and so on. We are discussing a range of issues. She wanted to consult them before doing that. I think that process is designed, as she set out, to achieve that confidence.

**Q15 Tim Loughton:** Why didn't you advise her to do that in the first place?

*Mark Sedwill:* This is a wholly unprecedented situation. I do not think we have ever had an inquiry of this kind and that question did not arise.

**Q16 Tim Loughton:** In retrospect, do you think you should have done?

*Mark Sedwill:* In retrospect, as I say, it was unprecedented and it does set a precedent for particular inquiries of this kind. One should always learn lessons from these kinds of things. Of course, Mr Loughton, had we realised at the time just how difficult this was going to prove, had we been able to set out a process of this kind at the time, it would have taken a bit longer to appoint the first chair but we might have achieved the result the Home Secretary is now trying to achieve.

**Q17 Mr Winnick:** I assume, Mr Sedwill, there will not be any redrafting of letters of the next person recommended or appointed to be chair; I think we can work on that assumption. What I want to ask—

**Chair:** Sorry, Mr Winnick. Is that the case?

*Mark Sedwill:* There is an underlying assumption in the panel's question that there is something untoward in the solicitor to the inquiry doing a first draft of a letter that set out some facts about a social and personal relationship, that other information collated from three separate diaries that Fiona Woolf was running is then inserted into later drafts of that letter, and that Fiona Woolf herself then makes any final adjustments to it and produces a final letter. There is an assumption here that that is untoward. It is not untoward and I just need to be clear that I would expect that on-the-record letters, on-the-record correspondence from the chair of this panel, whether it is about the substance of the inquiry or indeed other matters, may well go to the chair or other members in draft from their staff and they may well then wish to make adjustments to it. I do not think there is anything untoward in that. We have to be careful not to make that suggestion.

**Q18 Mr Winnick:** That is in the past. All that I would say is that anyone who is appointed by the Home Secretary to be chair is most unlikely to go through that drafting process, but we shall see. I think common sense dictates the obvious answer on that.

What I want to ask you, Mr Sedwill, is this: these are two highly-distinguished individuals and their integrity is in no way questioned. I will correct that: I am sure that no one has done so and I see no reason why their integrity should be questioned in any way whatsoever. However, I would have thought, on the first choice, that it was not simply a matter of the brother holding high positions, both parliamentary and legal, but the fact that certain aspects would have been known. I would have thought that in itself would have meant some caution on the part of those advising the Home Secretary and that, of course, led to a great deal of embarrassment for the person who was appointed as the first choice.

*Mark Sedwill:* As I have said, Mr Winnick, I think none of us, including, as you say, these two highly-distinguished individuals, appreciated that in practice the judgment had to be made at a different threshold from that for any other inquiry panel, including the very delicate ones that in particular Lady Butler-Sloss led in the past over many years. Of course, everyone welcomed her appointment when it was made because of that track record. It is also important to keep in mind that this panel is going to have such a wide-ranging brief that most of the members of it will, at some point in the course of the inquiry, probably find themselves dealing with an institution or an individual with whom they have had some kind of contact in the past, because that is the nature of an inquiry of this kind. They will need to conduct themselves, as indeed this Committee often does when you are dealing with a particular topic, by declaring if they have an interest—they will not necessarily know now what that is, so they cannot necessarily foresee that—and conducting themselves accordingly, and that is an entirely appropriate means of proceeding.

**Q19 Mr Winnick:** What do you think, Mr Sedwill, of the view sometimes expressed that in both cases it was a choice made from what could be described as the very limited location of Westminster—not simply of London but of Westminster—and within Westminster, a very limited location to say the least, places that I certainly do not live in?

*Mark Sedwill:* Nor I.

**Mr Winnick:** What about going further afield to the rest of the country?

*Mark Sedwill:* That is exactly what we are trying to do now, Mr Winnick. Recognising this panel has a different remit and needs to be run in a different way from almost any other inquiry panel we have run in the past, that is why we are spreading the net wider and why the Home Secretary is going through that process, yes.

**Mr Winnick:** You are doing that now.

**Q20 Dr Huppert:** Can I move away from the question of the appointment of the chair? Important, but I think we have explored that in the letters quite well. Could you help me to understand some of the process points, and particularly to unpack some of the comments made about the relationship with the inquiry that Sir Anthony Hart is doing into Kincora, the inquiry that is being done in Northern Ireland and abuse there at Kincora Boys' Home in particular? I pressed the Home Secretary on this and she said that she would make sure that nothing happens to allow any information on individuals to slip through the cracks. She did not quite confirm that the inquiry in Northern Ireland

will get all the Security Service co-operation that is needed. Have you thought about how this will be ensured: that the Home Secretary's aim, which is right, is delivered?

**Mark Sedwill:** We have. There is not much I can add—I do not think there is anything I can add in public—but I think that the Home Secretary was signalling in that remark that we will ensure that nothing does fall between the cracks and the right procedures will be in place with all of agencies that might be involved.

**Q21 Dr Huppert:** The information that he needs will go to Sir Anthony Hart?

**Mark Sedwill:** Either to him or to this inquiry panel, but if it relates obviously to Kincora, I think exactly what the Home Secretary was setting out, yes.

**Q22 Dr Huppert:** Thank you. Again, just briefly, the Home Secretary has left open the option of converting this into a full inquiry. That decision is up to the chair of the panel, but presumably you would have comments on it. When do you think you would want to see that happen?

**Mark Sedwill:** It is not up to the chair of the panel. We need to appoint the chair. The chair then needs to reach a view and then the Home Secretary would—

**Dr Huppert:** But the Home Secretary has said she would implement the chair's decision?

**Mark Sedwill:** Yes, but that is the formality of it. Obviously we will see what the chair says. I think a lot of this is one of the topics that are being discussed in the various meetings the Home Secretary has been having with the survivors' group. She set out in the House the reasons for making it non-statutory so far. We will obviously have to see what the new chair, and indeed the panel as a whole, concludes once the whole panel is in place and then I would offer my advice to the Home Secretary in the light of that.

**Q23 Chair:** Thank you. Let us just look at this timetable. The Home Secretary has asked this Committee to conduct a confirmation hearing. We have rejected the idea of sending nominees, because we felt that was inappropriate. You understand the reasons?

**Mark Sedwill:** I do understand, Mr Chairman.

**Chair:** When do you expect to send us a name?

**Mark Sedwill:** We have not set a precise timetable yet and, as I say, the Home Secretary is still having these meetings and so she does not want to set that out until she has done that. I know she is before you in a couple of weeks and will be able to say more about it then. Our objective is to be able to send you a name certainly in the New Year. I would not anticipate it would be before that. As I mentioned, there have been a lot of suggestions so far; there might yet be more. We will have to assess all those. There are three sets of criteria: their experience and capability, their availability and willingness to take the job, and—to go to your first question, Mr Chairman—of course, the due diligence issues.

**Chair:** So by the New Year?



**Mark Sedwill:** Then one of the issues that the Home Secretary is still considering and discussing is how to involve survivors' groups or their representatives in honing down that list so that she makes a fully informed choice at the end of the day.

**Q24 Lorraine Fullbrook:** Mr Sedwill, how easy or difficult do you think it is going to be to find a chairman of such eminence to chair this panel, who has not in the past had some dinner or a discussion with somebody who is historically part of the establishment?

**Mark Sedwill:** Ms Fullbrook, you put the conundrum very well and that was on our minds throughout the process for selecting the first two candidates. We were trying to navigate that. The scope and scale of the inquiry is such that we always felt that what we were looking for was a chair obviously without any conflict of interest in the sense of the Act, but with the right qualities to conduct a professional and thorough inquiry, relying on the expertise of the panel, and for every member of the panel, as I suggested a moment ago, to know that they would at some point very likely encounter an institution or individual they had some kind of contact with before, and to conduct themselves accordingly. The question is not whether there is any kind of relationship; it is whether you can conduct an inquiry, just as this Committee and others do, when the person sitting on the other side is someone in the institution you have had a relationship with before. As I say, for the chair in particular, what we had not appreciated until the problems arose was the extra test that we needed to apply. But it is going to be challenging and there is not a consensus yet among the survivors as to who that person might be, but our aim is of course to build a consensus and earn their confidence.

**Q25 Chair:** Just a final question on this area. You set up the Wanless and Whittam inquiry and the report made some recommendations. You have accepted those recommendations. In respect of recommendation 3, has that begun immediately: there should be a system within the Home Office of recording what information is sent to the police and then a formal procedure of confirming what the result of that reference is? It is just that we are concerned. We know with these reports that they sit on desks. We want to see this happening now. Have you written to the chief constables, have you told the heads of your Departments that they have to start this now, or is there a process that you have to wait for?

**Mark Sedwill:** The short answer is yes, and indeed, we have agreed with the national policing lead the protocol by which—

**Chair:** You have told them to start it now?

**Mark Sedwill:** That is done. That agreement is reached.

**Chair:** Today? Which day?

**Mark Sedwill:** The protocol with the national policing lead was agreed a few days ago. We have been talking to him since the recommendations came out. We took the internal actions immediately, the other recommendations immediately, some of which of course had already been implemented. That process is already in place.

**Q26 Chair:** Let us move on to your other work, which is of course considerable. I have just bumped into Norman Baker and I was reminded of what he said when he resigned, "I regret that in the Home



Office, the goodwill to work collegiately to take forward rational evidence-based policy has been in somewhat short supply”. Do you agree with that?

**Mr Winnick:** You had better not.

**Mark Sedwill:** I do not, no. I am trying to find a way of avoiding being drawn into internal coalition politics here, Mr Chairman, but no, I do not. I think evidence-based policy is the way we try to proceed. Of course there are tensions within the coalition; there are tensions within any Government, as you know, but they are more apparent.

**Q27 Chair:** Just concentrate on the Home Office as opposed to the rest of the Government. He then said that his experience of working at the Home Office, not working with the Home Secretary, “Had been like walking through mud”.

**Mark Sedwill:** The Home Office is a tough department, Mr Chairman. Mr Loughton was asking me about my priorities a minute ago. At any one time, I reckon I have—

**Chair:** He was in the Department for Education, so it was easy for him.

**Mark Sedwill:** That can be quite difficult, but I reckon I have about four or five issues at any one time I could name any week of the year, any one of which would predominate the work of another Department. That is just the nature of the Home Office, so it is very hard work.

**Q28 Chair:** You did not see any of these tensions? He said his plans were thwarted by the Home Secretary and his advisers. As the head of the civil service, you averted your eyes, you walked swiftly past their rooms into your office and you did not know this was happening?

**Mark Sedwill:** My office is between theirs, Mr Chairman.

**Chair:** Was that the Gaza Strip?

**Mark Sedwill:** I am not going to be drawn on relationships between any Secretary of State and that Secretary of State’s Ministers.

**Q29 Chair:** So it was just personalities, it was not the practice of—

**Mark Sedwill:** Mr Chairman, I am not going to be drawn on this.

**Chair:** No, I understand that, but you have to reassure this Committee that it was just a personality issue. As far as you are concerned, the Department is well run and therefore these were just politics, personalities of politicians, and it did not affect the Department?

**Mark Sedwill:** No. Ministers resign. As I think some of you would agree, there is more to politics than being a Minister and there is more to life than politics, and I think that was also a theme of Norman Baker’s resignation letter.

**Chair:** I think we all accept that, but we will give Dr Huppert the right of reply here and then we will move on.

**Q30 Dr Huppert:** I was not going to pick up on that particular issue. I understand why you do not feel you can comment at the moment. I think many of us would like to buy your memoirs when they come out, if I could be added to the list.

**Mark Sedwill:** There will not be any, Dr Huppert. I do not approve of officials writing memoirs.

**Dr Huppert:** I am sure they will be fascinating and I understand the role you have to play, but there is an issue that was touched on that we have raised in this Committee before. A lot of evidence that comes through reports in particular takes a very long time to come out if it does not agree with what the Home Secretary politically would like to say, and yet remarkably they can be quite well-timed when they are convenient for the Home Secretary. We have had comments about, for example, reports of the Independent Inspector of Immigration, which we discussed last week I think, that there was now a longer and longer delay between those coming out and then they appear to all come out at once. We have had the international comparative study on drugs policy that was delayed by eight months, if I remember correctly. I do not remember the exact length of time, but it took a very long time for that to come out and there was quite a lot of pressure for it to and it was only when we had the debate that it finally came out. We have had things like the balance of competence studies about EU migration, for example, which I remember was leaked before it came out because it had been delayed for a very long time. Why is it that so many of these reports that provide evidence that may not agree with what the Home Secretary says she is trying to do seem to take so long to come out?

**Mark Sedwill:** I would not agree, Dr Huppert, with that sort of interpretation of the evidence. All government and all politics, including in the Home Office, involves a degree of managing the release of reports, and that has been true for all Governments, all Home Secretaries, and I do not see anything different in this particular case. We have to reconcile that with the centre. There is always, as you will recall, quite tight control from the centre of different announcements, for example because there is a big theme they wish to pursue at a particular time. Again, that has been true over several Governments.

**Dr Huppert:** And today.

**Mark Sedwill:** There have been reports I have wanted out, and indeed the Home Secretary has wanted out, and we have not been able to release on the day we would wish to. I would not read too much into it.

**Q31 Dr Huppert:** Do you accept, for example, with the Independent Inspector of Immigration, that his reports used always to be published within a month and that they are now routinely taking longer than a month, and I think in one case over five months, to be published? You accept that as a factual truth?

**Mark Sedwill:** I believe that is correct, yes.

**Q32 Dr Huppert:** Does that not concern you?

**Mark Sedwill:** It does, but what we are looking at with those reports is seeing whether we can establish, essentially, a procedure under the new arrangements. We have, I think, misinterpreted the legislation, and the assumption that we were operating under, and for most of John Vine's

period were operating under, was that he published his reports, he laid them before Parliament himself. The legislation does not say that; it says the Secretary of State does so. There is a question for Parliament as to whether that is appropriate, whether the Independent Inspector or whether Parliament would prefer—for example, as with HMIC—for them to have control over the timing of the release of their reports themselves, but that is what the legislation says, so we have to go for that.

**Q33 Dr Huppert:** But the Home Office could comply with the monthly cycle?

*Mark Sedwill:* We are looking at releasing them in an organised way, rather than having to get into a discussion about what date a particular report should come out, just as we have done with the data, where we had a stream of data that drove this Committee mad as it essentially gave a rather inaccurate running commentary on the immigration system. We have now gone for authoritative quarterly release, and I think that has been an improvement, so we are thinking about exactly that.

**Q34 Chair:** Let us look at immigration now. Your first appearance before this Committee was the time of the abolition of UKBA. The Home Secretary has now, in a sense, abolished the Passport Office, so it has all been taken back into the Home Office. When are things going to get better?

*Mark Sedwill:* I think some things are getting better, but it is a long journey. If I look at the former UKBA, I will just run across the three component parts of that: in the Border Force we have 100% checks; no queues; seizures up; bigger take-up of e-gates than anywhere else in the world at the border. None of those things was true a couple of years ago, when you remember there were very severe queues just in advance of the Olympics. In UK Visas and Immigration, the backlogs that this Committee quite rightly kept pressure on over many years have been tackled: no backlogs in permanent and temporary migration; new visa products and better customer service; immigration enforcement; a refocus on crime; some very high-profile criminal cases; long sentences—five, 14 years for people involved in sham marriages; double the number of sham marriage arrests and so on, and removals, including the foreign prisoners. But I entirely accept, Mr Chairman, that I can run across all those again and tell you where the gaps are and where the future improvements need to come.

**Q35 Chair:** But the headline issue for the Prime Minister and the Home Secretary is meeting the net migration target. The Home Secretary said on Sunday on “The Andrew Marr Show” that it is most unlikely that you are going to meet that target. There is now an acceptance of that in Government, is there?

*Mark Sedwill:* The Home Secretary said it, and I think all I can do is repeat what she said. I do not think that, however, is the same as your first question, which was when are things going to improve?

**Chair:** No, it is not the question.

*Mark Sedwill:* The net migration target is, of course, not part of the coalition Government programme. It was a target set separate to that. The coalition Government programme was about reducing immigration and reducing crime.

**Chair:** Yes, but the target is unlikely to be met. We all accept that now.

**Mark Sedwill:** That is exactly what the Home Secretary said. I agree with her.

**Q36 Chair:** Why did you authorise £19 million in exit packages for people in the Passport Office and at the same time an announcement was made that you were recruiting an additional 1,151 fulltime equivalents?

**Mark Sedwill:** £19 million. Sorry, I thought you said £90 million, Mr Chairman. No, £19 million. These were severance packages that essentially arose from the abolition of the ID card scheme when IPS was converted back into the Passport Office. Those redundancies were made as a result of that. The Passport Office underestimated demand last year and we are now recruiting staff back into the Passport Office in order to make sure we have enough staff there to meet demand in the next two years. We have revised the forecasting model, because clearly there were problems with that last year and the usual procedures. If what you are driving at, Mr Chairman, is whether any of the same civil servants who were made redundant or who took voluntary exit reapplied, there are standard rules for what happens to their redundancy package.

**Q37 Chair:** Why also did you authorise £674,000 worth of bonuses for members of the Passport Office, bearing in mind the crisis that occurred over the summer that led to a report by you saying it should be abolished?

**Mark Sedwill:** Two points on that, Mr Chairman. First, the bonuses are for 2013-14, so running up to the end of March last year. Of course I thought very hard about it and discussed it with Ministers and colleagues. I thought very hard about this, but I think, as this Committee acknowledge—

**Q38 Chair:** So you did not want to pay them?

**Mark Sedwill:** It is not that, no. I thought about whether we should, given the circumstances. Even though it was for their work in the previous year rather than in the midst of the crisis that they encountered in the late spring and summer, and therefore one has to keep that fairness in mind, I did consider it.

**Q39 Chair:** Is it still your position that you do not take bonuses?

**Mark Sedwill:** Sorry, let me just talk about the Passport Office. As this Committee has acknowledged, the staff themselves did a Herculean job, not only through the crisis but had done so beforehand. It would have been wrong to penalise them as individuals, given that bonuses are part of the civil service package. Whether one agrees with that or not, they are. The chief executive and the board did not have bonuses, of course.

**Q40 Chair:** Yes, but is it still your position that you do not take bonuses?

**Mark Sedwill:** I have not ever said that. You were very kind about what I said. I did not say that I would never take bonuses or never had taken bonuses.

**Chair:** Right, because the last time you were before us, we asked and you said you were not taking one.

**Mark Sedwill:** Well, what I said was—

**Chair:** That has changed?

**Mark Sedwill:** No, no, it has not changed, Mr Chairman, but just to be clear, I did not make this a huge matter of principle.

**Chair:** Right, no.

**Mark Sedwill:** My point was—and I think it was in answer to a question from Mr Winnick—would I take one for the 2012-13.

**Q41 Chair:** You were not there then, so why should you?

**Mark Sedwill:** That is exactly what I said, Mr Chairman.

**Chair:** So have you taken one—

**Mark Sedwill:** I remember saying precisely that.

**Chair:** I am sure it is all in the transcript, Mr Sedwill.

**Mark Sedwill:** I had been in the job for eight weeks and I said it clearly would not make sense for me to take a bonus as I had not been in the job—

**Chair:** That was, unusually, a very easy question for Mr Winnick to ask you.

**Mark Sedwill:** It was indeed.

**Q42 Chair:** You were probably in Afghanistan at the time, so you did not feel you should take it, but from 2013 to 2014—

**Mark Sedwill:** I have not.

**Chair:** It sounds as if there is a bit of wiggling here.

**Mark Sedwill:** I am not wiggling, Mr Chairman. If I choose to take a bonus, I will be completely open about it.

**Q43 Chair:** But you have not?

**Mark Sedwill:** I have not been offered one.

**Chair:** Okay, that is very good.

**Mark Sedwill:** Or I am certainly not aware of having been offered one.

**Q44 Dr Huppert:** The Home Office has changed quite a bit in terms of its nature. You have taken now a lot more agency work back in, so the Home Office, which used to be policymaking and oversight, is now transactional. That must be quite a challenge for you and your senior team. How are you managing that change?

**Mark Sedwill:** Yes, you are right, it is a challenge. What we have tried to do is preserve essentially the two characteristics alongside each other. I have quite a big senior team now with directors general in charge of each of the three component parts of the Borders and Immigration system, and we have an acting one but we will have a permanent director general running the Passport Office now that is inside, so essentially four operational directors general. Then I have three responsible for the classic work of the Home Office—policy, strategy, system governance as a whole, covering counter-terrorism, crime and immigration—and then the chief operating officer and HRD and so on.

Essentially, we meet in different modes. For example, once a month I have a meeting of that group—we call it the Strategic Oversight Board—and it looks at the detail of the borders, immigration and citizenship system as a whole, the performance of the various elements of it. We look at the hot topics or emerging pressures, decide whether we need to shift resources, take action and so on. We have a system of governance that we have put in place to enable us to keep a close grip on the operations, because that is one of the expectations of the Home Secretary now that they are directly within the Department, while also in separate fora maintaining the strategic policy and system governance work.

**Q45 Dr Huppert:** You are talking about executive governance. You also have non-executive directors?

**Mark Sedwill:** Yes.

**Dr Huppert:** But as I understand it, between April and August this year, rather than having the normal three or four, which most Departments have, however big they are, you had only one. Is that right?

**Mark Sedwill:** We did. We since have two and we are looking to fill the other two places. Frankly, it was regrettable we found ourselves in that position. I make quite a lot of use of the non-executive directors, not just on the supervisory board that they are appointed to. For example, in the board that I just mentioned, the executive board, one of the non-execs will specialise in each of the areas, whether it is the immigration system or the policy work or whatever it might be, and attend all those boards. The previous set of non-executive directors, at fairly short notice, for various personal and professional reasons, each chose to step down.

**Q46 Dr Huppert:** I will not ask whether it was as a result of the mud or anything like that, but presumably that meant during that period there was less oversight. Which areas received less attention as a result of having only one person to play this role rather four?

**Mark Sedwill:** I do not think they did, because the non-exec's role is not so much oversight as advice. Sue Langley who was the only non-exec for that period has now been appointed as the lead non-exec, I have to say she covered a huge amount of work and attended an awful lot of meetings for us. She chaired the audit—

**Q47 Dr Huppert:** But presumably four people can do more than one?

**Mark Sedwill:** They can indeed. Undoubtedly I lacked some of that additional advice that enables me to provide the oversight, particularly the private sector experience when one is looking at

operations, but I have to say that with she and Alan Brown, our new non-exec, it is not so much the quantity as the quality of what they bring.

**Q48 Michael Ellis:** Mr Sedwill, I want to come on to police accountability and police pensions, but before I do can I just ask you as a matter of fact when it was you found out that Norman Baker was resigning as a Minister?

*Mark Sedwill:* I think a few hours before he sent the letter. I do not exactly know the timing of the letter, but it was—

**Q49 Michael Ellis:** But you were not aware more than a few hours before it became public?

*Mark Sedwill:* There was speculation. There is often speculation about Cabinet reshuffles and people moving and so on but, no, I was not.

**Q50 Michael Ellis:** You were not aware of, shall we say, informed speculation in the weeks prior to his actual resignation?

*Mark Sedwill:* One hears rumours, Mr Ellis. I do not set a lot of store by them. There is an awful lot of political gossip around about people's intentions. I had no foundation, no reason to see them as anything other than that.

**Q51 Michael Ellis:** But rumours were in the ether in the weeks prior to the announcement. Is that how I am to read what you are saying?

*Mark Sedwill:* Mr Ellis, you are probably in a better position than I, I might imagine. I think rumours around Parliament—

**Q52 Chair:** Are you suggesting, Mr Sedwill, that Mr Ellis has anything to do with rumours going round?

*Mark Sedwill:* I have no idea, Mr Chairman.

**Michael Ellis:** Certainly not.

*Mark Sedwill:* I do know that Parliament is pretty good at circulating rumours of that kind. All I am saying is—

**Michael Ellis:** I am sure that is right, Mr Sedwill, but I am asking you about what you knew.

*Mark Sedwill:* I did not have a discussion with anybody, including the Minister himself, about this issue in advance of when he made his decision.

**Q53 Michael Ellis:** Moving on to police accountability, the National Audit Office found that the data they were publishing in respect of police and crime commissioners was perhaps incomplete. Do you consider that there is a problem with compliance in terms of data that they are publishing, and



do you think there has been some improvement in police accountability because of police and crime commissioners?

**Mark Sedwill:** On the first, there is an issue with compliance because they are not all fully compliant. They have obligations to publish this data and they should meet them. I have made that clear in Parliament and I think we gave a list to the Public Accounts Committee after they were offering a report into that element of the degree to which different forces and different PCCs, officers, were compliant in order to allow transparency to apply some pressure.

In terms of the accountability of policing to PCCs, despite all the issues over turnout in PCC elections it is clear that both chief constables and the public have a much better understanding of the names. They are more aware of their PCCs, they are more aware of the role, and PCCs in a more public way hold chief constables to account in a way that police authorities could not.

**Q54 Michael Ellis:** There is £1.3 billion used to cover the deficit in police officer pension schemes. That is right, isn't it?

**Mark Sedwill:** That is right.

**Michael Ellis:** Are you monitoring how that is being spent?

**Mark Sedwill:** Yes, we are. It is spent through individual forces, because they each have their own payroll that includes the pensions. That is monitored through the normal accounting methods. We now have government actuaries looking at the assumptions for the future so that we can budget for it more effectively over the next few years, and of course there is a new police pension coming in in the spring. We expect to lay the regulations in Parliament in about February. That should help—as with other public sector pensions—constrain the overall growth.

**Q55 Paul Flynn:** Before I start, I will just have a word on Norman Baker. Wasn't the problem that Norman Baker's ideas had been expressed many times to the Home Office, in the report of this Committee in 2002, in the report of Lord Birt's Strategy Committee to Tony Blair? They are very similar ideas about making progress on an abjectly failing drugs policy, but each time, those reports come up against the paralysed inertia of the Home Office and their incapability of understanding fresh, intelligent ideas. Isn't that the mud that Norman Baker was complaining about and isn't it as deep and as sticky as it has been for the last 40 years?

**Mark Sedwill:** I do not think the Home Office is like that at all, Mr Flynn. I think the Home Office is up for new ideas, new policies. We advance quite a lot of quite radical ideas within the Home Office. In the end—

**Paul Flynn:** On drugs?

**Mark Sedwill:** On drugs there is the comparative study that was an initiative led by Norman Baker and it was completed and published. But the question, Mr Flynn, is whether the Government's drugs policy is appropriate and the issue around decriminalisation. These are fundamentally matters for Ministers and Parliament. The Home Office provides all the expertise we can but the decisions are for Ministers.

**Q56 Paul Flynn:** The report came out in 2002 from the predecessor of this Committee.

**Mark Sedwill:** Yes.

**Paul Flynn:** The year before, Portugal put in ideas very similar to what the Committee was suggesting. But you do not accept that the Department itself is immune to fresh thinking?

**Mark Sedwill:** Not at all. It goes to the point Dr Huppert was making about the role of the central part of the Department. The Department itself presents policy ideas and policy options to Ministers on a whole range of different things. Some of them they will adopt; some of them they feel we are being too cautious and we have self-centred, and they encourage us not to do that; others they don't. That is the way a Government Department should work. I would not accept that somehow the material, the policy ideas and the evidence is not percolating through the Department to Ministers. It is, and Ministers then make their judgment.

**Q57 Paul Flynn:** I was at another committee this morning where we discussed at length whether the overriding ethic of the civil servant was the unimportance of being right, that those who come up with fresh ideas, who are entrepreneurial, who have ideas that challenge the civil servants, are the ones whose careers wither and die, and those who are the "Yes, sir", "Me, sir", "Walk all over me, sir" types are the ones who prosper and rise to the top of the civil service. Is that not true?

**Mark Sedwill:** No, absolutely not. I genuinely just do not recognise that. To be honest, I do not think anyone who has worked with me over the last 25 years would describe me the way you have just described me. I have usually got into trouble for having too many ideas and sometimes showing a bit too much initiative, without necessarily having all the cover I should have done, and yet I have risen to one of the senior jobs in the civil service. What I look for when I appoint people to senior jobs—for example, at director level or director-general level—is the intellectual self-confidence to challenge. I talk all the time to civil servants about having the big ideas, so I do not recognise that characterisation I am afraid.

**Q58 Paul Flynn:** What fresh and big ideas do you have to deal with foreign offenders who come here and are not removed?

**Mark Sedwill:** To address that, I think our overall objective should be that the propensity to crime among foreigners in this country is less than among British citizens because, in the end, we do have additional methods we can apply to foreigners. We can try to stop them coming in the first place and try to remove them when they are here. The big ideas are essentially: how do we stop people who have a criminal record getting into this country in the first place? How do we ensure that the police and courts, if they are here, have access to their history so that someone who presents as a first-time offender but might actually be a repeat criminal overseas is dealt with properly? Then how do we remove them as quickly as possible once they have come into either the criminal justice or immigration system?

**Q59 Paul Flynn:** The National Audit Office reports that you have failed on each one of the headings you have described. They are dismissive of your efforts. You are going backwards not forward.

**Mark Sedwill:** They did not say we are going backwards. They say we have not made as much progress as we should have done. I think they said progress is very slow.

**Q60 Paul Flynn:** A significant number of those applications fail because of the Department's lack of control, and it said it lacks sufficient coherence and is hindered by the over-complicated arrangements of the Department. Much of what is not happening, the failures, are put by the National Audit Office at the door of your Department.

**Mark Sedwill:** The Home Office is part of the system as a whole but you are absolutely right, we are responsible for the overall performance. Some of this lies with other Departments and other agents as well but we are responsible for the overall performance. It is not good enough. We are seeking to improve it. It has improved. We removed nearly 10% more foreign national offenders last year than the year before. That is despite a 28% increase in the number of appeals that they are lodging. We have already seen, as we have removed some of those appeal rights in the Immigration Act and introduced non-suspensive appeals, we are able to remove more, and—although this is a somewhat political point—by opting in to the 35 justice and home affairs measures in the EU, we will have access to European criminal records and other information that will enable us to more effectively deny foreign criminals the opportunity to enter the UK in the first place. So we are acting.

**Q61 Paul Flynn:** But the National Audit Office says we have had the spin but the reality is that the numbers deported from the UK have remained broadly unchanged since 2006.

**Mark Sedwill:** It hasn't remained, no, not since 2006. It hasn't remained unchanged since 2006. It went up.

**Paul Flynn:** You obviously disagree with the National Audit Office. Can I look to another point evolving in this? There is great pressure at the moment to take more refugees from places like Syria. If we evened out throughout the country the numbers that are in each area, or if we put into some areas the numbers that are in the areas covered by Mr Simon Danczuk and myself—he has 400 asylum seekers on financial support and I have 391. The number in Mr Brokenshire's constituency is 33 and the number in Theresa May's constituency is one, and that is an increase on last year. Is it not extraordinary that some areas of the country are not taking their fair number of asylum seekers, and we know however good they are, however sincere and hospitable the local people are, there are extra strains if there are large numbers of asylum seekers on the health service and so on. What are you doing to even out the spread? If they were all up to the level of my constituency we could take tens of thousands of people in from Syria now.

**Mark Sedwill:** There is a process by which a range of local authorities—I cannot remember the exact number—

**Chair:** Could you send us a note on the dispersal arrangements?

**Mark Sedwill:** I perhaps can. I would just say that I do not think there is any local authority in the country that is beyond the ratio set.

**Chair:** Yes, but if you could write to us with that detail.

**Mark Sedwill:** I can certainly do that.

**Chair:** Sorry, we must move on.

**Q62 Lorraine Fullbrook:** I would like to ask about confiscation orders and the policy to deprive criminals of the proceeds of their crimes. The National Audit Office highlighted some issues to do with the strategy and governance of the confiscation orders and the joint working across the criminal justice system. Can you update the Committee on how the problems have been addressed?

*Mark Sedwill:* There is still a long way to go. As I said to the Public Accounts Committee, we have already established a criminal finances improvement board led by a Minister. There is a criminal finances improvement plan as part of the Serious and Organised Crime Strategy to address this. Essentially what we are seeking to do—and some of this is through legislation, some of this is in the Serious Crime Bill—is make it harder, in particular for the big fish with lots of money, and therefore accountants and so on who will help them squirrel it away, to do so. If you look at the performance on confiscation orders, there is good performance against the small fry, people on whom the order is about £1,000 or less.

**Lorraine Fullbrook:** That is right, yes.

*Mark Sedwill:* They cannot afford accountants to help them get it overseas. Where the numbers are big—over £1 million—the performance is inadequate. So in the Serious Crime Bill, we are seeking to introduce measures, for example, to make it harder for people to transfer assets to a spouse, harder for them to move overseas.

This is not just about legislation. A lot of this is in the performance. There are issues around capability and policing and, indeed, the objectives. If you think of most criminal investigations, they would see a result as being conviction. Actually, they need increasingly to see the result as being confiscation, beyond conviction, because conviction is a price that at least some career criminals will accept but what they really want to avoid is the confiscation of their assets. That means building in from the start the financial forensics necessary to achieve that result right the way through the investigation. There are some issues around building capability in policing there that the college and the National Crime Agency are seeking to address.

**Q63 Tim Loughton:** Mr Sedwill, could we talk about the staff survey for the Department, the notorious staff survey. It is not very good, is it?

*Mark Sedwill:* No, but it is improving marginally. I do not know if you have the latest results for this year that were released last week, but overall it is another percentage point up on last year, which was a couple of points up on the year before, but it is not where I would want it to be.

**Q64 Tim Loughton:** But severely below the civil service benchmark still and with great departmental differentiations as well. Why is it such a lottery across the various Departments?

*Mark Sedwill:* There are a couple of issues. Of course, some unions encourage people to boycott these, so there are issues with that. In general, if you look at the civil service as a whole, staff survey results tend to be lower in the big operations than they are in the central Departments in Whitehall and one can understand the underlying reasons for that. That is part of the reason for the variation. One of the things I am pleased about this year is that because of the concerted effort, Border Force, for example, which was at the bottom of the list, has had the most significant uplift in its overall engagement scores, although what I am interested in is looking behind the overall figures. The overall figures are, of course, important because there is huge variation not just between the big units—the Border Force versus the centre versus Passport Office or whatever—but within them too. It is important to understand the difference, say,

between Heathrow and Manchester, between staff doing one function and another. It is at that level that we can make a difference and in particular this arises from leadership, and leadership at a local level.

**Q65 Tim Loughton:** How influenced are you by the staff surveys? Have you had to put in place a lot more action in response to them or do you just take it as one of those things that you are never going to score particularly high?

**Mark Sedwill:** No. I remember when I was going through the interview for this job with the Civil Service Commissioners and so on I referred to the staff survey that was out the year before and some of the big messages that I felt came out of it. Dr Huppert maybe even has it on his iPad; he often has my global e-mails around the Home Office on his iPad but maybe not this one. I put a message around the service as a whole on the day we published it last Thursday or Friday morning, focusing in particular on the scores of bullying, harassment and discrimination, which are just not good enough and making clear that I will expect all leaders at all levels to take action to tackle that.

To give you an example, I have told all the senior civil servants they must complete the civil service's online unconscious bias training by Christmas because that is an important signal that we intend to take, in particular, the discrimination issue seriously. But what we will look at is the hotspots. We will look in particular at the areas where those scores especially, which are not good across the entire Department, are well below par and what action we need to take. I use it as a very important dataset for management action.

**Tim Loughton:** You would recommend training for particular Departments or individuals as a result of what comes out in the staff survey?

**Mark Sedwill:** Yes.

**Q66 Tim Loughton:** Just on an allied point, can I ask if you have had any training in child sexual exploitation?

**Mark Sedwill:** No.

**Q67 Tim Loughton:** Have other directors in your Department had training in child sexual exploitation?

**Mark Sedwill:** I believe those dealing with it have but I would need to come back to you to be more precise.

**Q68 Tim Loughton:** Do you think it would be sensible for you, as the head of that Department, given what is in your top three inquiries, at least to have had some training in child sexual exploitation to know what exactly you are looking out for and expecting the inquiry to look out for, and the advice you could give the Home Secretary about how this inquiry is progressing?

**Mark Sedwill:** I would have to think about what the nature of the training was, because the training that one might give to a case worker would be wholly different. My job is to look at the system and the Department as a whole and that does not mean I can become an expert in any

one of the issues. But you are right, there may be packages available that you could increase awareness and sensitivity and so on that would be appropriate for somebody like me to take.

**Tim Loughton:** I am not asking you to become an expert, but a modicum of what is involved in recognising and dealing with child sexual exploitation might be helpful for the person and head of the Department dealing with it.

**Chair:** I think Mr Loughton would like you to say yes.

**Mark Sedwill:** Yes. I just don't know what the training is but I accept that—

**Q69 Tim Loughton:** I am not asking about training; I am talking about awareness. Anyway, can we come on to grant expenditure? In your Department, the majority of grant expenditure goes on local policing bodies.

**Mark Sedwill:** Yes.

**Tim Loughton:** What mechanisms do you have in place to ensure that the grants are spent on the purposes for which they are intended?

**Mark Sedwill:** In the end, the primary accountability, of course, is to the PCC who has overall responsibility for the expenditure of the money and the allocation of priorities within policing. The Act that set it out does not provide that the PCC is to be accountable back to us directly. We do, however, have an accountability system statement that goes out to all the chief executives, to the PCC's offices and so on, which essentially sets out the rules by which they need to be guided and to ensure the money is spent on the purposes that it has been voted for by Parliament. But in the end the decisions over priorities and the judgments as to whether to flex resources between different issues is for the PCCs themselves. We also have, with the HMIC, the Inspectorate of Constabulary reports that look at efficiency as well as effectiveness and legitimacy—that is the PEEL programme now rolling out force by force—and therefore can make a judgment about value for money force by force.

**Q70 Tim Loughton:** But if money is being granted nationally for police officers at whatever level to have specific training in, let us say, child sexual exploitation awareness, how are you going to monitor that spend for that purpose?

**Mark Sedwill:** It is quite rare now for us to grant money for very specific purposes. That happened a lot in the past and, essentially, it fragmented the overall police grant. We have a strategic policing requirement that is set by the Home Secretary that is essentially about the requirements that individual forces have to contribute to the whole, the ability to flex resources, mutual aid and so on if there is a problem. But it is for forces themselves to determine what their requirements are, not for us to specify from the centre, and that has been a very clear policy of this Government.

**Q71 Tim Loughton:** How does a member of the public find out if their force is not using the funds for which they are intended as directed by Government?

**Mark Sedwill:** They are not directed by Government. That is the point, Mr Loughton; that was the purpose of the reform.

**Tim Loughton:** Intended by Government. It is very clear what some of the intentions are on what the police spend.

**Mark Sedwill:** If the Home Secretary were here she would say to you that she set one priority for the police, which is to cut crime, and removed all the targets, and that was a big change that she made when she came in. She reminds police and crime commissioners quite regularly that they should not be setting lots and lots of individual output targets that skew that overall focus. We don't direct. How members of the public find out, essentially through the democratic process, although the PCC is accountable, is they can go on to the police.uk website and there is material on there, not only about the effectiveness of police in tackling all crime types in their area but also about the value for money they provide and that is the mechanism that has been established under this Government to hold police accountable for it.

**Q72 Lorraine Fullbrook:** In respect of the spending review on the Department's budget, how are the savings being made for the year 2015-16 and is the Home Office on track to make these savings?

**Mark Sedwill:** 2015-16 is going to be a very tough year, of course. We have not set the budgets within the Department yet for 2015-16 and we are still awaiting the autumn statement, which will confirm or not the overall envelope. The Prime Minister made some announcements in his statement earlier about counter-terrorist spending, some of which might be allocated by the Home Office and there may be further of that. We don't have a firm budget yet for 2015-16 but we have a sense of the overall scale of it and we are going through the normal process. We have identified how much we would expect to get in grant funding to the police.

We are looking at all the different programmes that we have to see what the demands are against the resources available and in each programme the degree to which that expenditure is maintaining core capability—keeping the lights on, if you like, in various things, maintaining communications networks and so on—how much of the investment in those programmes is enabling future savings, staff savings and so on, and how much is essentially about building new capability, and making judgments between those. Within the immigration system—essentially, in the core Home Office budget, is now the big chunk of money where most of the staff of the Home Office itself are deployed—we are looking at quite challenging productivity targets in order to try to reconcile maintaining our impact with the resources that are available.

**Q73 Lorraine Fullbrook:** On the capital expenditure, how are the IT systems currently being altered in the Department?

**Mark Sedwill:** If I could characterise it this way, the legacy systems are fragile and old-fashioned and fragmented and we are seeking to address each of those things. We have focused on resilience. If I give an example of an immigration system, the immigration case-working system would often go down for quite prolonged periods and that had a major disruptive effect on case working. We have addressed that and tried to make sure that it is available to case workers on a much more consistent basis. We have taken the warnings index that we use to try to deny people entry into the country or identify people who are offenders, which was in a very old service centre. We had to delay upgrades to the power system nearby in case the upgrade tripped it out and we were not confident we could get the system back up and running again. We have been addressing that fragility—and we have done that now with the warnings index—over the past year.



The big change in future is not so much the modernisation, important though that is—and digital initiatives such as the digital front end for visa applications and so on, all that is going quite well—but the big issue is data. We have to find a way, and this is a big priority for us, of linking up systems more effectively so they are not fragmented and, therefore, we have available to us all the data that certainly the Home Office, and then as we progress the rest of Government, have on an individual. That goes back to Mr Flynn’s point about knowing enough about each individual to make the right judgment and identify whether they are a criminal or an immigration offender or whatever. Those are our priorities. I would put them in those categories.

**Q74 Mr Winnick:** Could I ask you about the preparation, not the politics obviously, of the Counter-Terrorism Bill that will be fully explored in the usual way in Parliament by both Houses? Mr Sedwill, what sort of consultations would have taken place—I am not sure how far this is in the public domain—on matters that are quite sensitive, seizure of passports, exclusion orders and the rest? Would the Home Office consult, apart from its inhouse lawyers obviously, that goes without saying, lawyers outside, other groups, not necessarily legal, who would have civil liberty concerns?

*Mark Sedwill:* We, of course, handle that differently for each piece of legislation. In this particular case because of the nature of some of the changes—of course, the Prime Minister set out the big elements of that in a statement a couple of months ago—we have been primarily working within the system, not only within the Home Office but within the system as a whole with the expert agencies on ensuring the clauses in the Bill and the legislation meet the tests. I will have to come back to you on exactly what kind of external consultation there has been on individual elements of it. As you can imagine, there has been a lot of discussion across Government because of exactly the issues you raise and obviously there will be further as the Bill comes to Parliament.

**Q75 Mr Winnick:** Apart from Liberty—as you would say, “What would you expect?”—

*Mark Sedwill:* I would not say that, by the way, Mr Winnick.

**Mr Winnick:** Yes. If you did say it, it would be unfair but I am just saying there may be some in the Home Office, more the political side, who would take that view. But Amnesty, for example, has expressed concerns, justified or otherwise, about the implications of exclusion orders, the possibility of statelessness and the rest. I would have thought that is an organisation that would be consulted and also lawyers outside the Home Office, because undoubtedly I can imagine some legal challenges, to say the least, and not necessarily confined to the UK. Would it be in order for you to say whether lawyers outside the Home Office have been consulted?

*Mark Sedwill:* Certainly lawyers outside the Home Office. I am not aware of whether lawyers outside Government and outside Government counsel and so on have been. I can try to find that out, Mr Winnick, and, if I can, let you know. But you raised an interesting point, for example, about the issue that Amnesty raised. We are well aware of these issues and we have been clear throughout that the legislation will be compliant with international law and that it is not the intention, therefore, to make someone stateless. Of course, denying them a passport for a period does not make them stateless; it just denies them the opportunity to travel. The Home Secretary has been doing that through exercising the royal prerogative in a very small number of cases where we sought to disrupt travel to Syria and Iraq but it does not change the citizenship of the individual we are talking about.



**Mr Winnick:** No, but it has been implied that statelessness would occur and the responsibility of other European countries, whether or not they would accept individuals of UK citizenship—

**Mark Sedwill:** We are well aware of all these issues because, as you suggest, Mr Winnick, of course, people in institutions have been quite open about their concerns once they heard the main elements of the new approach set out. We have sought to try to ensure the legislation is legally robust and certainly that it is compliant with international law.

**Q76 Mr Winnick:** Presumably this is a matter where the Attorney-General would be much involved in the preparation, or consultation rather than the preparation.

**Mark Sedwill:** Again, we consult across Government. The convention is we don't talk about Law Officers' specific advice.

**Q77 Chair:** Thank you. We are coming near the end of this, but I wanted to ask you about contract management and the concerns about some of the very big companies that seem to be able to come to the Home Office and get very large deals. You have renewed the contract for Serco, I think £70 million over the next eight years to run Yarl's Wood. Are you aware of the concerns that have been expressed by those in Yarl's Wood about the way in which Serco run it, "To Serco we have a price tag, we are part of £1 million business deal and our pain is Serco's profit"? As you know, your colleagues in the Ministry of Justice have had to fine Serco because they have been overcharging the Government. I admit it is another Department but it is still the taxpayer that has been overcharged. Why have you given yet another contract to this company that has such a bad track record in dealing with Government?

**Mark Sedwill:** If I could just take Yarl's Wood to start with and then I will go into the broader point you have raised, Mr Chairman. You will be aware that at Yarl's Wood there were allegations of sexual misconduct by Serco staff there in 2012. Those allegations are potentially not just a matter of misconduct but of criminal behaviour and there are investigations ongoing into that. Criminality would be around the issue of consent but if there is sexual contact between a guard and somebody—

**Chair:** Sure, but in terms of the procurement policy.

**Mark Sedwill:** But I know that issue has been on people's minds. We have been into that with Serco and they have taken the necessary action, both in more general terms with the staff there and, in particular, with the misconduct of the individuals concerned.

**Q78 Chair:** If you look at, for example, the COMPASS contract, we wrote to the Home Secretary before this was given out and said, "Do not go to the big providers because all they do is delegate down to smaller providers". Last week we put to the Minister the fact that there are some asylum seekers being housed in local hotels and that is not a proper use of taxpayers' money. They seem to meet your targets as far as the amount of money you want but then they delegate off and people suffer as a result. Are you conscious of this? Is this being monitored properly?

**Mark Sedwill:** Yes, it is. I had a very extensive hearing on COMPASS with the Public Accounts Committee, for example, where we went through it in detail and I can repeat some of what we said there.

**Chair:** Well, not to any great extent.

**Mark Sedwill:** No, I realise that it was a two-and-a-half-hour hearing I think. Let me say, for example, if I just take the issue of hotels, we pay Serco, G4S and Clearsprings the same amount, whether they house people in a hotel or in proper accommodation, but we are quite clear with them that hotels can only be a temporary measure, either to meet a temporary spike in demand or as people are first received and then moved through. You are absolutely right, there has been a problem with people being housed in hotels for too long and UKVI has a plan with Serco and G4S to address that. They know they have to recover that position.

The complaint they made was that we had negotiated too tough a contract with them in terms of price and that they were not able to make a profit at the price that we had agreed. But our view is that they need to deliver the contract that they signed and we have a pretty intensive scrutiny of their delivery, not only just on financials but on performance in order to—

**Q79 Chair:** Right. But another example is Teleperformance. You are a former head of Visas and Immigration and you know about this business. You sign contracts with them, you pay them a huge amount of money, and they could not get the operation moving in Nigeria, Kenya and Russia. You have asked the previous provider to continue to do this. Why are you signing contracts with these people who have such a bad record?

**Mark Sedwill:** Some do, some don't. I was heavily involved in the cross-Government work that we did after the Serco and G4S scandals in the Ministry of Justice with the programme the Government imposed on the two companies to sort themselves out. Of course, you will be aware the chief executive resigned, a lot of other people were replaced and they had to come back to Government with a recovery plan. But having done that, then they are permitted to bid for new work. There are procurement rules in domestic and EU legislation that enable them to do so and they are allowed to bid against others in a fair competition to get value for the taxpayer. They did go through a remedial period and, for example, G4S withdrew from one particular competition, where they might otherwise have expected to have got down to the last couple, while they were going through this recovery period. Having recovered, they are entitled to bid.

We look now more effectively than we did in the past across Government—this is not just the Home Office—at performance in other contracts when we are assessing the credibility of a bid. We are seeking to disaggregate contracts so that there are more suppliers able to come into the market, but that is always a balance. There will be some where it makes sense to aggregate, you get economies of scale—at least to a certain level—and there will be others where it is possible to disaggregate it and achieve better performance.

As for Teleperformance in the visa system, I went through this when we did it the first time round, when we first rolled out the outsourcing worldwide, largely because of biometric visas. You will remember that, Mr Chairman. CSC were the new entrant to the market at that stage and they went through rather similar teething problems but then their performance improved. One of the lessons for us in Government as a whole—I entirely accept this—is that we probably have an optimism bias, if you like. We underestimate the transition difficulties that new entrants to a market will have and we need to do more to help them and manage them through that.

**Q80 Chair:** Is that because their bids are always cheaper?

*Mark Sedwill:* No, not always.

**Chair:** Sometimes managing contracts of existing customers is probably better, is it not?

*Mark Sedwill:* No. In the case of COMPASS I think it was, and I will correct that if I am wrong. There was a bidder we excluded because we considered the price was too low. Certainly we have done that in some contracts—I think it was COMPASS—because we just thought it was unrealistic. The bid, as a whole, is assessed on capability as well as price and we don't just go for the lowest price.

**Q81 Chair:** On exit checks, we have heard today that the Minister and your Department are briefing the press—not briefing this Committee—that we will have exit checks by April, but we are still concerned by the evidence we received last week, especially from Eurotunnel and the ferry operators. The letter from Mr Keefe, the director of public affairs, said, “Currently we do not have a clear specification from the Home Office as to how these checks are to be introduced, how they are to be supervised, what roles our staff will be required to fulfil, what powers they will have, what equipment they will use and what data they will collect or where will it be sent”. That is quite a shopping list. But today the Minister is saying, “We will definitely have full exit checks by April”. Is that what you are telling this Committee?

*Mark Sedwill:* Yes, and we have had extensive discussions with all of those operators about the requirements. To put it politely, I would not recognise that characterisation of—

**Chair:** No, that was 24 September. You are telling me that since then everything is fine.

*Mark Sedwill:* No, it is not all fine. This is challenging. Just to tell you the situation we are in now, we already have exit checks on over 80% of people going out and coming in, entry and exit checks, and 96% is the number for commercial airlines. That is the vast bulk of most international travel. It is more challenging in ferries and Eurotunnel and Eurostar because they don't book people in the same way airlines do and the two have not been able to use advance passenger information in quite the same way. In effect, we are going to be doing contemporaneous checks as people leave the country, as they move on to a ferry or on to a train, at least for an interim period. We have been in some pretty tough negotiations with them about what our requirements are and how they do that without completely disrupting their business model. We would expect to have comprehensive exit checks. There are always gaps. We have the common travel areas, but we will expect to have comprehensive exit checks in place by April, as the Minister said.

**Q82 Chair:** Finally, despite the comments of Norman Baker that we put to you earlier, from which you distanced yourself obviously because that is politics and not Home Office—this is still one of the great Departments of state, there is no doubt about that—in the time that you have been there, are you satisfied that the changes that you have made correct the previous impression of the Home Office, under successive Governments, that it was a dysfunctional Department; to quote Wanless and Whittam, “With files that you can't find, recording of information that was shambolic”? Has it changed under your time there?

*Mark Sedwill:* I would like to think so but I suppose I am the wrong person to ask. It is a work in progress. I would not claim that we have achieved anything like the results that I would want yet

for us to genuinely be seen by the public, not just here, as a great Department of state that keeps them safe and that they can trust to keep them safe. We have some way to go until that is the case but we are putting in place the right measures across the Home Office to take us on that road.

**Q83 Chair:** You are working with the longest-serving Home Secretary for 50 years. I am sure you listened to “Desert Island Discs” last week. Were you surprised when one of her choices was “Yes, Minister”?

**Mark Sedwill:** Not at all. I missed that part of it because I was out and I must listen to it again. What I must check is which sketch she chose and whether Hacker or Humphrey had the upper hand.

**Q84 Chair:** “The Compassionate Society”. Do you identify yourself with one of those civil servants or has it changed since then?

**Mark Sedwill:** It has completely changed. Sometimes I have been accused of sounding a bit Humphreyish; I try not to. It is a great show. It is one of those fantastics of Jeeves and Wooster, the servant and the master, all of that, and a lot of the detail in it is true—as you know from your own time in Government—but the fundamental joke is a joke. In the end we are here to serve our Ministers.

**Chair:** Excellent. Mr Sedwill, thank you very much for coming in today.