



Public Administration and Constitutional Affairs Committee

Oral evidence: Better public appointments: review of the public appointments process (The Grimstone Review), HC 964

Tuesday 12 April 2016

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Members present: Mr Bernard Jenkin (Chair), Ronnie Cowan, Oliver Dowden, Paul Flynn, Mrs Cheryl Gillan, Kate Hoey, Kelvin Hopkins, Mr David Jones, Tom Tugendhat, Mr Andrew Turner.

Questions 1 - 210

Examination of Witnesses

Witness: **Sir David Normington**, gave evidence.

Q1 Chair: I welcome our witness to the first evidence session we have on the Grimstone review, pending the continuation of our pre-appointment hearing with the Government's preferred candidate for the office of Public Appointments Commissioner. Could I ask you to identify yourself for the record, please?

Sir David Normington: I am Sir David Normington and I am the former Public Appointments Commissioner. I retired last week.

Q2 Chair: You were also the First Civil Service Commissioner?

Sir David Normington: Yes, and I retired from that the week before, so I am free, after this Committee.

Q3 Mr David Jones: Good morning. Sir David, could you outline your reaction to the Grimstone review?

Sir David Normington: Yes, I can briefly. I have given you some written evidence and I won't repeat that, but I was struck on rereading the report in preparation for this Committee that at one level it is quite a reassuring report. It has lots in it about a robust regulatory framework and appointment on merit, and I am sure we will hear more about that reassurance during the morning. My problem is that I do not see those good intentions and those principles carried through into the detailed proposals. If you look at the detailed proposals, the thing that worries me is it dismantles the current system, it transfers all the key decisions to Ministers and it weakens the role of the Public Appointments Commissioner. That is quite a formidable list of things and that does not match up, for me, to a robust regulatory framework or appointment on merit. I am very concerned about. I almost never speak out publicly on these matters; I am very concerned about this. I felt that I needed to be on the public record on this and I am very grateful for this opportunity.

Q4 Mr David Jones: You are also on the public record in this morning's newspapers. You are quoted in *The Financial Times* as pointing to provisions in the review that would allow Ministers to choose a candidate whom the selection panel had deemed below the line of appointability. Could you expand on that?

Sir David Normington: Yes. I am absolutely clear that these are ministerial appointments and Ministers must choose, so there is not any question about that. Under the present system a selection panel assesses the candidates against the specification for the role and puts forward the ones it thinks are suitable and then the Minister may choose. In the propositions in the Grimstone review, as I think interpreted by the Government in their response, it looks as though there is an intention to enable Ministers to say, "I know that the committee didn't approve that person but actually we think they ought to be appointed" and, therefore, people from below the line may be appointed. I am not quite sure about the practicalities of that. I don't think I would want to be someone who the panel had said was not suitable, who the Minister then appointed. That looks like a very difficult proposition to me, particularly if a Committee like this then questions that person.

You have to couple it in the Grimstone review with a provision that allows the Government or Ministers to decide to dispense with competitions altogether. At the moment, if they want to dispense with a competition and just appoint, they have to come to me as Commissioner for approval and I will give it in certain circumstances. In the Grimstone review, they don't have to come to me; they can decide for themselves. If you couple the appointment from below the line with the ability not to have a competition in the first place, that looks like a very big shift in the direction of Ministers.

Q5 Mr David Jones: Does that effectively emasculate the role of the Commissioner?

Sir David Normington: I think the Commissioner becomes a sort of commentator and bystander and I am a little fearful about what will happen here. I have tried in my role to head things off before they get out of hand. I think what may happen here is that the appointment is made and the Commissioner has no option but to pop up and say, "This is not acceptable" or report to you that it is not acceptable. I think that will put the public body and the individual concerned into controversy and that will make it worse. The

Commissioner is not going to be involved earlier and he will have no option but to intervene at the last stage after the event.

Q6 Kelvin Hopkins: Sir David, how successful do you think the pre-Grimstone system of public appointments was?

Sir David Normington: I think it is reasonably successful. The Grimstone review itself identifies some problems. There is still some bureaucracy in the system and there are still delays. The delays are the things that people really get frustrated about. There were delays with the replacement for my appointment and I think that is no good. In my view, that has very little to do with the proposals that are in the report for giving Ministers more control. What I would say is that I and my predecessors, over 20 years, have always had a bit of a tussle with Ministers about who is appointed. It is a minority of cases where Ministers get frustrated that people they know and think should be appointed are not recommended by panels. Then there is an argument about whether the panel was properly constituted and whether they should override the panel. But that happens; it happened with my predecessors; it happened with the previous Government. It is under control though. My fear is that if the Grimstone review proposals are put in place we will see more of that because Ministers will not have the regulatory framework that I have had.

Q7 Kelvin Hopkins: I had the impression that you would have liked to have been able to apply Nolan more rigorously and take a stronger line but you were constrained to some extent. Did the system need to change at all?

Sir David Normington: I would have tightened up the code of practice. I would have put in the code of practice some stronger provisions about who the independent members had to be, because there are independent members now. I would have put in the code of practice some stronger provisions about timescales so that I could have monitored those timescales more tightly. I am completely realistic that what I was trying to do was to maintain the principle of appointment on merit in a political framework, a framework in which Ministers are ultimately accountable for the appointment. I am realistic that there will sometimes be arguments in that framework. That is inevitable because there will be occasions on which politicians, but also permanent secretaries, think that somebody they know, somebody who is sympathetic to them, should be appointed and the selection panel, where I have put somebody independent in the chair, thinks differently. There will be those arguments, I think.

Q8 Kelvin Hopkins: Nolan arose out of a controversial situation. Is there a danger we might go back to more controversy?

Sir David Normington: I was a civil servant in the 1990s, before 1995, when there was no regulation and I do remember it. It was a very informal time. People's names popped rather surprisingly out of hats. People got together and said, "Do you know anybody who could have this role?" I don't exaggerate. Sometimes there was selection panels and sometimes there was not but it was a wholly informal system and—this is really

important—who we saw appointed, some of them very good, were mainly white men of a certain age from a certain background. One thing that competition opens up is a wider range of applicants.

Q9 Chair: What causes the delays?

Sir David Normington: Sometimes it is just inefficient processes in government, in departments. Sometimes they do not take a grip on the timetable. Sometimes people do not make themselves available.

Q10 Chair: Who is “they”? Are we talking officials or Ministers?

Sir David Normington: I am talking first of all officials.

Q11 Chair: So we are talking about departments?

Sir David Normington: I am talking about departments and department officials.

Q12 Chair: It is not the process; it is not the procedures; it is not the code; it is not you?

Sir David Normington: I do not believe so. The code is nine pages long and it says that processes need to be proportionate. I am not insisting on lots of process. May I say one other thing? There is another delay. Sometimes the names go into the Ministers’ offices and do not come out and there is a big delay.

Q13 Chair: Is Ministers disagreeing with the names they have been offered the main cause of delay?

Sir David Normington: It is a significant cause of delay. It is one of the causes of delay. It is not the only one but it is a significant cause. I would rather they said they did not agree with it than just left the names lying.

Q14 Chair: Is it officials or Ministers who cause most of the delays?

Sir David Normington: I am afraid it is a bit of both.

Q15 Chair: If Ministers are more involved in the process, will that speed up the process or is it likely to slow it down?

Sir David Normington: Forgive me, but if there is very little process I don't suppose it will be slow.

Chair: We will come to that later but assuming that there is proper process—

Sir David Normington: I do not see how what is proposed will speed up the process. There is a proposition in the Grimstone review that there should be a three-month norm. I think it depends whether that is abided by and how it is enforced, but I do not see anything in the rest of it that will speed up the process.

Q16 Mrs Gillan: I should perhaps declare an interest because I was a Minister in the 1990s and Sir David was my official.

Sir David Normington: It is a while ago.

Mrs Cheryl Gillan: It is a while ago. I never thought I would see you retiring. In those days there was no formal process. It was a series of names. Would it be fair to say that some of the delay—as far as I remember and maybe you remember, Sir David—was often the Minister did not know the people who were being put forward by the officials and therefore wanted further and better particulars on those individuals?

Sir David Normington: Sometimes it is that, but in the process that we now have Ministers are involved in the present system at the beginning. They can see the names; they can see the names at the shortlisting stage. They can ask for further information about the candidates before we get to the final stage. There should not really be a delay at the final stage but sometimes Ministers have other things to do, as you know.

Q17 Mrs Gillan: You have set out the situation and the problem but obviously from your criticisms of the Grimstone review, you are aware that there are and you are trying to warn against some pretty obvious risks. Would you like to outline for the Committee the risks that you see if the Grimstone review goes ahead?

Sir David Normington: I think I say in my written evidence that in the report every time there is a choice about whether to give a role to the Commissioner or a power to the Minister, the report comes down on the side of the Minister. One very important example is who writes the code of practice. If you go back to 1995, Lord Nolan was very clear that the Commissioner should write the code of practice because that sets the basic rules. In the Grimstone review, as I understand it, it is the Minister who writes the code of practice, therefore Ministers set the rules and they appoint all of the panels, including the independent member, and they can, as I said earlier, override the panel and also ignore it. I think that will not, you may be surprised to hear, mainly change what happens now because most departments and most Ministers will want to get the best people, but it will increase the chances that people with a strong political allegiance or who are politically active will be favoured because of that political activity rather than because they are good at the job.

Q18 Mrs Gillan: So the risk is that the process will be gerrymandered?

Sir David Normington: That is your word.

Mrs Gillan: But it is a word.

Sir David Normington: There will be undue weight given to people's political allegiance.

Q19 Mrs Gillan: Presumably the implication of that is that people's confidence in the system of appointments would be undermined?

Sir David Normington: A lot of this is about public confidence. If you go back to the Committee on Standards in Public Life under Lord Nolan, it was all about trying to build public confidence. There was a widespread public belief at that time that appointments were made largely on the basis of patronage, personal or political. I am fearful that that will happen again with public confidence, which is already fragile, and we will go back in that direction.

Q20 Mrs Gillan: Just exploring the risks, what are the risks for the Government of the day and the Ministers of the day?

Sir David Normington: I think that you have more controversy about appointments, that the public bodies on which you rely to do very important roles get devalued by having a perception that they are filled with political appointees. Ministers hate me saying that the Commissioner provides some independent oversight and protection to them, because ultimately they are accountable, but I always quote the chair of the BBC Trust, which was a very controversial appointment. I was able to come out and say publicly that it was a well run appointment with an independent chair and Ministers did not interfere in that process; they properly, as they are entitled to, chose at the end. It was a big prize to everybody, BBC Trust, the individual concerned and the Minister, that I could say that. I do not believe you would be able to say that under this system.

Q21 Mrs Gillan: The risk is that we are reverting or we are moving back to a system whereby there is total patronage and that the checks and balances that were put in by Nolan and by the current system that you operated have been side-lined?

Sir David Normington: That is the risk. I don't think it will happen in every case, I don't think it will be what will happen, but if you believe a regulatory framework shapes and influences behaviour, it will lead to more appointments as a result of political patronage and not as a result of merit. More, probably not large numbers, but over time it will edge us back to 1995 and before.

Q22 Oliver Dowden: I should declare an interest. I used to work for the Prime Minister as his deputy chief of staff and advised him on public appointments. I want to clarify two small factual points. You talked about political background but in my experience the

minority of people actually came from a political background. I think they had to declare it. What are the figures on that?

Sir David Normington: You are right. The numbers of people who declare that they are politically active at the moment are running at low levels and it has gone down. I think that is the result of the present system with its checks and balances. I am not claiming that the present system is riddled with patronage. On a like-by-like basis, it is about 7% of appointees each year who declare a political allegiance, about equal numbers now of Conservative and Labour, although slightly more Labour than Conservative but only slightly.

Q23 Oliver Dowden: On the point about the independent members for selection, there are rules governing who that member can be, so even if the Minister is given responsibility for deciding that independent member, they can't choose, for example, a political appointee to do it. They have to do it within criteria. Will that remain the case under Grimstone?

Sir David Normington: Under the present system there are quite minimal rules about who the independent person is in most cases but in significant appointments I, as Commissioner, have appointed an independent chair who is one of my assessors, as I call them. That is the present system. Under the new system the independent chairs are abolished but there is—and Sir Gerry will need to explain this—a senior independent panel member appointed by the Minister. I have experience of quite a tussle over who the independent member should be. I have had attempts to put relatives of Ministers as independent members, political donors, office holders and so on, and mostly I have seen those off but not always. That is what makes me worried about how much the new system depends on the independent panel member. In the Grimstone review a lot depends on the senior independent panel member, and if it can be made to work that is a plus.

Q24 Oliver Dowden: Regardless of the person who makes the appointment of the independent member, provided that the rules are sufficiently robust, presumably you can get that right person. Do you think the rules are sufficiently robust?

Sir David Normington: The rules in the Grimstone review are just a set of proposals. They need to be converted into a robust set of rules. If they are I would feel more reassured. The one thing I think ought to happen there is that the independent member under the Grimstone proposals, if they are implemented, should be signed off by the Commissioner for Public Appointments. That would make a lot of difference. That is what Peter Riddell suggested when he made his first appearance before this Committee. I think that would make a lot of difference. It is one of the things that would just tip the balance here so there was some independent assurance that the independent member was properly independent. So you are right, if you get the rules right, and I would say if you can get the Commissioner to sign it off, then you are beginning to get the balance better.

Q25 Chair: This business of merit is like beauty, it is in the eye of the beholder, isn't it? If you are a Minister it is not unreasonable to want to appoint somebody who is going to carry out the policies that you have been elected to implement. The idea that you have to eschew any influence over this appointment until you are presented with a couple of usual suspects, neither of whom you know are enamoured of your policies, must be very frustrating for Ministers. It is not unreasonable, is it, that merit should be regarded as something to be decided and influenced by Ministers rather than a panel of people who come from a particular milieu and inhabit a particular world? That is the frustration, isn't it?

Sir David Normington: They do get frustrated but you slightly caricature what happens. I hope that it is not normal these days to put two usual suspects forward. I think that is what used to happen but I don't think it is what happens now. Ministers are very involved. They agree the specification at the outset. They are kept informed about who has applied. They can make input and comment on the candidates at the shortlist stage. They are not taken by surprise by the people who come out at the end. They are involved all through and they should be because they are ministerial appointments. I am entirely happy with people who have political allegiance—because it is an important contribution to public life—getting on to a public body. The test should be whether they fit the criteria for the post, not whether they are political sympathisers.

Q26 Chair: Why is it a good thing that fewer people are party political activists? Why is that a good thing?

Sir David Normington: I didn't say it was, actually. I think it may or may not be a good thing but I was just answering factually that it has gone down.

Q27 Paul Flynn: Dare I say that I have mixed views about your retiring. I think you were one of our favourite witnesses every year for your clarity and objectivity, but I am rather pleased that you have now been liberated by retirement into speaking the whole truth. Wouldn't you agree that merit has been judged not in the eye of the beholder but merit is too often judged in the wallet of the applicant and that people are appointed because of the donations they give? We know this is the system for appointment to the House of Lords. In the three main parties—we will exonerate the Scottish National Party and Plaid Cymru—there is an exact correlation between the sum that is donated and the chance of getting a position in the Lords. In fact, one recently complained that he had given £14 million and did not get a top job on the Tory Front Bench. That is a part of our corrupt system that exists at the moment. Have you come across this, that donors are specially favoured?

Sir David Normington: I think the House of Lords is a completely different issue. I do not have any role in that at all.

Q28 Paul Flynn: No. I was just making the general point. One of our main tasks, all of us, is to restore trust in Parliament, in the system. It used to be rock bottom in the expenses scandal. It is now subterranean and we have to have major reforms. I think that is what we should all be aiming at now.

Sir David Normington: I have been seeking, as was my responsibility, to hold the line on appointment on merit. As I said to Mr Dowden, the number of people appointed who declare substantial political activity, which includes donors, is running at a very low level. So, as a matter of fact it is not the case that people are getting appointed because they are political donors.

Q29 Paul Flynn: You say in the paper this morning that the Prime Minister or other members of the Government intervened about once a month and questioned why supporters such as donors, ex-MPs or former office holders had not been shortlisted or recommended for key posts. I think most people would regard as shocking that the Prime Minister intervened once a month in order to get his cronies into top positions whether they were qualified or not.

Sir David Normington: It is No. 10 and not the Prime Minister directly. All I am flagging up is that it happens now and I believe it will happen more under the Grimstone review. 12 in a year when there are 1,000 appointments is not very many, but the fact that it does happen now and it is an issue is a risk for the future.

Q30 Paul Flynn: You would have liked a Grimstone report that was going to tighten up the system, to build and strengthen Nolan. Is that right?

Sir David Normington: I would, yes.

Q31 Paul Flynn: Last week we were told by the Government's favourite applicant, Mr Peter Riddell, that, "The principles in Nolan and in Gerry Grimstone's report are remarkably similar. In fact, they are more extensive because there is a much greater emphasis on diversity now than there would have been 20 years ago". I think we all accept that that has happened everywhere. Do you agree that Grimstone is an improvement on Nolan?

Sir David Normington: No, I don't.

Q32 Paul Flynn: Why not?

Sir David Normington: I believe it is undermining the principles that Nolan set out. Nolan did not just set out a set of principles. He and his committee made some specific recommendations to put those principles into effect, which I and my predecessors as Commissioner have sought to maintain. As I said earlier, there is a lot in the Grimstone review that repeats a commitment to the original principles but I don't think the detailed proposals actually match up to that.

Q33 Paul Flynn: How do you think the Grimstone report, if it is implemented, would enhance the reputation of politics and Parliament?

Sir David Normington: I think it will undermine politicians and politics.

Q34 Oliver Dowden: We have spent quite a lot of time talking about political allegiance. From my experience advising the Prime Minister, one of the big concerns more was the cultural disposition of people who were going to public appointments. That is to say that they predominantly came from the public sector and had a similar sort of background. The question is how do you change that and have greater diversity in terms of commercial experience and so on. Do you think you can achieve that within the existing system or do you think that you require greater ministerial intervention initially in order to shift the ship from one direction to another?

Sir David Normington: I think that if you want to change the type of people who are applying then you have to work a lot harder, including Ministers, at creating the pipeline of people who would think of taking up a public appointment. I do give the Government a lot of credit for what they have done in encouraging women to apply. The biggest change in the five years that I have been Commissioner has been the number of women being appointed as chairs and as members. It is a complete transformation and that was leadership from the Prime Minister and from the Cabinet. It shows that if you give leadership in the right way it really has its effect. I believe within the present system you have to work a lot harder to search for candidates who are not, as the Chairman would say, the usual suspects. You do. There is nothing in the system to stop that. It is not simply a question of sticking an advert somewhere and hoping people apply. You have to go out and persuade them, particularly business people who generally will not be thinking that they want a public appointment.

Q35 Oliver Dowden: The concern is that even if you get that pipeline of people, when you get people who you think meet the criteria, because there is such a cultural predisposition to people who are able to tick the boxes—and often it is much easier to tick the boxes coming from a public sector background than it is coming from a commercial background—how can you make sure that those people get through the system? Regardless of their political allegiance, it is more the fact that they do not have a CV that so readily meets the classic public sector recruitment criteria and those from the public sector tend to more easily tick the boxes and get through. It tends to continue that people from the same background are getting through even if that is not the intention of those making the appointments.

Sir David Normington: Yes, but Ministers sign off the specification. If they want to say in terms, “We need to fill this post with someone with this kind of business background”, that is what then has to happen. Ministers have a right to say at the end of the process, if that has not happened, “This is no good”. Also, Ministers sign off who is on the panel and these days there is always a non-executive on the panel who is usually someone from a completely different background from the civil servants on the panel. If Ministers want to change the type of people who are applying, it is within their ability to do so. One of the other things that happened and caused controversy was that the Prime Minister himself said we should not have automatic reappointment. I think that was a good thing because

there was a tendency to roll people forward. You need to assess whether they are doing a good job and also whether you want to change the mix of skills on the board. All that is a good thing and there is nothing in the present system that stops that, in my view, and there is no reason why the new system should make that better or worse.

Q36 Oliver Dowden: These are public sector appointments. I agree you can put in the business experience but inevitably underneath that there is a whole list of other criteria that tend to come as standard with public sector appointments. It is much easier for somebody who has previously had a public sector appointment to be able to prove to the interviewers that they meet those criteria. Do you have thoughts about how you can achieve that shift more effectively?

Sir David Normington: That is true if you accept your premise that that is what job descriptions have to be like and that is what the panels have to be like, but I don't think it has to be like that. It is possible to make a determined effort to change the nature of the boards. You are right in how you characterise how these roles are and traditionally have been and how they are seen. The issue then is often to persuade people to apply for those roles who do not immediately think they match them. But some of us who know about public appointments might decide that we have had enough of them.

Q37 Oliver Dowden: Do you think there is currently a problem with a cultural disposition towards people from a public sector background that Ministers at the very least should be addressing in terms of changing it?

Sir David Normington: Yes, I think that is fair.

Q38 Chair: My point is that there is nothing that Ministers can't do to influence the appointment if they engage with the job specification at the outset.

Sir David Normington: Under the present system they have to engage early enough to influence that.

Q39 Chair: What are the main changes you want to make to the Grimstone proposals? You have talked about the code and that that should be agreed with the Commissioner. Why is it so important for the Commissioner to have the right of veto over the independent panel membership?

Sir David Normington: Otherwise I do not think anybody will believe that they are independent panel members. An independent panel member appointed by the Secretary of State may be independent but unfortunately I am not sure people will believe that. I think that is the second thing I would say. Thirdly, the one thing I would like to retain from the present system is the need to come to the Commissioner to put a case for making an appointment outside the normal rules.

Q40 Chair: How are you going to prevent that just being gamed? What would be the reasons for going outside the rules? Would it be, for example, shortage of time and then the Minister will delay until there is very little time? I am thinking of the particular appointment that you have just been occupying where we now seem to have no time because we have a temporary appointment. How do you stop Ministers gaming this and getting their way anyway? Why shouldn't they have their way?

Sir David Normington: Ministers always get their way in the end unless Parliament stops them. It is not for people like me to stop them getting their way in the end. It is up to Parliament to do that. There is a lot of emphasis in the Grimstone review on transparency. I have spent 42 years in and around Whitehall and I know that transparency has its limits. Sometimes it is successful, and we see at the moment it is quite controversial, but sometimes it is not. Powerful executives, powerful governments of all kinds control what they release and when they release it and, therefore, transparency has its limits, frankly. If there is no follow through from a Commissioner with some teeth, then transparency has its limits too.

Q41 Chair: You are recommending that Select Committees should be informed if Ministers have chosen a candidate outside the process. Who suggests that we should not be informed?

Sir David Normington: You are not normally informed, are you, at the moment?

Q42 Chair: The Commissioner would have a role: every time the Minister steps outside the process a letter would go off to the relevant Select Committee?

Sir David Normington: I think either that or the Ministers have to do it themselves. Since the Minister has taken that decision himself or herself, the Select Committee should have the right to check whether that is a proper decision.

Q43 Chair: At the moment the Commissioner arranges his or her own audit arrangements and scrutiny arrangements. Is that being taken away by Grimstone?

Sir David Normington: It is not entirely clear. I certainly read it as it being a sort of backstop. There is a very heavy emphasis in the report on self-certification, on departments saying that they have done the right thing. In my view, there is no regulator who would accept a role where they did not have the ability to devise their own audit arrangements to see whether there is proper compliance. Surely as a minimum that ought to be allowed.

Q44 Chair: The certification should be by the Public Appointments Commissioner and not by the permanent secretary of the department?

Sir David Normington: No, I am happy for the permanent secretary to make the initial signoff that it has been a proper process but I think the Commissioner needs to have clear powers to have a look at whether that is a proper decision.

Q45 Mr Turner: It sounded to me as if you felt 12 appointments out of some number of thousands, I think it was—

Sir David Normington: 1,000.

Mr Turner: —was a relatively small number. Do you expect it to be more by Ministers' intervention?

Sir David Normington: I think it is almost inevitable that if the Grimstone proposals are implemented in full that there will be more appointments made by Ministers without scrutiny and that will enable Ministers to make appointments of who they want. I don't believe that will happen overnight or mainly but I think that will be the trend. The point I am making about now is that there is a regulatory system that tries to keep checks and balances. In the system now there are these what I called tussles earlier between the Commissioner and the Minister about who is on the panel and whether they are independent enough, about whether a certain candidate should get on to the shortlist and about the appointment at the end. They are quite a small number. They are arguments that you would have in any system and they are under control. I fear if you remove the checks and balances they won't be.

Q46 Tom Tugendhat: You suggest your own alternative check and balance, of course, which is parliamentary scrutiny. Having listened this morning and read what you have written in the past, I wonder how you would see enhanced parliamentary scrutiny working and how you would see a Commissioner's role perhaps rather more as the adviser to both the Government during the appointment and Parliament during the judgment?

Sir David Normington: This is very tricky. We already have a scrutiny system, the pre-appointment scrutiny of important appointments. I think it will be very difficult for the Commissioner if he is caught between regulating the Executive, which is what he does now and he is appointed by Ministers to do that, and having some stronger relationship with Parliament. If you go to Scotland, there is no doubt that my opposite number reports to the Parliament and not to the Government. I think it is very awkward for the Commissioner if he is looking both ways, but the Grimstone report in a sense makes the Commissioner a commentator and a reporter and he will have no option when looking to find people to scrutinise an appointment to look to Parliament. I think it will strengthen the relationship with Parliament but I am also very concerned. I am concerned that the Government will get very fed up with him very quickly if he spends all his time reporting the Government to Select Committees. That is a road to ruin.

Q47 Tom Tugendhat: I wonder whether it isn't an improvement.

Sir David Normington: It is for Parliament.

Tom Tugendhat: Right, that indeed being the point, as the elected representatives of the people. I am not sure that I see it as entirely humorous to suggest that an enhanced role of Parliament in public appointments is a bad thing. We have heard discussion this morning already of a quangocracy that has developed, a gravy train of individuals who have been on one public appointment after another. We have heard how it is only by the most direct personal intervention that Ministers can specifically request that the terms of appointment are in any way varied from the usual format, which preferences at the very least, if not actually decides, that somebody who has previous public sector experience will be appointed and that this can effectively only be done in an area where a specific request has to be made. For example, if you were to say somebody is going to be running the commercial side of a museum and then to say that commercial experience is necessary, that would seem to be something that they could do but if you are, for example, going to be looking at the Human Fertilisation and Embryology Authority, or whatever is called these days, then specifying commercial experience would seem absurd. Yet if you want to remove public sector bias then surely you will find yourself and Ministers trying to do that. Isn't the point here very much that you should preference parliamentary scrutiny rather than another public sector—

Sir David Normington: Just to be clear, there is nothing to stop Ministers devising criteria that they believe are necessary for the public body. Officials may be telling them they should not put commercial experience in there but Ministers have the final say. If Ministers want to put commercial experience into a role, they are entirely able to, absolutely entirely able to, and they should just insist. On the question of parliamentary scrutiny, I am making a proposition that because I think the Commissioner's powers are so weakened, Parliament's ought to be strengthened, but I do know in saying that that I will be putting my successor into a very difficult position. As I say, Governments get fed up if the regulator is constantly reporting the Government to a Select Committee.

Q48 Tom Tugendhat: Isn't the relationship between the regulator and the Government one that does not necessarily have to be one of constant tension but the very existence of it provides the scrutiny even if no offence has been caused? As we saw in Parliament yesterday, no offence was caused and yet the scrutiny was major.

Sir David Normington: Yes, but I believe under the present system it is possible for the Commissioner to intervene earlier where he sees problems arising so that he can head off those problems. There is no need to report to the Select Committee that it has all gone wrong because you can deal with it earlier. I may be wrong, but I am fearful that under the Grimstone review there will be no option but to make a public issue of it.

Q49 Tom Tugendhat: Perhaps you could be clearer on it. I don't understand why you feel that the Grimstone review means that Ministers could not consult the Commissioner or the Commissioner could not consult Ministers at an earlier stage.

Sir David Normington: I have tried to explain this. A number of things that the Commissioner now has the power to do, he does not have the power to do.

Q50 Tom Tugendhat: So you are telling me it is not required but you are not telling me it is not possible?

Sir David Normington: Of course it is possible for all sorts of things to happen with good relations between them and a lot is dependent on that if the Grimstone review is going to work. I think you have to rely on there being very good relations and that they will work together. I hope that will happen because otherwise the Commissioner will not have influence. Influence comes in a number of ways.

Q51 Tom Tugendhat: Without the powers you had, Sir David, do you feel that you would have had poor relations with Ministers?

Sir David Normington: I did have poor relations with the previous Minister, yes.

Q52 Tom Tugendhat: Yet you have had five years where you have successfully appointed some 5,000 people. How many of those would you say were in any way fractious?

Sir David Normington: A relatively small number. I have said that there are arguments in about a dozen cases a year, and that has increased, so a minority of cases but—

Tom Tugendhat: It is less than a tenth of 1%.

Sir David Normington: Yes, but I have had experiences, for instance, where the special adviser has handed me a draft code of practice and told me that that is the code of practice I need to implement. As I had the powers over the code of practice, I was able to say to that special adviser, “I’m not doing it”. If you take those powers away then my successor will have to accept what the Government hands him.

Q53 Tom Tugendhat: You have also been 10 years a permanent secretary, Sir David. One has to imagine that you had the experience and the strength to resist pressures from Ministers at various points in the past too.

Sir David Normington: Sometimes, yes.

Q54 Oliver Dowden: As you know, we will be hearing from your proposed successor later this morning. What do you feel are the most important questions we should be asking him in that session?

Sir David Normington: I think that is not very fair really. He thinks I am wrong and I think he needs to explain why I am wrong. I would be very happy to be proved wrong because I don’t want what I fear to come true. I would like to know how the transparency arrangements are going to work. It is important to know what transparency actually means. That is one thing. Secondly, I would like to know about the senior independent panel

members. It is based on a financial services model and I am very sceptical about it. I would like to know whether it might be possible for the Commissioner to have a bigger role in appointing those people. I think that would make a difference.

Q55 Oliver Dowden: Could I ask you one final question further to the points you were making about the power of Ministers to be able to change the criteria for appointment? As you have said, there are thousands of public appointments every year. Do you think it is realistically possible for Ministers to be able to go through the recruitment criteria for every one of those public appointments? There is a tendency for the same thing to roll over again and again. The ship goes in one direction and unless a Minister, who has a thousand decisions across the desk every day, sits down or gets someone to sit down and go through every application, you will inevitably go back to the preexisting position. Sometimes you do require the Minister to come in at a later stage to correct, simply because of the nature of things they have not managed to intervene at that earlier stage.

Sir David Normington: That is what happens, as you rightly say, but there are quite a lot of Ministers. These appointments are shared around a lot of departments. If these are really important issues and the Prime Minister is saying, for instance, “I want these appointments to change”, then I think Ministers have to give it more priority. They have lots of things to do, you are right, but if these things are important I guess they need to be further up the priority list.

Q56 Chair: Just very briefly, should non-executive directors of government departments be included in the Nolan principles of public appointments?

Sir David Normington: I would like that. I have said that several times to this Committee and to the Government but it has not changed. I think that is a desirable thing. One thing I like about the Grimstone review—and I do like quite a few things—is it says very clearly all public appointments should be included here not just some. At the moment the Government decide which appointments are covered and the Grimstone review says they all should be.

Q57 Chair: That is why I asked the question. I imagine that does include the non-executive directors of government departments.

Sir David Normington: I think it would but it does not at the moment.

Q58 Chair: In the other role that you are stepping back from, you have been involved in the analogous discussions about how much Ministers should influence the appointment of senior civil servants. We know there are some very influential senior Ministers who do believe in a completely different order for the civil service. They do not subscribe to the Northcote-Trevelyan settlement. Is this the tip of an iceberg? Are we looking, in this discussion, at a much wider debate about how Whitehall is appointed by the Government of the day? Is this part of a much bigger discussion?

Sir David Normington: Of course it could be but I am absolutely clear in my discussions with the Minister for the Cabinet Office that he does not read across the Grimstone review to civil service appointments and that there is no wish to change the present settlement on civil service appointments. We did make those changes to give the Prime Minister—not Ministers, the Prime Minister—the final choice on permanent secretaries. I have to say I was very sceptical about that. It is working well under this Prime Minister who has handled those impeccably.

Q59 Chair: The enlarged ministerial offices where there is significantly more—

Sir David Normington: It is the dog that has not barked yet. There are hardly any extended ministerial offices. Maybe that is one where public scrutiny has its role.

Q60 Chair: Your parting thought: is the Northcote-Trevelyan settlement subject to a fundamental debate or is it regarded as the starting point for every discussion?

Sir David Normington: It is not under question at the moment. I believe it is accepted by this Government. The splitting of my role, because I have had both roles, I think will help with that. I have had difficulty with these two hats, these two regimes. People only see me. I know that I am wearing one hat one day and another hat the other, but I think that the trouble is that the two systems infect each other and they need to be pulled apart, particularly if the Grimstone review is implemented on public appointments, so that on the civil service side we can rest on the Northcote-Trevelyan settlement.

Q61 Chair: It is this Committee's opportunity to thank you, not just for conducting these two very important roles but also for a very considerable career in the public service. I think in the last five years you have been under particular and intense pressure and sometimes feeling very exposed. I have never ever had any evidence that you have behaved with anything but complete decorum and dignity under that pressure and I think we owe you a great debt of gratitude.

Sir David Normington: That is very kind. Thank you very much indeed and thank you for your and your Committee's support.

Examination of Witness

Witness: **Sir Gerry Grimstone**, author of the Grimstone Review, gave evidence.

Q62 Chair: I am told that the Minister is not going to be here until about 11.15 am, but we are running behind and I will want to give our next witness more time than that. Could you please identify yourself for the record?

Sir Gerry Grimstone: Yes. I am Sir Gerry Grimstone.

Chair: Can I first of all thank you very much for the report you prepared for the Government and thank you for appearing before us today? First question—

Sir Gerry Grimstone: Would it be appropriate for me to make a short opening statement, if that was all right, Mr Chairman?

Chair: We do not generally do that. Generally you will have an opportunity to put the points during the questions that we are making. Cheryl Gillan, could you start, please?

Q63 Mrs Gillan: Welcome, Sir Gerry. I hope my question will give you that opportunity to make an opening statement, because I was just going to ask you very simply if you would describe for us the main differences between the system you propose in your report for public appointments and the system that currently exists, which I hope will give you that platform.

Sir Gerry Grimstone: Certainly. As background to that, I interviewed over 100 stakeholders as part of this work, Ministers, ex-Ministers, candidates, civil servants, academics and head-hunters. I found huge frustration with the present system from virtually everybody that I spoke to. I think the present system is very well-intentioned, but that it has substituted process for substance. I believe that the way the present system has been operated has deterred good candidates from coming forward. These are some of the most important appointments in the United Kingdom and far less rigour is applied to these appointments than you find for comparable appointments in the private sector.

The conclusion I came to—and I was asked in my terms of reference to go back to the Nolan principles and I took the Nolan principles as my bedrock—was I found that the clarity of the Nolan principles had been lost over time, barnacles had grown on them, the purity had been lost and we are operating a less good public appointments system because of that. The basis of my changes, first of all, without reservation, my changes require there to be a robust authoritative Commissioner, someone who can follow in the steps of Sir David, who has done a tremendous job within the experience of his background, but frankly will be more robust, more transparent and more authoritative. Without reservation, I would not be recommending my recommendations if it was not against the background of having a very strong Commissioner. Far too much at the moment goes on behind closed doors. The system is not sufficiently transparent; the system should be much more transparent in real time. The Commissioner should be encouraged to intervene politely but robustly if he finds the principles are not being kept to, and I would hope that that would give Parliament, if it wished to, the opportunity also to intervene if it thought it was necessary.

Q64 Mrs Gillan: What are main differences between them?

Sir Gerry Grimstone: Transparency I would say is the main difference. I would say more expertise applied to the whole process, better recruitment processes, better assessment processes. I do not find it satisfactory that some of these very important appointments are settled by a 45-minute interview with very limited paperwork, by people interviewing the

candidate who have not seen them before or who have had no experience of them. In the private sector, without reservation, we collect as much information as we can about people and we apply the most expert techniques to choose the right people and I think that the present system has lost sight of that in the public sector. So more expert processes, more transparency, more intervention by the Commissioner rather than less intervention, and frankly, a greater professionalism in the process than I think we have at the moment.

Q65 Mr David Jones: Sir Gerry, you said that you took the Nolan principles as your bedrock when proceeding with your inquiry. How then do you react to the criticisms of Sir David Normington, whose evidence you have just heard, when he says that the cumulative effect would be largely to remove the checks and balances recommended by Lord Nolan?

Sir Gerry Grimstone: I greatly respect Sir David, I think he is a fine public servant, and without reservation I have huge respect for him. I think he has misunderstood my principles. Let me give you an example, that Nolan himself acknowledged that there might be occasions when Ministers appointed without process. This is specifically stated by Nolan, and indeed, last year there were 45 occasions when the Commissioner approved exceptions to the Nolan principle. Only once did he turn it down. There was no real-time transparency about that, it was not known at the time it happened that exceptions were being granted, and again, it was an example of a process that has worked behind closed doors.

I think Nolan would applaud the transparency that I am suggesting. I feel that whenever a Department is doing an appointment, it should be possible to go to the webpage of the Department to see the appointments that are underway at one moment, who the selection panel is, with any affiliations appropriately regarded, the time the process started and the time it is going to complete. I want this to be much more open and I think Nolan would have approved. Nolan himself absolutely recognised, as I do, that these are ministerial appointments. We could have a system in this country where many of these appointments were not ministerial appointments, they could be made by commissions, they could be made by other people, but we have chosen to have a system where these are ministerial appointments.

To maintain confidence in the system, Nolan recognised—and I very much support this, and Ministers themselves support this—there has to be limits put around Ministers' behaviour to maintain confidence in the system. But these are ministerial appointments and Nolan made a lot of the fact, and I agree this as well, it is right that they are ministerial appointments, because Ministers are accountable to Parliament. Parliament should be able to intervene, it should be given the means to intervene, it should be given the information that allows it to intervene if Ministers are acting egregiously. I would like to feel that Lord Nolan would have felt this was absolutely in the spirit of what he recommended, and indeed has gone back to the bedrock that he recommended.

Q66 Mr David Jones: But in terms of checks and balances, again Sir David Normington criticises your recommendations heavily. He says, and I quote, "At every key point where there is a choice to be made between giving the decision-making part to the Minister or to the Commissioner, the report comes down in favour of the Ministers". He gives a number of examples of these, for example, the Ministers, not the Commissioner,

would in future set the rules in a code of practice; Ministers would appoint all members of selection panels, including what the report calls “senior independent panel members”; Ministers would decide which appointments are significant and therefore subject to enhanced procedures and so it goes on. Do you not feel that the system that you are recommending in fact puts too much power in the hands of Ministers and gives little in terms of checks in the hands of the Commissioner?

Sir Gerry Grimstone: Let me take perhaps some of those points in turn. I talk about the code of practice being agreed by Ministers. Of course it would be absurd to have a process where the Commissioner was not happy with the code of practice and was being asked to operate a code of practice that he felt was inappropriate. Of course the code of practice has to be agreed between Ministers and the Commissioner. As now, the selection panel is formally in the hands of Ministers. I talk about the selection panel being notified to the Commissioner at the start of the process and the Commissioner being encouraged to intervene if he felt that the selection panel was inappropriate.

I did write my report very carefully and very specifically. If one reads the language of the report very specifically, I think the protections are there. Now, of course the system requires goodwill and co-operation to operate, as now. If Ministers want to behave badly, of any persuasion, I am afraid they will behave badly. All we can do is put a system around them that is transparent and have Ministers themselves, backed up by Parliament, wanting to run this process properly and transparently. Every Minister or ex-Minister I spoke to all said they wanted a good process. Ministers want good people to do public appointments, so who would not want the process to work properly?

Q67 Chair: A quick question on one thing: has the Government misinterpreted your report in their response, you have given them an inch and they are taking a bit of a mile?

Sir Gerry Grimstone: It is perhaps for the Minister to speak to what he has done with my recommendations. My commission was to write a report, to make recommendations and then it is for others to assess that. The absolute requirement, as I said earlier, is a strong Commissioner, because I think the person who will keep the Government in line is a strong Commissioner. It needs a strong, robust Commissioner.

Q68 Chair: How much do you think the Government has understood that in their response?

Sir Gerry Grimstone: I hope they have understood it. I am very clear in my report. No doubt these are questions that you might wish to put to the Minister.

Chair: No doubt they are.

Q69 Mr David Jones: I was about to ask, you do not feel that your proposals give licence to Ministers, as the Chairman put it, to game the system, for example, to delay appointments until such time as there is a palpable hurry to make a selection, at which point of course you use streamlined and enhanced procedures?

Sir Gerry Grimstone: Again, no doubt Ministers sometimes do do foolish things, but I am not sure it is in their interests to do foolish things, because this transparency I am advocating will make it absolutely clear if somebody is gaming the system. These appointments—

Q70 Mr David Jones: How would they make it clear?

Sir Gerry Grimstone: Because the time the appointment will start will be notified publicly, the selection panel will be notified publicly, the whole timetable will be notified publicly. One thing that happens at the moment, I observed, is that too many cooks sometimes attempt to spoil the broth of the public appointment, that it is not identified properly at the beginning who the various stakeholders are for these appointments. We have the absurdity at the moment where a complex process is run and the process puts one candidate in front of a Minister. The Minister is given Mr Jones to be trustee of Kew Gardens, and the Minister says, “I do not think much of Mr Jones. I think Mrs Smith would be great”. The process is cancelled, starts again, then it turns out that Mrs Smith wasn’t interested after all. Mr Jones has lost interest at that point. Why on earth wouldn’t a rational system think through at the beginning what the nature of the appointment is, what kind of skills do you want for it, do investigation to get a sufficiently diverse pool of people, to have an experienced panel who know something about the subject, who know something about recruitment, evaluating these people to see which people are capable of doing the appointment and then the Minister making the final choice?

This happens every day in the private sector with huge efficiency, so I think the system is much simpler in a way; it has been made over-complicated. Let us go back to saying the job of all of this is to find the right people from a tremendously diverse range of backgrounds, geographically diverse, ethnically diverse, sexually diverse and get the right people with different perspectives into these appointments. This should not be a Civil Service-led, behind closed doors process. This should be an open, transparent process.

Chair: Mr Jones, thank you. I have allowed you to make some very long answers, but we have to get through our questions, so if you could give shorter answers.

Sir Gerry Grimstone: That is a substitute for you not allowing me to make an opening statement, so thank you for that.

Chair: Understood.

Q71 Paul Flynn: You said, “Who would not want to make the system work properly?” We know who they are, and that is those who want to appoint their friends and their cronies to Parliament. We also know from the evidence we have just had that this happens once a month, that influence was put on to the previous Commissioner to put someone on who was—the words used—unappointable, not suitable. The system was potentially a corrupt one and it happened once a month. How will your reforms stop this?

Sir Gerry Grimstone: I find it very strange that this was happening once a month and nobody knew about it.

Paul Flynn: The man was working; he is now retired, in retirement veritas.

Sir Gerry Grimstone: My system would have this being apparent once a month, because I would want the Commissioner to speak up once a month if pressure was put upon him. I do not think it is sufficient, frankly, after five years to say, "This was happening once a month".

Q72 Paul Flynn: You expect that you would deal with that?

Sir Gerry Grimstone: I would deal with this in real time.

Q73 Paul Flynn: If the Prime Minister rings up the new Commissioner and says, "I want Fred or Jill to be on this job. Oh, he is not qualified, I know, but he is one of our favourites" you would expect the new Commissioner to send a press release to *The Daily Telegraph*?

Sir Gerry Grimstone: Not a press release, obviously, but I would expect the Commissioner to be sufficiently robust that if he felt unwarranted interference was being made with an appointment process, he spoke up.

Q74 Paul Flynn: If we could take a practical example now, there is little controversy at the moment about attempts to change the way the BBC is governed. The suggestion is that the Minister is trying to politicise the control of the BBC and there is great unhappiness about that. If this is the intention of Government, to politicise it, how will you stop that happening with your proposals?

Sir Gerry Grimstone: The role of the senior independent panel member is a very important role in my process. At the moment we have 12 very well-intentioned public appointments assessors. I want to have a larger range of senior independent people, set out publicly who these people are, their qualification for being this senior independent panel member, and I want to bring expertise to bear. Now, frankly, if the Commissioner thinks that the quality of the senior independent panel member is not up to it, I would expect him to say so. I suspect the deterrent effect of the system knowing there is to be a robust Commissioner who will speak up, the system will attune to this and will make sure that we have properly independent people doing these jobs, doing the assessment.

Q75 Paul Flynn: Your proposals seek to address problems that apparently do not exist, but you seem to have missed some of the problems that do exist. I do not know what your views are: there was a previous reform appointing an adviser on ministerial conduct. The post continues, but he is a position of inactivity because the person who has to report the Minister is the Prime Minister. For instance, we have had another real case, an incidence of two Ministers giving £3 million to a charity that went broke three days later and it was

specifically their appointment. How would your code deal with that if we had a Prime Minister that is in cahoots with his offending Ministers?

Sir Gerry Grimstone: I believe in the court of public opinion. I believe that the court of public opinion, backed up by Parliament and by transparency, is the best way to make these systems, under any political complexion, work as best as possible. Of course no system is going to be fool-proof. I think the most fool-proof system is transparency and public opinion, backed up by Parliament.

Q76 Paul Flynn: Do you think that the pressure put on the previous Commissioner to act to appoint cronies would disappear under your system and how would the Commissioner do it? The Prime Minister, he mentioned in his statement at No. 10 this morning that Ministers were approached and Ministers behaved badly; there is great evidence for that. Why do you want to give them more power?

Sir Gerry Grimstone: With all due respect, I do not want to give them more power. I want to make their actions more transparent. I pride myself on being a very independent, critical thinker. I have worked for many different administrations; I have been a candidate; I have been on both sides of the table; I have assisted David in making appointments; I have made the highest appointments in the private sector. You can be independent. I am not part of any hierarchy and I have no political affiliation. All I did was to take as much wisdom in as possible and to see how people felt: could this system be made better?

Paul Flynn: I will leave it there. I will come back later.

Q77 Mrs Gillan: Can I just ask you a brief question, Sir Gerry, particularly with your financial background? You have a huge qualitative analysis on this process. Have you done any quantitative analysis? Have you done any cost comparisons on the cost of the current system and the cost that might be imposed by your proposals?

Sir Gerry Grimstone: I have not done that specifically, but I would be very surprised if there was any material difference between what I am proposing now. At the moment, I make recommendations, for example, that the Departments should have decent people doing this work. It was quite clear in my research that Departments who have good people working on public appointments do a better job than Departments who have poor quality people working on it, as you would expect. I think it is a very important part of my recommendations that the Permanent Secretary has to certify the appointment at the end as an accounting officer. No cost in that. So I do not think there is anything in my recommendations per se that have any cost implications for or against.

Q78 Mrs Gillan: Not even using higher-cost personnel on the operation, because that is effectively what you are recommending? If we are looking for people of a higher calibre, they will bring with them a higher cost in terms of their time.

Sir Gerry Grimstone: But I want this to be one of most important areas of administration. Some Permanent Secretaries said to me that up to a quarter of their time was spent on public appointments, so the time is being spent now, I just do not always think that time is well-directed.

Q79 Mrs Gillan: But basically what you are telling me is you did a qualitative analysis, but you did not look at it quantitatively?

Sir Gerry Grimstone: I did not consider it necessary, given my terms of reference.

Mrs Gillan: Maybe it was the terms of reference that were wrong, but it was something I would have expected.

Chair: We must press on swiftly. Oliver Dowden.

Q80 Oliver Dowden: Just a small point of clarification on the senior independent assessor. You said they require more professional skills. Is your judgment that at the moment they do not have sufficient professional skills to conduct that role?

Sir Gerry Grimstone: Yes. I think there is a world of a difference between, for example, appointing the nuclear regulator and a trustee of the British Museum, and I think a rational system would compose the selection panel appropriate to the task in hand.

Q81 Oliver Dowden: You do not feel it currently does that?

Sir Gerry Grimstone: I do not think it does that.

Q82 Oliver Dowden: Okay, thank you. On the transparency point, as I am sure you are aware, Sir David Normington is quite sceptical about this and he thinks that your proposals hand much more power to Ministers that and the only remaining safeguard is transparency, which he says, “Has its limits when a powerful Executive controls the means and timings of announcements and when there is no one with the ability to step in when you see abuses occurring”. How would you respond to this?

Sir Gerry Grimstone: Again, with huge respect, I think Permanent Secretaries often abhor transparency. I think Permanent Secretaries find transparency sometimes difficult to handle. I have learnt with things that I do at the highest levels in the private sector that transparency is a good thing and I think the way the governance codes work in the private sector, there are strengths that are put on boards to have properly independent people. I have modelled my recommendations on independence, on the governance code in the private sector. Frankly, I believe in transparency; I live by transparency myself.

Q83 Oliver Dowden: In response to questions about achieving a cultural change within public appointments, I think you heard Sir David answering questions and he seems to suggest that Ministers were simply not doing their jobs properly and if they concentrated properly on these appointments and changed the recruitment criteria, that would achieve the cultural change that was necessary. Do you agree with that analysis?

Sir Gerry Grimstone: I do. Well, I put it another way: I think that Ministers have to give priority to this work. I can absolutely understand with the exigencies of Government, the day-to-day pressures, this may not seem to be the most important thing that they do. I think these public appointments are highly important to the efficient running of the United Kingdom and sufficient time has to be given to them, both by Ministers and by officials.

Q84 Oliver Dowden: Finally, in terms of achieving this cultural change, are there any further recommendations in your report that you think help achieve that cultural change so that you get more people with commercial experience into public appointments?

Sir Gerry Grimstone: I think that if people feel the appointments process is an efficient, effective, fair process, more people will come forward. The stories I heard—horror stories—of people waiting for months for a result and chairmen not being properly involved in people being appointed to their boards. Imagine being a chairman of an organisation and not being properly involved in the appointment of your board members, where the thing that you are trying to do is to get the right pieces of the jigsaw around the table. The system just does not work very well at the moment.

Q85 Oliver Dowden: Forgive me, just one. Do you think the problem lies more with quality candidates not coming forward because they are deterred by the system, or with the actual determination of whether a candidate is of sufficient calibre by the appointment process?

Sir Gerry Grimstone: There is a chicken and egg aspect to that, in the sense it is both. If candidates think the system is irrational, of course it is why you get these junkies come up for many appointments. If the only people we attract is the kind of person who wakes up in the morning and looks at the Cabinet Office website to see what jobs are available that day, it is not surprising it is a rather self-selecting group of people. The Commissioner should be reaching out much, much more to stimulate interest in this. We are failing if we do not involve candidates from all walks of life in the UK coming forward for this. It is too closed, and I see part of the role of the Commissioner being an advocate for this, an advocate for people coming forward. I think people who have been appointed should be an advocate. But the Chairman is looking at me sternly, I better not say any more on that.

Q86 Chair: I just want to ask the question that I asked our previous witness: what are the specific reasons for the delays? What did you find to be the causes of the delays?

Sir Gerry Grimstone: I would say a lack of preparation.

Q87 Chair: On the part of whom?

Sir Gerry Grimstone: On the part of the system, lack of preparation by officials.

Q88 Chair: But the system is not anonymous.

Sir Gerry Grimstone: By officials.

Chair: The system is run by individuals. Who is not preparing?

Sir Gerry Grimstone: Lack of attention by Ministers at the early stages.

Chair: Quite.

Sir Gerry Grimstone: The attention coming in towards the end, the people who suddenly feel they have a legitimate interest showing that interest halfway through or at the end of the system, rather than the beginning. If we could corral the beginning of this process, what it is that we are looking for, who are the stakeholders, we could organise it better.

Q89 Chair: But what do you say to Sir David's point that if Ministers have complete control over the process through the construction of the job specification and the requirements for the applicants, surely if Ministers were properly engaged in that—and it is probably their own fault that they are not—they would get much better outcomes out of the system as it is?

Sir Gerry Grimstone: Of course, of course.

Q90 Chair: Then what is all the fuss about? Why do we need to transfer all these powers away from the Commissioner? You have been rather clear that you do not perhaps intend that, but why are we going to make all these quite radical changes when it is just a fact that Ministers aren't engaged at the outset of these appointment processes?

Sir Gerry Grimstone: I would not have wanted to write a report that diminished the role of the Commissioner, and if some people have misinterpreted my report as diminishing the role of the Commissioner, I would correct them. I believe the Commissioner will be stronger under my recommendations than the present process. This may be uncomfortable going forward. It will require a good Commissioner, but I am not advocating a weak Commissioner or less powers for the Commissioner.

Q91 Chair: You have made that point, but the other part of my question, which I allowed you to get off, if Ministers are a principal cause of the delay, why isn't there just a renewed effort to engage Ministers at the outset of the appointment processes?

Sir Gerry Grimstone: I recommend that. That is one of the many recommendations that I made.

Q92 Chair: But why do they need all these powers to appoint independent people to the panels and why do they need to be engaged in all that? If they had the job spec right in the first place, the system would appoint the right people.

Sir Gerry Grimstone: Perhaps putting your question to me back to you, who do you think the system is in that case? The elements to this, I envisage the Commissioner as the regulator, and the more we see the Commissioner as the regulator, the healthier this whole process will be. Civil servants have to do their jobs properly, Ministers have to live up to their responsibilities properly and we need a strong regulator to make sure that everybody is acting appropriately.

Q93 Mr Turner: If the Government introduces your system, how should we judge how successful it has been?

Sir Gerry Grimstone: That is a very, very good question, because at the end of the day, it is the output of this system that is the important thing. I think we would judge it by better candidates coming forward, more diverse candidates coming forward and in due course better public appointments being made.

Q94 Mr Turner: What about the amount of time it would take? When will we see these improvements?

Sir Gerry Grimstone: I would hope that we would start seeing it very, very quickly. Every appointment is important, every appointment is *sui generis*. I would hope that if we made better appointments, we would see the results of that very quickly. As soon as we can start making better appointments, I think it will be apparent.

Q95 Kelvin Hopkins: Sir Gerry, your review includes provisions for, and I quote, “significant appointments” that require “enhanced handling” and “exceptional appointments” where the Minister can decide to appoint someone, suspending the process. How many significant appointments do you expect there to be?

Sir Gerry Grimstone: I did not address that question specifically, and I think there is more to it than just saying, for example, “It is all chairmen”. What I recommend is that the Commissioner, the Minister and the Cabinet Office should agree *ex ante* with all departmental Ministers which appointments within their scope are significant. Sir David kindly drew attention to the fact that my proposal is that every appointment is within the scope of this. I find it very strange at the moment, for example, that the British Council is outside the scope, UK Financial Investments are outside the scope. At the moment, the system is rather strange, because if you have a principled system to deal with public appointments, you would feel on the whole that all public appointments should be within

that. I think if you substitute principles, then it will be much easier to see how this will operate.

Q96 Kelvin Hopkins: How many exceptional appointments do you expect there to be?

Sir Gerry Grimstone: As I say, last year there were 45. That was what happened last year. One was turned down by the Commissioner. Again, I think these exceptions arise from different circumstances. Sometimes it is because there is a crisis, ill-health or something, things happen, but I do not see that the number of exceptions will change at all under my process. The difference will be that everybody will know what these exceptions are as and when they happen. I do not think the numbers themselves will change. It will be an open process.

Q97 Kelvin Hopkins: Something you said, you seem to be suggesting that Ministers ought to have kind of less control and they ought to be looking at a wider field of candidates, and yet this suggests that it is going to be giving Ministers more power to choose the people they want personally and not to have to go wider, so it is rather contradictory. It looks to me like a relaxation of the system to give Ministers more power to appoint the people they want to, reducing the power of the Commissioner and going back to a pre-Nolan situation almost.

Sir Gerry Grimstone: I am afraid I do not agree with that interpretation of my recommendations.

Q98 Paul Flynn: It was the work of this Committee that resulted in the pre-appointment hearing system we have, when we examined the system in America and suggested a very limited system here. It has been a partial success. One of the problems has been the Government's difficulty in understanding what a pre-appointment was. Many of our appointments have been retrospective pre-appointment hearings—which I believe we are about to have later this morning—but we had certainly cases where people have been put in position, not temporary, but fully in position, before the pre-appointment hearing has taken place. There is no mention of pre-appointment hearings in your report, I believe. On the line you are presenting, don't you see how beneficial they would be in cutting the present cronyism and corruption in the system?

Sir Gerry Grimstone: I was not asked to look at that. Being an inquisitive person, I did think about it. I found the present system rather incoherent. I found it hard to detect any particular pattern in the present system, but I felt I would be putting my hand into a hornets' nest if I came between Parliament, the committees and the Executive on that. But I did notice there was some incoherence in how these processes seem to work. The point that was put to me by some people was that everybody understands there has to be scrutiny. When there is scrutiny, let us build it into the process, let us make the candidates aware of that and let us make it part of the process. But I would encourage some greater coherence in that.

Q99 Paul Flynn: There have been some successes. Some Government stooges have been identified at pre-appointment hearings and they have not been appointed. That has taken place, but the system is stumbling and stuttering along at the moment because of lack of co-operation, because Government doesn't want their power reined in, they do not want to give us that control. I would have thought that extending the powers of Parliament to intervene at possibly a late stage in unsuitable appointments is something you would regard as a reform.

Sir Gerry Grimstone: I think my role was to make the information available. It is then for Parliament to decide what use to make of that information and to intervene if ever it considers it necessary.

Q100 Chair: Finally, Sir Gerry, can you just summarise what you think the changes in the role of the Public Appointments Commissioner should be? Because I obviously have the wrong impression—or Sir David Normington has the wrong impression—that somehow the role is greatly diminished. What are the substantive changes, in your view?

Sir Gerry Grimstone: I would like to see it being a robust person, man or woman, who is not afraid to speak his mind or her mind, and wants there to be good appointments, but does not mind making a bit of a nuisance of himself or herself if he feels the situation warrants it.

Q101 Chair: But at the moment, the Public Appointments Commissioner has concrete powers and can stop Ministers doing things. The impression given by your report is that the Ministers will be able to do these things and the Public Appointments Commissioner will no longer be able to stop Ministers doing some of these things. Is that your intention?

Sir Gerry Grimstone: No. Of course, in a sense, the next stage of this activity will be the Order in Council and the governance code that supports that Order in Council. I have given the Commissioner very strong powers of intervention. At the moment, at the end of the day, under legislation Ministers are suffering, but what I am trying to do is to put appropriate constraints, agreed by Ministers, as to how their behaviour should be fettered by a regulator.

Q102 Chair: What do you think are the most important questions we should ask the preferred candidate?

Sir Gerry Grimstone: Is he prepared to say boo to a goose; is he prepared to be robust; is he prepared to make it his mission or her mission to get good people into public appointments; will he be not just concerned with the process but will he be an evangelist for getting the best people in the country from a diverse range of backgrounds into these public appointments?

Q103 Chair: Can I just ask you one other little set of questions? How frustrating has it been for you that this process of producing your report and getting to this point has taken so long?

Sir Gerry Grimstone: I just take it as evidence that it has been properly considered and that the depth and subtlety of it required time to properly comprehend it.

Chair: I first heard you speaking about this in November, I think it was. Why did it take so long between November and the publication of it? Do you have any idea?

Sir Gerry Grimstone: I have no idea, but I am very pleased to be here today, Chairman.

Q104 Chair: How were you approached to undertake this role? Was there a competitive process or—

Sir Gerry Grimstone: No. I had conducted the triennial review of the Civil Service Commission and I was asked to do that 18 months ago. This gave me some familiarity with the work. As I say, I am the lead non-executive in the Ministry of Defence and I have experienced a lot of public appointments. I think my appointment, in my category of my report, would fall into the category of a transient piece of activity with no authority.

Q105 Chair: Can we take it that you did this pro bono or were you paid for it?

Sir Gerry Grimstone: Of course. I can also confirm that I had no onshore mechanisms involved in this at all.

Q106 Chair: I shan't go there, as they say. But can I thank you very much indeed for your commendable public service in this matter?

Sir Gerry Grimstone: Thank you, Chairman. Thank you, Committee.

Examination of Witness

Witness: **Rt Hon Matthew Hancock MP**, Minister of State at the Cabinet Office and Paymaster General, gave evidence.

Q107 Chair: We continue our evidence session with our final witness on the Grimstone report. Could you identify yourself for the record, please?

Matthew Hancock: Yes, I am Matthew Hancock. I am the Minister for the Cabinet Office and the Paymaster General.

Q108 Chair: We are under pressure of time. There will be other opportunities for you to give us evidence on this matter so if we can move swiftly I would be very grateful. We will have short questions and short answers if we can.

Q109 Oliver Dowden: Why did the Government commission the Grimstone review in the first place? Was there a problem with the previous system or with the Nolan principles?

Matthew Hancock: There is a clear problem in the process of appointing people to public appointments under the OCPA rules at the moment. I think that has been evident through the evidence sessions that you have taken. The system is too bureaucratic, it is too slow, and as Sir Gerry Grimstone's excellent report puts it, this means that good people are put off. I note that has been a feature of the evidence that you have already had this morning. The result of this is that it is bad for applicants, who can often be held in the lurch for many months when they have applied for a public appointment. It is bad for good governance and good government and it is bad for the bodies to which appointments are being made. That means that we need to improve the system because my ultimate goal is to get the very best people that we can leading organisations that are incredibly important for the good running of the UK and therefore for all our citizens.

Q110 Oliver Dowden: As you may have heard in the evidence from Sir David Normington and indeed Sir Gerry Grimstone, both of them seem to suggest that one of the major problems was that Ministers were not engaging properly with this process; in particular they were not engaging early enough and looking at the criteria for public sector appointments. Do you share that analysis?

Matthew Hancock: Yes. More ministerial engagement is a necessary but not sufficient solution to this problem.

In my experience in Government since I was appointed a Minister in 2012, there has been an increasing amount of ministerial early engagement but that alone is not enough. It is often quite difficult for Ministers to engage, partly because the system that currently exists is in a mess. The main reason is this. Several years ago, when he first took up the post, Sir David reduced some of the bureaucracy around the system and that was commendable and it made progress but the system remains much too bureaucratic and unclear. The central problem is that there is a lack of clarity between whether the Commissioner is part of the Executive sitting on panels, chairing panels, and making decisions, or is a regulator and essentially an auditor. If you go back to Nolan—I did not answer this in your first question—it is very clear that the role envisaged for the Commissioner was as a regulator and auditor of the process, not as somebody running the process. That confusion has been at the heart of some of the bureaucracy in the system, meaning that often Ministers found it difficult to get engaged when they should have been getting engaged early on. One of the very strong parts of the Grimstone review is the clarity it brings; that decisions of the Ministers—they should be engaged in all parts of the process—and then use the transparency of the Commissioner, no doubt held to account by Parliament alongside Ministers—to have a much less bureaucratic system so that we can get the very best people into these places.

Q111 Oliver Dowden: How do you get Ministers to engage when they have so many other things crossing their plates, particularly when there are thousands of these public appointments going through the system all the time?

Matthew Hancock: We have strengthened the central support for Ministers to do this in the Centre for Public Appointments. Essentially we have a group of people whose jobs is to search out great candidates, to improve the diversity of candidates, to have a talent pool, and therefore to put forward proposals and ideas for Ministers and also to make sure that we cast the net much more broadly. We make sure more people are looking at the Cabinet Office website on this. One of the few areas where I disagree with Gerry was his denigration of the fact that we publish on the Cabinet Office website all the OCPA-regulated public appointments. Under his review that would be a broader list too

Q112 Oliver Dowden: You mentioned the support available. Certainly the evidence from Sir Gerry suggested that he thought there were not sufficient levels of skill among those people involved in public sector appointments. What is your reaction to that?

Matthew Hancock: We are strengthening that. We have taken some action to strengthen it and we have more to do both in the Centre for Public Appointments in the Cabinet Office but also in each Department, to make sure that Ministers are properly supported.

Q113 Mrs Gillan: I keep hearing these phrases, “We’re not getting the very best people” or, “Good people are being put off”. What evidence do you have, Minister, that good people are being put off? What are the qualities of those good people? Why are you saying that those people who have been appointed to public appointments are not the very best now? What evidence base do you have for those conclusions?

Matthew Hancock: There is evidence in the Grimstone report itself.

Mrs Gillan: I am asking you, not the report.

Matthew Hancock: I personally have seen examples of people who have said they are not prepared to put themselves forward for a public appointment because the process is slow, or of people who have pulled out during the process. Some of these appointments have taken more than a year recently.

Q114 Mrs Gillan: Is that not then a very personal and subjective opinion, that these are the best people and good people who are put off because knows that one has to have patience in public appointments and in public systems of administration?

Matthew Hancock: It is the judgment of Gerry Grimstone’s report and I think we should take that very seriously. I have seen it. As you say, it is an individual judgment but ultimately that is what these things are about.

Q115 Mrs Gillan: How many people are put off? In the last year, how many “good people” have you identified who have been put off and withdrawn from the public appointments?

Matthew Hancock: Enough to know that there is a problem.

Q116 Mrs Gillan: How many?

Matthew Hancock: You cannot quantify these things precisely. Enough to know that there is a problem. Because I was concerned about it, that was one of the reasons we took the Grimstone review forward.

Q117 Mrs Gillan: Is it 50% of the appointments? Is it 1% of the appointments?

Matthew Hancock: It is enough of a proportion to know that we—

Q118 Mrs Gillan: What sort of proportion?

Matthew Hancock: As long as there are candidates who could do the job very well who are not putting themselves forward because of a process that we can improve, then that is too many. In a sense the number does not matter. The fact is we need to get the very best people doing these jobs. If there are people who are put off, and there are, then that is a problem.

Q119 Mrs Gillan: It feels anecdotal to me rather than evidence-based. That is why I am pressing you on this. If you could point to persons A, B, C, D and E and these people had been approached by the Public Appointments Centre and they had said, “No, no, I am put off by the process” then I would have more confidence in the premise on which you are basing your next move forward. I feel it is anecdotal. Others will as well.

Matthew Hancock: That is tempting but I do not want to do that because of the people who are involved. Others can come forward if they want to and say that happened—they would have considered it but did not—but I do not want to put people in that position.

Q120 Ronnie Cowan: This point, good people being put off: would it not have been sensible to implement the Grimstone review before we started advertising for a new Commissioner?

Matthew Hancock: We need to have a new Commissioner because the term of Sir David Normington came to an end. Contrary to what was said in the previous evidence session by Mr Flynn, we have held back the confirmation of that appointment pending this Committee's deliberations.

Q121 Ronnie Cowan: If the Grimstone review had been implemented earlier we could have had that in place.

Matthew Hancock: Yes. We did publish it with time to have the Committee hearing and I understand there was a Committee hearing a few weeks ago that was not conclusive. So we are where we are.

Q122 Paul Flynn: Where are we? You said you have held back the confirmation of the appointment.

Matthew Hancock: Yes.

Q123 Paul Flynn: So the appointment has been made but you have not confirmed it.

Matthew Hancock: No. To be absolutely clear, I have stated that Peter Riddell is my preferred candidate.

Paul Flynn: Yes.

Matthew Hancock: You are interviewing him today but we have not made that appointment.

Q124 Paul Flynn: You said you have not confirmed the appointment.

Matthew Hancock: Correct. He is my preferred candidate but we have not formally made the appointment, awaiting the deliberations of this Committee. In respect for the process I did not want to have a retrospective pre-appointment hearing, which you would complain about.

Paul Flynn: We are grateful. The Government conduct is improving.

Q125 Chair: I am very grateful to you for that, Minister, and I think it was understanding of you but we are still concerned. Here we are talking about the efficiency of the public appointments process and the conduct of this public appointment has been an example of delay. Why has this appointment been delayed so badly when you started this process months and months and months ago?

Matthew Hancock: We knew we had the deadline of Sir David Normington's end of term, which was at the end of last month, and we therefore made our proposal in time for this Committee to be able to interview—

Q126 Chair: When did you originally interview the candidates?

Matthew Hancock: I do not have that date in front of me; around the turn of the year.

Q127 Chair: Here is another example of this kind of delay, the delay between the interview and the final appointment that is so often referred to. Why has this delay occurred?

Matthew Hancock: I do not think there has been a delay from our side on this one. We had a preferred candidate. We named the preferred candidate. There was time for the Select Committee to have a pre-appointment hearing—

Q128 Chair: What was the period of time between the interview panel making the recommendations and offering the Minister, you, or the Prime Minister, two candidates? How long did it take between those two names being offered to the Prime Minister and the decision being made to announce the preferred candidate?

Matthew Hancock: I do not have any of those dates on me but I can certainly—

Chair: It was more than a week or two, was it not?

Matthew Hancock: Yes, it was more than a week or two.

Q129 Chair: Is this not an example? We are told this is a very bureaucratic system.

Matthew Hancock: Yes.

Q130 Chair: You seem to be saying it is just because it is bureaucratic. Sir David and Sir Gerry agreed that Ministers were very substantially responsible for the delays in the system and it was very often because they were not engaged early enough in the process.

Matthew Hancock: I want to address that. I have already said that improvement in ministerial attention is a necessary but not sufficient part of the problem.

There is also one particular area where we have a problem that causes significant delays, that is precisely because of a ministerial decision, that is caused by the system that we have, and that is when the proposals put forward by the panel are not acceptable to a Minister. Often the only option available is to restart the whole process or to have an exception. If you restart the whole process because the process has come out with proposals that the Minister is not happy with, that leads to huge delays. I think Gerry Grimstone's proposals will solve that problem.

There are examples. There was one case when somebody was interviewed to be a member of a board. The chairmanship of the board came up and we thought, having had interviews for a member, that there was one particularly applicant to be a board member who we could have appointed to be the chair. It would have been much simpler; straightforward. Instead, the existing rules as interpreted by the Publics Appointments Assessor said that this person had to apply all over again and we had to have a completely new process. It was incredibly bureaucratic and totally unnecessary.

Q131 Chair: Would you agree that in such a circumstance it should require the consent of the regulator to step outside the system in that way?

Matthew Hancock: That would not have been stepping outside the system. That would have been making an appointment—

Q132 Chair: Making an appointment for which the candidate has not been interviewed would be stepping outside the system. That would be one of the exceptional circumstances, would it not? That would require the consent of the regulator, would it not?

Matthew Hancock: Under Grimstone, as under the original Nolan proposal, it would require that the Commissioner is notified publicly. One of the problems—

Q133 Chair: So the Commissioner would not be able to stop it?

Matthew Hancock: Ultimately, ministerial appointments are for Ministers, quite rightly, and even Sir David in his comments in the newspapers this morning said that he agreed that appointments are for Ministers.

Q134 Chair: I understand what you are saying. We will come back to that point.

This point about the delay: both Sir David and Sir Gerry made it clear that Ministers have the ability to control these appointments if they engage properly with the job specification. Then they will get the candidates that the job specification requires in front of them. Why does that not happen now?

Matthew Hancock: That is not the entirety of the problem. That is part of the problem but there is more to it than that.

Q135 Chair: Where does Sir Gerry Grimstone say that?

Matthew Hancock: He says in his proposals that we need to change the system so that—

Q136 Chair: Where is his evidence that there were other problems in the system?

Matthew Hancock: It riddled throughout his report.

Q137 Chair: Tell us what it is.

Matthew Hancock: The problem is not only the need for engagement, which is there, but the need for the process to be less bureaucratic. That is what the report proposes. Ultimately it shifts the system from a confused one where the Commissioner is both part of the Executive and a regulator to one where there is regulation based on transparency and Ministers making decisions about the people who are appointed to run parts of the Government and the public sector and who are deciding on and implementing Government policy. That is why in all cases—everybody agrees—ultimately the final say should come from Ministers, which I think is appropriate.

Q138 Chair: What we have not had is any evidence of what causes this bureaucracy except the one theme that has come through in the other two evidence sessions, which is that Ministers create the delays, not the system.

Matthew Hancock: That is part of the problem but it is not the whole problem and the evidence for that is the outcome of the delays in some of the appointments. The problem here, as Gerry said, is that good people are put off by the bureaucracy in the system, including how long it takes to make an appointment.

Q139 Chair: Can we discuss another specific example? You have just made a temporary appointment for the Civil Service Commissioner. What has gone wrong with the recruitment process for a new Civil Service Commissioner that you have had to make a temporary appointment?

Matthew Hancock: In that instance it is a matter of getting Cross-Government agreement.

Q140 Chair: Ministers by any chance?

Matthew Hancock: In some cases of course Ministers have to take time to make decisions. That is part of the operation of government.

Q141 Chair: I happen to know as a fact that the appointment panel interviewed the candidates before Christmas.

Matthew Hancock: My argument—

Chair: So what has been the delay in this case?

Matthew Hancock: My case and the reason that I think Gerry's report is so good, is that there is a need to improve the decision making at a ministerial level but that is necessary but not sufficient to make sure we get the best possible people because sometime Ministers are presented with candidates deemed appointable by the panel, none of whom they have confidence to appoint. Then you have to go through the whole process again. This happens even if they engage early and that is partly because the Commissioner is both involved in the process of appointment and is supposed to be regulating that which they are involved in. It is confused. It would be far clearer if you had the clarity from the Grimstone report that it is Ministers who are responsible for these decisions.

Q142 Chair: Are you yet aware of the name of the preferred candidate for Civil Service First Commissioner?

Matthew Hancock: There is not a cross-government agreement on that proposal.

Q143 Chair: That is a disagreement between Ministers?

Matthew Hancock: There is a discussion within Government.

Q144 Chair: When is that going to be resolved?

Matthew Hancock: In due course. I do not know the answer.

Q145 Chair: Is there a possibility that the Government are going to scrap the process and start again?

Matthew Hancock: Until the decision is made and announced that option is available.

Q146 Chair: Is this an example of the bureaucracy of the system?

Matthew Hancock: No. But there are lots of examples that are. You pick on one example and my case is that you need improvement on both sides.

Q147 Chair: Will this appointment be made under the existing rules, the existing code of conduct, the existing arrangements? Or will this appointment be made under the new arrangements?

Matthew Hancock: We are moving on to the question of how we might—

Q148 Chair: It is a simple yes or no question. Is it going to be made under the existing rules or under the new arrangements, the Civil Service First Commissioner?

Matthew Hancock: My plan is for it to be made under the existing rules.

Q149 Chair: Is that an assurance? Can we take that as an assurance?

Matthew Hancock: If you would like that to be an assurance, it is an assurance.

Chair: Thank you.

Matthew Hancock: But it does come to the question of the implementation of Grimstone, which I want to do in consultation with Public Appointments Commissioner. I cannot undertake that consultation until we have made an appointment of the Public Appointments Commissioner.

Q150 Tom Tugendhat: It has largely been covered. Why the delay/ Why did the Grimstone report take so long? Why was it delayed?

Matthew Hancock: It was not delayed. There was a deliberation. We were listening to Sir Gerry and then there was a deliberation in Government about the publication of the Government response; whether that should be done at same time or publish one and then the other.

Q151 Tom Tugendhat: So why did it take so long for the Government to produce their response to the Grimstone proposals?

Matthew Hancock: I do not think it took a particularly long time.

Q152 Tom Tugendhat: Originally it was going to be published in November and we got it in March.

Matthew Hancock: With the Government response at the same time, so I do not think it was a significant delay.

Q153 Tom Tugendhat: Is this another example of bureaucracy or was it Ministers holding it up?

Matthew Hancock: The question of getting Cross-Government agreement on things is always important and sometimes happens very quickly and sometimes happens with more consideration. I think what we would show is that we took our time to get it right.

Tom Tugendhat: We empathise with your patience.

Q154 Kate Hoey: On that, would all these delays be anything to do with the fact that we understand that lots of Cabinet officials are now being seconded to Downing Street to work on the EU project and that the Prime Minister is spending all his time running round the country? Seriously, do you think some—

Matthew Hancock: No.

Kate Hoey: —civil servants and Ministers have taken their eye off the ball?

Matthew Hancock: No.

Q155 Kate Hoey: Quite sure?

Matthew Hancock: I am absolutely sure.

Q156 Mr David Jones: Mr Hancock, you were not present for Sir David Normington's evidence but you have clearly read this morning's newspapers. You will be aware of the concerns he has expressed that the Grimstone proposals will have an adverse effect upon the checks and balances introduced by Nolan. That was echoed by the report of the Committee on Standards in Public Life, which said in terms that the changes proposed may remove too many of the checks and balances on ministerial powers in relation to the public appointments process. Given that we have the same concern voiced by two very compelling witnesses, what is your view? What would you say in response to that?

Matthew Hancock: I saw that Sir David said in front of your Committee that he found re-reading the report reassuring in parts. What I would say—

Mr David Jones: Like the curate's egg: good in parts.

Matthew Hancock: What I would say is this. My goal here is to get the very best people into these appointments. The Grimstone report follows Nolan incredibly carefully. I have heard some debate, including that expressed by members of this Committee, that there is a move to a pre-Nolan structure, and this is completely wrong. If you for instance look at the question of who should have final say on appointments, I think that should be Ministers because Ministers are rightly accountable to Parliament and ultimately to the electorate for the democratic running of the Government. In section 5, on page 76 of the Nolan report, Nolan says exactly the same. Likewise the question—

Mr David Jones: So did Sir David Normington this morning.

Matthew Hancock: Right. That is what is reflected in Grimstone. Likewise the question of whether the Commissioner should be part of the Executive and running competitions or whether they should be an auditor is addressed by Nolan and Nolan sets it out in very similar terms to the Grimstone report, that there should be light-touch sample auditing, not detailed monitoring. That is in section 55, page 77. I think Sir Gerry has gone to the

original Nolan report and the proposals are based on that—stripping away some of the bureaucracy and the delays that David Normington himself acknowledges—with one exception; Gerry has quite rightly added diversity as a further Nolan principle, if you like, which I think is incredibly important and a very big part of the drive we have across Government to improve the diversity of candidates.

Q157 Mr David Jones: Interestingly on the point of diversity the Committee says we fear that some of the Grimstone proposals, including the possibility that Ministers may appoint individuals not considered appointable by the appointment panel, may undermine the aims of the review with regard to widening the appointment base by deterring a more diverse range of candidates from applying from the outset.

Matthew Hancock: I think that is completely wrong.

Q158 Mr David Jones: You simply disagree with the Committee?

Matthew Hancock: I strongly disagree with it because in my experience driving up diversity in public appointments, which has been a big feature of what we have been doing—we have been quite successful at it but we are not there yet; 44% of public appointments now go to women; around 7% go to people with ethnic-minority backgrounds; both of these numbers are improvements but not high enough—a lot of this has been done despite the bureaucracy in the system, not because of the rules in the system, and it is something that I am determined to keep pushing forward on. As for broadening out the range of applicants, this is exactly one of the reasons that we need to get rid of a lot of this bureaucracy. Sir Gerry was very clear about this in his evidence, that you tend to get the same people applying if one of the criteria for getting a job is knowing how to navigate the very bureaucratic system that gets between good people and service to their country and a good public appointment.

Q159 Mr David Jones: You do not share the concern that we have heard expressed that what the proposals do is put more power in the hands of Ministers as against the Commissioner? Would you not agree with the Committee when it says that it fears there is a real risk that the cumulative effect of the proposals might result in a public perception that there has been a drift to a system with heightened political patronage?

Matthew Hancock: No. I disagree with that. There are a few things to say about it that show this is not the case.

The first is that those expressing a political allegiance have fallen as a proportion of public appointments to their lowest level ever in 2014-15. It is 4.5% according to Sir David's figures. I think he said 7% in his evidence. It was 4.5% last year, down from over 20% in 2001-02. The highest proportion of those declaring a political allegiance declare an allegiance to the Labour Party: 1.7%. For the Conservative Party it is only 1.2%.

If you look at some of the appointments outside the OCPA-regulated, if you think about Andrew Adonis being appointed to the National Infrastructure Commission, Danny

Alexander being appointed to the Asian Investment Bank, Alan Milburn on the Social Mobility Commission, these were not public appointments that went through the OCPA-regulated process. I think we have more political diversity as a result of trying to find the very best people to do these jobs.

Q160 Mr David Jones: Interrupting you there, of course the issue is not simply political diversity. There is also the issue of personal patronage, irrespective of political persuasion. Is that not a concern too, because this is a concern that was expressed by the Committee on Standards?

Matthew Hancock: On that, I think the Grimstone proposals strengthen the power of the Commissioner and they do in two ways. The first is that now some appointments are OCPA regulated and some are not and this instead will make sure that all appointments come under the system. Secondly, the power of transparency and accountability is incredibly important here.

Now if you make a public appointment and you do not go through the process and get sign off from the Public Appointments Commissioner then he will put it in an annual report that is published sometime later, that there has been an issue. Instead we will have contemporaneous transparency, which will be much more effective.

I will give you an example. You may be aware that at Christmas the chair of the Environment Agency resigned. We needed a chair of the Environment Agency in short order because there was a very significant flooding problem at the time. We wanted to appoint on an interim basis one of the members of the board who was performing a very good job but because we wanted to do that quickly under unusual and exceptional circumstances we did not have the opportunity to get formal clearance from the Commissioner in advance. The Commissioner may or may not write something about this in their next annual review but by then we are miles past when this decision was taken. Instead in the new process there will be contemporaneous transparency and I think that is a far better way of doing it.

Q161 Mr David Jones: The Committee on Standards does express concern about the proposals in terms of public perception. One of the suggestions they make is that one way to help inspire public confidence in the process and allow Ministers to demonstrate they have acted with integrity might be to enable this Committee to review an appointment process on occasions where there may be grounds for concern. How would you react to that proposal?

Matthew Hancock: That is what the Commissioner is there for. However, having said that, Parliament is sovereign. Incidentally, Ministers are not sovereign; Parliament is sovereign.

Mr David Jones: Thank you for reminding us.

Matthew Hancock: So you can look into anything that is within your remit.

Q162 Mr David Jones: Do you think that is a sensible proposal?

Matthew Hancock: I think it would be slightly doubling up on the Commissioner's job and I would hope that we would have a Commissioner who was robust enough to do the job effectively.

Q163 Mr David Jones: But the concern of course is that the Commissioner will not be sufficiently robust.

Matthew Hancock: The new system is very clear that the Commissioner is transparent at the time, contemporaneously, and then that Parliament holding people—the Commissioner, appointees and Ministers—to account based on that transparent information is the best way to keep the system real.

Q164 Kelvin Hopkins: How does the Government intend to define what Grimstone describes as significant appointments?

Matthew Hancock: The proposal would be that significant appointments are those agreed with the Minister and the Minister for the Cabinet Office in consultation with the Commissioner. Because we want to implement Grimstone in consultation with the Commissioner, we are not yet ready to put more detail on that because we do not have a Commissioner yet but I hope we will have one soon and I am very happy to come and answer that in more detail when decisions have been taken. Maybe my principles on it would be significant appointments of significant public interest for which the level of scrutiny is rightly high.

Q165 Kelvin Hopkins: How many significant appointments do you expect there to be: a proportion perhaps?

Matthew Hancock: I would expect it to be in single-figure percentages.

Q166 Kelvin Hopkins: I presume the other appointments would be insignificant but we will leave that on one side.

Matthew Hancock: No. All public appointments are important.

Q167 Kelvin Hopkins: How do you allay my fears, and I am sure many other people's fears, that this is just simply about watering down constraints upon Ministers; will permit Ministers to appoint the people they want?

Matthew Hancock: First, almost everybody agrees that it is important for Ministers to have the final say on public appointments. After all, Ministers are democratically

accountable for running the Government. Whether it is Nolan or Sir David Normington or Sir Gerry, and certainly me, I think that is pretty widely agreed.

There is also broad consensus that the Nolan principles, with the additional principle of diversity, are the basis in our public life for proper and appropriate appointments and a proper and appropriate approach to appointments. I strongly support that. The fact that Sir Gerry's report rests on the Nolan principles I think gives it great weight.

Q168 Kelvin Hopkins: Had there not been a problem, Nolan would not have happened. It looks to me like watering down Nolan. That is what it is essentially about.

Matthew Hancock: I would be really interested in any evidence of that.

Q169 Kelvin Hopkins: I will not pursue it now. We are short of time.

Matthew Hancock: But I do not think there is any. The evidence that has been presented of Gerry's report watering down Nolan has been presented around the idea that the Public Appointments Commissioner ought to be involved in the appointments process rather than just regulating it but Nolan is explicit that that is not the case. Likewise, Nolan is explicit in section 51 that Ministers should have the final say. Every time somebody has said this is about watering down Nolan I have looked for the evidence and I have gone back to the original Nolan, which I think has stood the test of time and around which there is a broad consensus, and the proposals as written rest on the Nolan principles of public life with the addition of diversity. I think that is a strength of the Grimstone report.

Kelvin Hopkins: I have had my time but you would have to go a long way to persuade me that this is the case.

Q170 Mr Turner: Can I ask the same question with the word "exceptional" instead of significant?

Matthew Hancock: How do you mean?

Mr Turner: How does the Government intend to define "exceptional" circumstances?

Matthew Hancock: Exceptional circumstances are currently defined. There were 45 in the last year. That means it is highly unusual. There are all sorts of circumstances that lead to exceptional appointments: unexpected resignations, deaths in service, and times when an appointment process has gone on but a much better candidate has emerged separately from the appointment process, for whatever reason. There are all sorts of reasons, but they are relatively few. I would not expect that number to change much.

Q171 Mrs Gillan: Minister, you made much about diversity and indeed you are adding it to the Nolan principles by your evidence to us today, but you ran out a set of statistics about how successful the Government had already been in diversification under the

old system, so how are you going to plan to attract even more women, ethnic minorities and disabled people?

Matthew Hancock: I think that the improvements that have been made to date are despite, not because, of the current system.

Q172 Mrs Gillan: Can you explain that in more detail? What do you mean, “despite”?

Matthew Hancock: The delays between applications and appointments, the sometimes complex nature of the route through which you apply. These things make it more difficult to cast the net wide to get appointees who are not already versed in the culture of gaining a public appointment.

Q173 Mrs Gillan: Delays in the route should not necessarily be impossible for women, ethnic minorities or disabled people to navigate.

Matthew Hancock: They are not impossible, but they are often more of a barrier to people who are not used to going through the public appointments process and have not had a public appointment before than people who have.

Q174 Mrs Gillan: Yet despite that you have been successful. What have you done?

Matthew Hancock: Well, we have put a lot of effort into it, and I have paid tribute to the—

Q175 Mrs Gillan: What effort? What have you done?

Matthew Hancock: Well, first we have a Centre for Public Appointments in the Cabinet Office that actively reaches out, holds events for and seeks people from a diverse range of backgrounds. I regard diversity not just as the protected characteristics in the Equalities Act, so gender, sexual identity, ethnicity and disability, but also it is about social background, it is about the part of the country that you live in. It is about the experience that you have had before making the appointment, and the discussion that I have often had with the Chair about the importance of chairs of organisations to have a diverse board. You want a board that has lots of different styles and personality types. Of course it is about protected characteristics on which we have the statistics, but it is also about getting interesting people who have done interesting things and have done different things to other members of the board who can add value to an organisation. I think it is a really important drive and I hope that making the system less bureaucratic will make it easier.

Q176 Mrs Gillan: But that is already working quite well under the old system because you have already made these changes.

Matthew Hancock: Well, it is moving in the right direction.

Q177 Mrs Gillan: I am trying to get the evidence base for making further change to the system.

Matthew Hancock: Well, it will make it easier to make further improvements. We have done better in some areas of diversity than others, so in terms of gender 44% of public appointments being women is a big improvement and it is quite close to par. In terms of ethnic background, for instance, we are at around 7% but that is still a long way below the proportion of ethnic minorities in the overall population. So we have more to do to make sure that people from all backgrounds know that if they are up to it then they can serve their country in a public appointment.

Q178 Mrs Gillan: So have you been giving preferential treatment to those candidates that have come forward as women, ethnic minorities or disabled people?

Matthew Hancock: No, we have a level playing field but we do actively go out and seek and recruit, persuade and encourage, but then when it comes to the appointment that is made on merit.

Q179 Mrs Gillan: How many women, ethnic minority people, or disabled people, applied for the job of Commissioner for Public Appointments?

Matthew Hancock: I do not have the original applicant list in front of me, but I can certainly write to you.

Q180 Mrs Gillan: How did you go out to search for the candidates for it? Did you phone up suitable people?

Matthew Hancock: The approach that we take is generally not to approach people for specific jobs when it comes to improving diversity.

Q181 Mrs Gillan: So none of the candidates were physically phoned up by Ministers or by senior officials to say, “We suggest you apply for this job”?

Matthew Hancock: I cannot give a complete answer to that.

Q182 Mrs Gillan: Why not?

Matthew Hancock: Because there are 440,000 officials in Government, and I have not checked with all of them.

Q183 Mrs Gillan: But this is a very senior appointment, so there would only be a limited number of people that would be involved in the appointment.

Matthew Hancock: Yes. I personally did not phone anybody up who then applied.

Q184 Mrs Gillan: But colleagues, other Ministers, may have?

Matthew Hancock: I cannot rule it out, but I am not confirming that that happened either. What I was trying to say before was that when it comes to diversity what we try to do is encourage people to look at different public appointments that are available.

Q185 Mrs Gillan: I am trying to find out how you do that, whether it is a question of picking up the phone. It would appear from some of the investigations that this Committee has made already that there is a danger of more power being concentrated into Ministers' hands with less transparency rather than more transparency, and less accountability and less checks and balances in the system. I am trying to get from you some reassurances that this is not the case, because it would appear that whoever eventually is appointed as the Commissioner for Public Appointments, that position is going to be diminished in its power from as it is currently constituted and the way in which Sir David Normington operated it.

Matthew Hancock: I disagree with that, as does Sir Gerry, because of the way we envisage this operating through transparency and accountability, rather than through the muddled approach that there is at the moment.

Q186 Mrs Gillan: Then can I suggest that the transparency process goes further to show how any individual ever applied and came to be considered for public appointments as well, because otherwise there is still going to be the suspicion that the phone is lifted to offer a pathway to a job?

Matthew Hancock: We can certainly look at that.

Q187 Chair: On the question of diversity, it is the Government's policy to appoint half of women to public appointments—

Matthew Hancock: Half of public appointments to women?

Chair: Yes, sorry. Quite right and for an English graduate that was not very good. You are arguing that these changes will help you achieve that, because Ministers will be able to influence the process more effectively to achieve that outcome?

Matthew Hancock: My main argument is certainly the drive in this direction has come from Ministers in the Government rather than from the Commissioner, although we have worked pretty closely with Sir David on this agenda. The argument I was making is by making it simpler to apply for people who are not regular applicants to public appointments we will get higher quality candidates and more diversity.

Q188 Chair: Of course there is one set of public appointments over which Ministers have complete control, and the proportion of special advisers who are women is lower than the proportion of people in regulated public appointments. How do you explain that?

Matthew Hancock: There is another set of appointments on which Ministers have complete control; the Prime Minister has control, which is the appointment of Ministers, which has been moving in the right direction quite rapidly.

Q189 Chair: That was a different answer to a different question. The point is that only 35% of special advisers are women, and that is completely under the control of Ministers. What does that say about the natural tendency of Ministers in the way they choose their appointees?

Matthew Hancock: I think that is a very small sample.

Q190 Chair: It is 35% of 97 special advisers.

Matthew Hancock: Yes, and there are tens of thousands of public appointments.

Q191 Chair: So what is the difference? If the Government is committed to diversity in the appointments that Ministers personally make why they have not achieved a 50% share of women appointments?

Matthew Hancock: There are a much larger number of appointments that are not OCPA-regulated at present than just special advisers. I think picking on one small subgroup is not a good way of judging the numbers. I just do not agree that it is a relevant comparator. It is only a tiny subgroup.

Q192 Chair: I am afraid the temptation is that every appointment is, “Well, we will have to make an exception in this case. The best candidate is a man”. I mean, it is too easy.

Matthew Hancock: If you think that is the case then it is very hard to square that with the fact that we have increased the proportion of overall public appointments, rather than just picking one tiny group, but overall public appointments.

Q193 Chair: I am not disputing that the progress is positive, but I am just pointing out where Ministers have complete control over the appointments the commitment to diversity is rather less evidenced in the outcome than in the regulated public appointments.

Matthew Hancock: Yes, and I am saying that you are picking one particular category. I am sure I could go away and find some other categories where there are more than 50% female appointments where Ministers have complete control. You cannot take a subgroup. You have to look at what is happening overall and it has been going in the right direction.

Q194 Mrs Gillan: Minister, to go to people with disabilities, how are you broadening that particular area? I am particularly interested in how you may be broadening it in relation to people who are on the autistic spectrum, because I take a special interest in this area.

Matthew Hancock: First, I would be very happy to work with you to see what we need to do in order to push that further. People with disabilities is an area where we have much more work to do. We are engaging with disability groups and with people who can help us to understand any dispensations that are needed in order to make sure that people with disabilities can participate fully, but it is work in progress.

Q195 Mrs Gillan: I am most grateful for that generous offer, because it would be good to think that in the week after World Autism Awareness Week that the Government could be looking specifically at how they could encourage people on the spectrum to enter into the area of public appointments.

Matthew Hancock: I would be very happy to take that away.

Q196 Chair: On the question of watering down the Nolan principles, I think there are some very easy ways to address this. Will you agree that the Commissioner will have the ultimate say over the code?

Matthew Hancock: Our plan is to develop the code in consultation with the Commissioner.

Q197 Chair: So if the Commissioner does not agree with the code it is not the code?

Matthew Hancock: I cannot possibly envisage a situation in which there was a disagreement.

Q198 Chair: At the moment the Commissioner has complete control over the code. I think it is reasonable that Ministers should be involved with the code, but Sir David does not think the Commissioner should be handed the code by a special adviser saying, “This is the code. You will implement this code”.

Matthew Hancock: That is certainly not how it will happen.

Q199 Chair: Will the Commissioner have the right to veto an independent panel member appointed by a Minister if the Commissioner does not think that person is appropriate as an independent panel member?

Matthew Hancock: No. According to Nolan the panel is signed off by Ministers.

Q200 Chair: It may be signed off by Ministers but the independent panel member is at the moment appointed by the Commissioner. What Grimstone suggests is that the independent panel member should be appointed by the Minister, but if the regulator is not happy with the independence of this ministerial proposal will the Commissioner have the power to say, “Sorry, no”?

Matthew Hancock: The Commissioner would have the proposal through transparency to make it clear that they were not content. At the moment that is a strengthening of the status quo. Currently the Minister appoints the independent panel member but having contemporaneous transparency will strengthen the accountability around that.

Q201 Chair: Will a Minister be able to make an exceptional appointment without the consent of the Commissioner?

Matthew Hancock: Exceptional appointments would be, under Grimstone, subject to transparency and then Ministers would be held—

Q202 Chair: So the Commissioner gets sidelined on that too, if necessary?

Matthew Hancock: No, the Commissioner would not be sidelined.

Q203 Chair: So the Commissioner can veto—I mean, I am asking quite simple questions.

Matthew Hancock: Yes, and I am giving you quite simple answers.

Chair: Either the Commissioner can veto an exceptional arrangement or the Commissioner cannot. Which is it to be?

Matthew Hancock: The Commissioner can be transparent about their views about that.

Q204 Chair: So the Commissioner cannot veto an exceptional appointment?

Matthew Hancock: Ultimately these appointments are for Ministers, that is right, as Nolan says.

Q205 Chair: Will the Commissioner be able to decide what shall be published about any appointment process so that Select Committees are informed?

Matthew Hancock: Yes.

Q206 Chair: Will the Commissioner be able to design and implement their own audit arrangements as they see fit?

Matthew Hancock: In collaboration with the Government, yes.

Q207 Chair: But ultimately it will be the Commissioner's audit of the public appointments process, not something just being carried out on the instruction of Ministers?

Matthew Hancock: Yes. Of course it will have to be in collaboration with the Government, because audit involves going into Government processes, but yes.

Q208 Chair: It will be for the Commissioner to oversee and design the audit arrangements?

Matthew Hancock: That is how I would envisage it.

Q209 Chair: I think we do still have some concerns, but I think some of our concerns have been at least addressed, if not allayed. We are very grateful to you, Minister. Mr Flynn, briefly?

Q210 Paul Flynn: It is a very brief question. If these reforms proceed they are based upon the public's trust in the decisions of Ministers. How would you say that your own conduct has improved public trust when you defied the strong advice of your civil servants and gave £3 million to Kids Company three days before they went broke, and your decision a few weeks ago to vote for a £30 cut in the meagre income of disabled people, in the same week that you decided to take £88,000 from your budget to have a parliamentary Act printed on vellum?

Matthew Hancock: I think that all of these things demonstrate that Ministers are rightly, democratically, legitimate and democratically accountable and held to account, as you are doing right now, by Parliament, for the decisions they make. The ultimate goal of this is to run the country as well as possible, and do that by having the very best people in public appointments, and then be accountable to Parliament and ultimately, at a General Election, to voters, for how that works out. That is the whole basis on which the Grimstone review in my reading of it is written and the system I want to see.

Paul Flynn: Your answer is at best irrelevant but totally incomprehensible.

Chair: I hope that we all learned from experience, Minister. May I thank you for your evidence and we will go straight on to our pre-appointment hearing.