



Procedure Committee

Oral evidence: [Scrutiny of the Government's Supply Estimates](#), HC 190

Wednesday 5 July 2016

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Members present: Mr Charles Walker (Chair); Edward Argar; Nic Dakin; Patricia Gibson; Patrick Grady; Sir Edward Leigh; Simon Hoare; and Mr David Nuttall.

Questions 95-118

Witness: **Meg Hillier MP**, Chair, Committee of Public Accounts, gave evidence.

Q95 Chair: Thank you very much, Meg, for coming to see us to discuss estimates. The Committee decided to look at estimates really as a result of issues around EVEL, the Barnett formula and the things that came out of the EVEL debate. You will be as aware as we are that we have three estimates days in the House of Commons in which you can discuss anything that you like but estimates and if you do discuss estimates, you are ruled out of order. We have discussed our concerns about this privately in the tearoom and so on. Can you very briefly describe where you think we are at at the moment?

Meg Hillier: I think we are in a bad place. If you look at what other Parliaments do, there is only the UK and Chile that do not have the freedom properly to discuss estimates and vote both ways. I am not sure that is a great alliance to have made. On our Committee, as well as looking at things in the Committee Room, we are trying to make sure that things are looked at more in the House. To have a better open process to discuss estimates in the House would be very important and there are a couple of things I would raise. One is the issue of transparency and accountability. It is vital that Government come and justify what they are doing openly in public and also I think it would make Ministers be on top of the figures. We know there are some Ministers who are better at that than others. They will have to ask the

questions and then they will be held very directly to account on the Floor of the House, hopefully informed by some of the excellent work that goes on in different Select Committees.

There is also an issue though, if we were to look at this, if I may go further, Chair, on timeliness. It is important that the debates are held at the right time, and I draw a parallel experience with excess votes. This is something that comes to the Public Accounts Committee when a Department breaches its spending limit. This year we were concerned with issues that came to the Committee—I won't go into the detail unless you want me to—and on one in particular we would have liked to have asked questions of the permanent secretary or somebody in the Department about that. The timetable was too fast to be able to do that, so we went with it this year but we have laid a marker down that in future we would like, as least in Committee, to challenge Departments on that. That would be another thing, that if we had a proper estimates day we could also conceivably use that opportunity to challenge Departments, when they breach their spending limits, on the Floor of the House.

Q96 Chair: Am I right in thinking, from my history, that the initial role of Parliament was to sign off the raising of money?

Meg Hillier: I believe so. It is before my time, Mr Walker.

Chair: We seem to have gone a long way from that. What you stated in your evidence is that once money is spent, we have pretty good scrutiny.

Meg Hillier: Yes, after the event.

Chair: After the event, but when the proposals for expenditure are being prepared we have very little scrutiny. I know that the OECD sent us a letter saying that we have some of the worst levels of scrutiny of estimates of any country in the developed, democratic world.

Meg Hillier: Absolutely, and the Committee has been trying to address that. When I became Chair, I said I wanted to introduce what we call pre-scrutiny to look at programmes, at the financial side. We don't question policy on the Public Accounts Committee, that is not our role, but to look at the finances of things before they are made. We have done a couple of pre-scrutinies, in particular one on land disposals for housing—following on from some findings on a previous one, we thought there were lessons to be learned for the future—and one on the right to buy, the Bill on that and how that was going to be funded. The Committee has an appetite to do that more but appropriately, not all the time. We can't do that all the time, but where we can get the evidence we think that is important to do.

I may take this public opportunity, Mr Walker, to tempt Secretaries of State to use the opportunity to have good parliamentary scrutiny of the financing and planning of a programme or major project ahead of its actual implementation stage. We think it could make for better policy. Take, for example, Richard Bacon, who I appointed Deputy Chair of my Committee. He has been on the Committee for 15 years. He is one of the experts in Parliament on failed IT projects. Sadly, we have an expert on that because there have been so many. He has written a book, I should mention for those who are interested. If he can look at a programme ahead of it being delivered, if I was Secretary of State or a Minister, I would be quite happy to have his input, and I think we should be promoting that as well.

Q97 Chair: Why do you think the Treasury is so reluctant to allow better scrutiny of its plans and departmental spending plans? The Treasury has the whip hand in most of this.

Meg Hillier: I can't speak for the Treasury. What I can say is that I think it is important that we, as Members, are equipped to do it and certainly members of the Public Accounts Committee, under my watch, are very assiduous in their preparation in order to challenge permanent secretaries. We need to make sure that we are providing the right tools for Members. A Member who is enthusiastic about an issue, because perhaps it affects their constituency or they have a specialism in that area, can provide detailed and useful scrutiny, and I think that is important.

Q98 Chair: Do you think it is necessary for Members of Parliament to have an advanced degree in accountancy to be able to understand the estimates or do you think the estimates could be presented in a format that allows better analysis and dissemination by this country's elected representatives?

Meg Hillier: I think the latter. I don't have a degree in accountancy and I chair the Public Accounts Committee. I like to think that as a Committee we have a mixed set of skills. People have a range of different backgrounds and seem to be effectively challenging Government on a number of issues. I think it is vitally important that we allow citizen auditors, and we may be elected MPs, but we are the proxy for citizen auditors in this place. It is a big issue for us that Departments should provide information in a useable form. In fact, the Speaker's Digital Democracy Commission has called for all parliamentary information to be provided in open data format and we as a Committee are pushing Departments to make sure that the data they provide is not just dumped on the internet on their website or

gov.uk but is put out in a format that anybody should be able to make sense of.

Q99 Sir Edward Leigh: I started off on this process when I was doing your job and it struck me that we have such a tremendously successful system, developed over 100 years, of post hoc scrutiny by Parliament, probably the best in the world, through the PAC and the NAO. I am sorry to ask you a leading question, but just to put it in this way: do you think the reason why the Public Accounts Committee is so successful and people in other Parliaments across the world try to replicate it if they can is that you have an independent officer of the House, a prestigious post, Comptroller and Auditor General? He is there for 10 years and nobody can sack him. He produces for you 65 reports a year, prepared by 400 people, which everybody takes great notice of. Your Committee does not get involved in policy and also, above all, there is a separate Committee. It is not that we farm this work out with, say, a scrutiny unit in the House of Commons. I am talking about your work post hoc; I am not talking about estimates. We don't just farm it out among various Committees; we don't have just a couple of days a year where we might or might not talk about your work. You have a dedicated officer of the House, a dedicated Committee, you don't get involved in policy and everybody thinks your Committee does a great job.

Meg Hillier: Thank you. I think that has been the case over the 150 or so years of the Committee. I can't speak back for 150 years so I had better be careful about speaking up for Gladstone. I do think that it is vital. The independence of the National Audit Office and its resourcing is really key. Earlier today I had a session about a hearing we have on Monday with the NAO, briefing colleague MPs from all parties all over the country about the issue and that independent oversight is vital. One of the things is that they shine a light very clearly. Going back to Mr Walker's earlier point, they show that you can present information in a way that is understandable. What I think we need to do, though, is move more so that Members are equipped with support to look at issues before expenditure as well as afterwards.

Q100 Sir Edward Leigh: If we could try to replicate the process that you are doing after the event, after the project has gone horribly wrong, as it often does, before the event, as the estimates are being prepared, with the same sort of structure that you have and the same sort of support from an independent officer of the House, do you think it is worth having a go at that so that we can try to become not just a world leader in post hoc scrutiny but also in estimate scrutiny?

Meg Hillier: Sir Edward, I couldn't agree with you more. We would have to be reasonable and it would be for the Procedure Committee, no

doubt, to make a judgment, hopefully in conjunction with other Committees, that we did not try to do everything all at once. We may want to pick and choose some particular programmes. But we know, and I know you know, Sir Edward, as a former Chair of the Committee, that you see certain themes and issues come through. Certain projects have warning flags before you even start, for example a major IT programme, huge infrastructure projects over a long period of time. There are some obvious areas we could start looking at in particular, because we would have to think about the resourcing. That would not be a matter entirely for me, it would be for the House to decide, but I think we could pick some choice examples to start with and prove the point very quickly.

Q101 Simon Hoare: It is just a question for clarity. We have days allotted on the Floor of the House where the Speaker shouts, "If anybody mentions the word estimates". In the ideal world, is it better to have either a beefed-up or maintained PAC but also that sort of estimate evaluation undertaken by the departmental Select Committees maybe reporting back to the House or back to your Committee and/or is it a better idea to have three or four days allotted for a debate on the Floor of the House? Both for or one or the other?

Meg Hillier: The current Public Accounts Committee has a very strong interest in doing this work anyway, and we are already doing some pre-scrutiny. But I do think that it is important to have that time allotted on the Floor of the House because it is not something that should just be within the remit of the Public Accounts Committee. I should say that the Public Accounts Committee can open its doors to other Members. We may be doing this on Monday with our hearing on HS2 where other Members, with the permission of the Committee and the Chair, can come and contribute, which I would welcome but that is not going to happen realistically. We are all busy people. I think it is important to have that scrutiny on the Floor of the House.

I have been a Minister, Mr Walker, and nothing sharpens the civil service's mind more than having to answer things that have been raised in the House. It gets in the record and it is taken seriously. There is a huge expertise among colleagues of all parties who do not sit on Select Committees that could be well used. You see that expertise when we have debates on certain subjects, but there is knowledge too on the financing side of things. It often ends up being a bit of a debate, when if we were really to pull apart the figures I think we would see some improvement on how policy is funded and hopefully prevent some of the big expenditure problems that we see so regularly on the Public Accounts Committee.

Q102 Nic Dakin: You mentioned your unease about the excess votes issue. Can you tell us a little bit more about that and how you think it could be dealt with better?

Meg Hillier: This is when Departments breach their expenditure limits and a report is prepared by the National Audit Office and, because it tends to be at the end of year when accounts are going through, it is presented in quite short order to the Public Accounts Committee. When I received it this year, the first year I had received it as Chair, I wanted Committee members to have time to properly consider it. That was a bit of an issue in the timetable because we do not get much notice of a problem.

There were five areas of concern. The particular area of concern we thought would be worth looking at—we were not sure from the information we had whether it was a technical issue or a misunderstanding—was that the Northern Ireland Office had breached its capital department expenditure limit by £406,000. That does not sound a lot of money in the grand scheme of things that we are dealing with, but they did not realise—or something happened; we’re not quite sure what—that they could not transfer between resource and capital limits, they could not via money. It seemed to us that was quite a fundamental misunderstanding by a Government Department and we were puzzled as to why that was and wanted to know more because it could have shown there were bigger problems in the department. It may have just been a technical breach but it was not entirely clear.

We did not have time to challenge the Department but we also felt quite strongly that if you have a limit set by Parliament, you are delivering for taxpayers, you need to take very seriously that you are breaching the limit, even if there is a reason. We thought that we should have the right, opportunity and time to call in a permanent secretary to explain what had happened. It may be that there would have been a good explanation, even though we were not happy about it, it may be that there was an issue, but it should be in the back of minds, or hopefully in the front of minds, when these issues are arising that they would be held to public account in the Public Accounts Committee for that and we were not able to do that.

We are keen to try to do that more effectively in future but with help from the Procedure Committee if possible.

Q103 Nic Dakin: Do you think, having looked at this for some time, that there would be opportunities to look at those things earlier in the process?

Meg Hillier: If you are an accounting officer or a finance officer in a Department, you should know these problems are arising before accounts signoff. It would behave a Department to come up and explain that and talk to the National Audit Office about that at an early stage. We don't think it is beyond the wit of Departments to provide enough time for that public scrutiny. We can move quite quickly, as a Committee, if we know that it is coming, so we are going to plan in time for next year at about the time we think this might arise to try to make our contribution to that timetable. It will certainly sharpen minds. It will be interesting to know that if we are going to take this approach we will see breaches in the same way as we have in the past.

Q104 Nic Dakin: Are you talking about an expectation that accounting officers should flag that there are issues worthy of some scrutiny that might then assist in resolution?

Meg Hillier: Yes, certainly that, but also we felt there was an inbuilt assumption in the system that it was all right, you just need to go through the slight pain of being named in a report by the National Audit Office but the Committee will not really challenge it. I know that previous Committee Chairs have challenged things. We would not want to do it all the time, there may be very good reasons that there are breaches, but we wanted to have that opportunity more clearly laid out so that accounting officers know that there is a chance that they would be called out in public. That might focus their minds and remind them that it is taxpayers' money that they are spending and it is not just a technical breach. This is quite an important issue, and if they can explain it, fine, but they might have to be called to explain that in public.

Q105 Patricia Gibson: Picking up on what you said there about scrutiny, I know this has never happened before but can you conceive of any circumstances where the Committee would object to an excess vote being authorised? I know this is a bit speculative, but if that were to happen, what would be the implications for the Committee and the Department concerned?

Meg Hillier: I never like to close my mind to any possibility where Parliament is concerned in scrutinising the Executive. I stand to be corrected, I am not speaking with a great deal of knowledge about what would happen, but it is amazing how when there are problems—we had a problem with the NHS budget recently—money can be found to resolve these matters. It would for the Treasury then to resolve that matter. They have already allowed the excess to go through so the money has been found. I think the key thing is that the Committee would be shining sunlight on it and we hope that would sharpen

attitudes in Whitehall to the fact that this is going over the money that has been agreed for expenditure. I think that is an important principle.

Q106 Patrick Grady: As the Chair mentioned, one of the reasons we started this inquiry was because we were repeatedly told during the introduction of EVEL procedures that the way that Scottish MPs would be able to examine the consequences of legislation that was EVEL'd would be through the estimates process. Then Professor David Heald from the University of Glasgow told us a few weeks back that the estimates process is completely irrelevant to the Barnett consequential process, which was patently obvious to a lot of us in advance but it is very helpful to have on the record. What role, if any, does your Committee have in the scrutiny of Barnett consequentials arising from decisions by Government Departments?

Meg Hillier: In the five years I have been on the Committee, we have not. As Sir Edward highlighted, we do receive a lot of reports and we urge the NAO to look at certain areas, often influenced by what Back-Bench MPs, not just the Committee members, are keen to. We have to manage our workload. It might be something that the DCLG Committee or the Scottish Affairs Committee look at; there may be other places. Certainly we would be up for discussion about that. Clearly we are in new territory, Mr Walker, with EVEL. We have cross-party membership on our Committee with Scottish and Welsh MPs, as it happens, both represented. Of course, by right a Scottish National Member is on the Committee. That is something that we could certainly discuss, but I am wary of adding everything into the Public Accounts Committee because we might then lose other things and it might be that it is not the best place to do it. That may be something that is best done on the Floor of the House or with another Committee taking the lead before it comes to the Floor of the House, but no doubt the Procedure Committee will come to a view.

Q107 Chair: I don't think, Meg, we are going to have revolutionary change around estimates because, as we know, the Government have a way of stopping revolutions.

Meg Hillier: We can but try, Mr Walker.

Chair: We can always try and have fun in so doing. But is it not the case that we have three estimates days at the moment that are allotted by the Liaison Committee and on those days normally Select Committee reports are debated? Is there not a mechanism for perhaps those days to be used for their purpose, which is to debate estimates?

Meg Hillier: One option would be for the Backbench Business Committee to effectively take those days from the Liaison Committee

and maybe allocate some of its days. I am sure there is a way of doing it.

Chair: You are talking about a sort of asset swap.

Meg Hillier: Yes, and then the Backbench Business Committee would be in control of the subject matter of those debates. Also, because of the way it works, Members would have to take an interest in order to request those days, so that would also focus minds.

Q108 Chair: A 1,000-mile journey starts with the first step and that would be a first step. Perhaps a second step would be greater transparency of estimates, greater accessibility for us and the public, and that would be a good point to start.

Meg Hillier: I think it would be a good first step. The Public Accounts Committee cross-party would back the idea of bringing more of these issues on to the Floor of the House. It has been a mission of ours recently not to leave issues in our Committee Room or in a report but to make sure that they are then played out in the House and we have had good support across the Committee with big attendances when a Member is leading on behalf of the Committee. I think that we could see the same opportunity. I have just come from a briefing on the issue with colleagues and the National Audit Office. It was well attended and there was a real appetite from Members across the House, with the right information and the right framework, to get the information they need to do a good job on an estimates day if we framed it right. I think the suggestion you make, Mr Walker, is a good one and would take us a step forward.

Q109 Chair: Fantastic. Does anybody have any other questions or can we let our esteemed Chairman go off and do other things? Is there anything you would like to say, Meg, before we allow you to return to your significant other duties?

Meg Hillier: It is worth flagging up a concern of ours as a Committee about devolution. We are holding a workshop next Tuesday, 12 July, looking at the role of scrutiny in the age of greater devolution. This is perhaps something it might be worth flagging to the Procedure Committee. I know that colleagues around the House are quite concerned that they have not been as involved as they would have liked to have been in discussions about devolution. It is moving at a pace. Whatever your views on devolution—and I happen to be very much in favour—there are issues about how we follow the taxpayer's pound through that process and in due course, Mr Walker, it may be something that your Committee might want to consider.

Chair: Thank you very much.

Examination of Witness

Witness: **John Pugh MP**, gave evidence.

Q110 Chair: Another esteemed colleague. John, thank you for coming to talk to us. Shall we leap straight in? In 2010 the Chancellor of the Exchequer asked you and Sir Edward to produce a report into how we can improve the whole debate on the budgetary process. The two of you did a diligent piece of work and came up with a number of ideas in relation to having a parliamentary Budget officer and associated mechanisms for improving the way we handle the Budget in this place and following the Budget through. Why do you think, having asked you to do this, the Chancellor never did anything with your recommendations?

John Pugh: I must admit it was tempting at first to see the project as occupational therapy for awkward Back Benchers but Sir Edward and I took it very seriously, as indeed did Treasury officials, who I think generally speaking welcomed the idea. Part of the reason why we made such limited progress, if any, after the report was that we were aware in the context of some suggestions there were fiefdoms that were a little bit worried about what may or may not happen.

One of the more contentious recommendations of our report was the creation of a new Committee called the Budget Committee and we were aware that a Treasury Committee and a Public Accounts Committee already exist. Sir Edward and myself had had extensive experience of the Public Accounts Committee and, with the best will in the world, we knew that this could not provide a really rigorous analysis of what was happening in the day-to-day expenditure of Government. We tended very often to respond to NAO reports, which were largely on contentious issues, high profile issues, which is why the Public Accounts Committee has a high profile. A lot of day-to-day expenditure and a lot of the things that were not complete and utter disasters or attracted the public eye simply did not seem to be dealt with adequately in any place. The Treasury Select Committee seemed to be predominantly preoccupied with issues of macroeconomic policy.

The only environment in which we thought there was progress or there was the possibility of doing this was through the process called estimates day, which we examined in detail. I have to say I have the distinction of having tried to talk in the Chamber about estimates at estimates day and having been ruled out of order by the Deputy Speaker Nigel Evans. It is in *Hansard* somewhere, but I started to talk

about the numbers on the order paper that day and I was ruled out of order. It was a bit like in "Fight Club" you are not supposed to speak about Fight Club and on estimates day you are definitely not to speak about the estimates. That was the ruling from the Chair anyway and I thought that was a wholly inadequate way of dealing with Government finances and unsatisfactory from a range of different views.

The Chancellor did receive our report positively and I think he was concerned about the disruption to other parliamentary Committees, or the knock-on consequences for other parliamentary Committees, and clearly knew there were battles to be fought at the Liaison Committee over this. Indeed, the subject was raised at the Liaison Committee and then I think promptly buried at that particular point. What we learned in the process, though, is the kind of scrutiny that we would ideally want parliamentarians to have is only really possessed in this place by one organisation and that is the Treasury. The Treasury does have a good idea of what individual Departments do and MPs simply don't. When I say "do", I mean the way in which money is spent and distributed around that department.

I am familiar, through being on another Select Committee, Communities and Local Government, of Select Committees' treatment of estimates day and it is precisely as bad as the parliamentary process. Permanent secretaries, in my experience, do not come prepared to talk about the estimates at all and the entire time is usually consumed in talking about whatever happens to be the most contentious policy of the time. This contrasts markedly with what you get in the United States, where they rigorously go through the budget line by line and discover things that maybe Governments do not want them to find out. Sometimes they discover all sorts of dull things that are just worth knowing but not necessarily politically controversial. I genuinely think there is a huge gap here in Parliament, a gap that does not actually exist even on the local council at the moment. We have a huge budget with huge amounts of money being spent, via'd, altered, modified, not being spent well and so on, and we do not look at it in a sufficiently rigorous or systematic way.

Public Accounts does some very valiant and important work, but our general conclusion was that neither the Public Accounts Committee nor the Treasury Committee were capable of doing the task of proper proportional, regular scrutiny of Government expenditure by Parliament.

Q111 Chair: Can I play the devil's advocate quickly? Surely the Government would say the role of Back-Bench Members of Parliament is to busy themselves with casework and why would they want to trouble

themselves with the worry of looking into Government budgets and expenditure? How would you respond to that?

John Pugh: Ultimately Governments themselves are creatures of Parliament and Parliament needs to know what it is doing, even if many Members of Parliament have little control over what it actually does do. There is not necessarily in every Member of Parliament an appetite to sit day after day crunching their way through numbers—I think there is a special kind of beast who will volunteer for such activity—but it is a worthwhile activity. Our view was that instead of creating a completely new Committee, it would be better to take an individual who had that bent from each Select Committee and form the Budget Committee out of those Members so that we co-ordinated the analysis of the budget with general policy issues.

Q112 Patrick Grady: That is a very helpful set of comments. This is very timely evidence because we are literally in the middle of the estimates procedure. Yesterday both Deputy Speakers allowed considerable leeway in this adage that estimates day shall not be used to discuss estimates. Both Patricia and myself were able to reflect in some detail about the concerns that this Committee has identified and especially this context of the EVEL procedures and our opportunities or lack thereof to amend Government spending or to vote on Barnett consequentials. Today we had the Appropriations Bill. As you suggest, in the United States that is the moment where Government shutdowns occur and are used for dramatic purposes in American political TV dramas and in real life and yet here it just gets nodded through and the Standing Orders provide that there should be no debate. I suppose it is back to this question about EVEL and Barnett consequentials. Where do you see, given your knowledge of the system, that any opportunity currently exists or how could the current system or an amended system provide that opportunity for us, as Scottish Members, to amend the Barnett consequentials, to amend spending in a Government Department and the knock-on effect that would have on the Scottish Budget?

John Pugh: I am not in a position to tell you what the appropriate moment is at which you could alter the parliamentary outcome. The fact that you have succeeded, through special indulgence shown to Scottish Members, to talk about estimates during estimates day I think is a breakthrough, but it has by no means been common practice for people to talk about the very large numbers that are on the Order Paper that day.

Q113 Nic Dakin: How would a House of Commons Budget Committee benefit the Treasury?

John Pugh: I don't think they would ever discover things that the Treasury didn't know for itself but they might discover things that the Treasury would prefer not to be known and that would be a plus. If I can give one particular example, which I think you will be familiar with, Nic: we have at the moment an education budget that has been qualified. It has been qualified for all sorts of very dull reasons that are never going to command the Floor of the House. Quite clearly, it is a budget that has been slightly—let's put it like this—astray over recent years with large sums of money via'd internally, which are not in objective discussion necessarily but certainly seem to be a worthwhile topic for examination. Exactly what is going on there? That is one area where you are going to find out things that other Committees will not stumble across simply by examining numbers.

The way I would see the Budget Committee in contrast to the Public Accounts Committee, as Sir Edward will agree, is that a lot of the Public Accounts reports we get are lots of prose with a few numbers scattered in the middle and the odd graph. I would see a Budget Committee being very much—a bit like the Appropriations Committee—driven by the numbers. I think it is somebody's job in Parliament, as opposed to in the Treasury, to find out how well Governments are spending the money that they have been allotted by Parliament and how well the individual Departments are spending their budgets.

To be fair to the Government, they have made considerable strides in putting data out there through COINS, OSCAR and all the various other versions, but it is put out in a way that I don't think Members find particularly accessible. One of the documents put before parliamentary scrutiny is the annual budget of each individual department. This is sufficiently an uphill struggle for most Members that even the Public Accounts Committee is only halfway through a training session on how to crack the documents that are put out there. I think having a Committee dedicated to getting to the bottom, experienced in doing that and composed of Members who actually like doing that would be a genuine service to Parliament.

Q114 Nic Dakin: When you and Sir Edward were doing this piece of work that you were asked to do by the Chancellor, did you get any feedback at any time that there was a positive sense of what you were coming up with?

John Pugh: I think speaking to Treasury officials—and we had full access to many of them—the ones who were involved with us were very enthusiastic on the project and quite disappointed that the outcome was so limited. They essentially accepted the case that we made, that there was a gap to be filled here and it was not going to be filled. In other words, I think up to the point we got to the Liaison

Committee there was a fair wind from the Treasury and the Chancellor and we felt we were not going to do anything earthshattering but we were going to produce a result. When we got to the Liaison Committee and they looked at it, we came across political obstacles, if I can put it like that. I think you have very hard working Chairs of the Treasury Committee and the Public Accounts Committee traditionally, very dedicated to their task. I don't think they can bite off as much as they currently do and do this job as well without significantly alienating the members. If you look at what is happening on the Treasury Select Committee and on the Public Accounts Committee at the moment you will find the members are groaning under the work they are already doing, and this big vacuum in the middle exists to be done.

Q115 Nic Dakin: You appear to be saying that the work that you and Sir Edward did was being welcomed by the commissioner of that work, the Treasury and the Chancellor.

John Pugh: Yes. We had no reason to think otherwise.

Nic Dakin: It was when it came to the concerns of other Select Committee areas of influence that it ran aground.

John Pugh: That was unquestionably the case. We had discussions with the then Chair of the Liaison Committee about how we could negotiate our way through these political rapids and we could not find a clear way of doing so. I think that is more an accident of personnel and so on. Frankly, with less assiduous Chairmen I think the Treasury Committee in particular would be happy to forsake any role and hand it to a new Budget Committee, but of course a new Budget Committee would itself have powers and be an alternative voice within the hierarchy of Westminster.

Q116 Patricia Gibson: I would like to touch on something that has already been mentioned. My colleague Patrick mentioned that in the estimates day debate yesterday we were given quite a bit of latitude by the Speaker when we spent some time lamenting the fact that estimates days were not really about estimates and wasn't this a terrible shame. In fact, surprisingly the Deputy Speaker said to me that there was no need for me to crave her indulgence because it was perfectly in order on estimates day to discuss estimates and I think that caused quite a sharp intake of breath around the Chamber.

Do you think that perhaps because of the EVEL agenda and your work over the years and this Committee there might be a softening on this in terms of what you can raise in the Chamber on estimates day debates? Do you think the way has been cleared for progress in this area or am I being wildly and naively optimistic?

John Pugh: I think you can be optimistic without being naively or wildly optimistic. The fact that you are looking at it now means that the problem has not really gone away, as defined back in 2010, the inadequate financial scrutiny by Parliament of Government expenditure. It clearly still is disempowering for Members. Whatever walk of life you are in, following the money is quite a good thing to do if you want to find out why decisions are made and why things have changed and so on. It is good that there is latitude in the Chamber and it may be a recognition of the fact that people can now see the problem a little bit better, but I think there is some way to go before we have an adequate mechanism to do anything like the task that we ought to be doing here.

Patrick Grady: I was going to say for the record that the Labour spokesperson in the debate on the Energy Select Committee reports yesterday strayed into a bit of detail about specific budget lines of the Department of Energy and Climate Change and again was not called to order. But what was noticeable, sitting in the Chamber, was that the Secretary of State and the officials in the box seemed utterly unprepared for the fact that people might come and start asking questions about lines. The same thing happened when we did the supplementary estimates. We started asking about individual lines in the budget and they had no answers.

Q117 Chair: It is very important to keep people on their toes, which is why Ministers are here, isn't it, to respond to the concerns of Parliament?

John, the issue I think this Committee has is that we could come up with a very dramatic set of proposals, wide ranging and far reaching, knowing full well they would never get anywhere, to be honest, that the Government would deploy the dark forces of obstinacy to bury them under tons of earth and rubble. Do you think it would be sensible of this Committee to come up with a first stage set of suggestions on the format and timing of the publication of estimates and on the official handling of the three estimates days that are currently apportioned by the Liaison Committee for the debate in the main of Select Committee reports, so they are actually used, through a process of bidding, perhaps overseen by the Backbench Business Committee, for the purpose on the tin?

John Pugh: In our own recommendations—and presumably the Committee has a copy of our recommendations—we made a series of stage recommendations, some of them modest, some of them more portentous, and we knew that getting some of them through was some sort of a win. But I want to emphasise that it is not the Government and their dark arts that would seek to kill a more dramatic proposal. It is the institutional pressures that exist within the Committee structures of the House of Commons. The suggestion we made of a Budget

Committee does have some resource implications for the Government. They would have to back it up with staff who have the skills to provide the adequate tools for scrutiny. But I think I am faithfully recalling our final conversation with the Chancellor about this. He was receptive, appreciative, aware that this was a job that needed to be done, but I think was not personally going to go into battle to disturb the other Committee fiefdoms in this place or to reorganise them, and in a sense it was not his job.

Whatever recommendations you come out with, I can see few of them being resisted by the Treasury, who I think would welcome some more sophisticated engagement with the finances of the country. I think you are going to find more difficulty, as we found more difficulty, in dealing with Committees who believe that they can do far more than they can ever possibly do.

Q118 Chair: Could you suggest some Committees that did have difficulty with your suggestions? Treasury?

John Pugh: Our main obstacle was with the Treasury Select Committee, I think. Both of us had been on the Public Accounts Committee and we knew the limitations of that. I have to say that the Public Accounts Committee has in part responded to what we have done by trying to do more contemporary and more thematic type of examinations but, frankly, given the timetable that is currently set—and I speak as a current member of the Public Accounts Committee—it can't do any more than it currently does without reducing the quorum of the meetings to below the level. I am sure if you met as frequently as the Public Accounts Committee does now, you might all struggle to get here.

Chair: John, thank you very much. That was very helpful.

John Pugh: Thank you for inviting me.