

Public Administration and Constitutional Affairs Committee

Oral evidence: Civil Service effectiveness, HC 497

Tuesday 5 December 2017

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Members present: Mr Bernard Jenkin (Chair); Paul Flynn; Mr Marcus Fysh; Mrs Cheryl Gillan; Kelvin Hopkins; Dr Rupa Huq; Mr David Jones; Sandy Martin.

Questions 208-294

Witnesses

I: Lord Maude, former Minister for the Cabinet Office, and Baroness Finn, former Government adviser on Civil Service reform

II: Rt Hon Sir Oliver Letwin MP, former Minister for Government Policy, Cabinet Office

Examination of witnesses

Lord Maude and Baroness Finn.

Q208 **Chair:** Welcome to our two witnesses for this session about the effectiveness of the Civil Service. We have done a number of inquiries into the Civil Service—this and our previous Committee—over the years. This is different in three respects. First, we are conducting this inquiry with more co-operation and understanding between the Committee, the Civil Service and Ministers than I think we have had before. That is not to imply any criticism of previous regimes at all.

Secondly, we are conducting this inquiry very substantially about the relationship between Ministers and officials. That has always been a very sensitive subject. It was banned from consideration by the Fulton Committee but, again, the Civil Service and Ministers are co-operating with that.

Thirdly, we are working with a university department, the Henley Business School, who are conducting interviews with a great many officials and Ministers, with the consent of the Civil Service and Minister—in the manner that, Lord Maude, you engaged Catherine Baxendale—to find out what is going on, and they will produce an anonymised note in



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due course as part of our evidence base.

Could I ask you to identify yourselves for the record?

Lord Maude: Okay. I am Francis Maude. I was Minister for the Cabinet Office between 2010 and 2015.

Baroness Finn: I am Simone Finn, I was Special Adviser to the Cabinet Office between 2010 and 2015 and then in the Department of BIS until 2016.

Q209 **Chair:** Thank you very much for being with us. To start off, what challenges do you think Ministers face when they first enter Government or a challenging post within Government?

Lord Maude: That totally depends. Is it an experienced Minister? Have they been a Minister before? Are they coming in at the beginning of a Government when they have shadowed the portfolio in opposition? Are they being promoted within a Department or to a new Department? It hugely varies. The challenges are incredibly different. As a new Minister coming in as Minister in charge of a Department, it will be very unfamiliar. You will have some support from special advisers, who may have worked with you before but may not. The induction you get from the Department will be very varied in quality and in what it seeks to do. During the 2010 Parliament, I used to conduct an induction session for all new Ministers, which I think had not happened before. We took half a day—it was fairly compressed, but it was hugely appreciated by incoming Ministers. We did that with the Civil Service and supported by the IFG.

Q210 **Chair:** What coaching do you think Ministers receive when they are first appointed?

Lord Maude: Almost none. It is a little bit more than it was when I was first a Minister, longer ago than I care to think about—30 years ago—but almost none. It is very important who you get the coaching from, because the coaching you will get from an experienced Minister will be a bit different from the coaching you might get from a senior civil servant, who will have a particular view about what the constraints are within which a Minister should operate.

Q211 **Chair:** What about coaching, both for Permanent Secretaries and for Ministers, in the relationship that they need to form in order to create an effective relationship?

Lord Maude: One of the things we did before the 2010 election was that we organised for members of the shadow Cabinet to be mentored by experienced former Ministers. I hope that was useful. I suspect it was of variable use. On the coaching of Permanent Secretaries in how to manage the relationship, I don't know what is done. I do know what was written down in 2009 by some consultants who basically were taking what they wrote from the then leadership of the Civil Service, which was identifying the characteristics that would make someone suitable to be a Permanent Secretary. It effectively included such things as a willingness



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to ignore what the Minister wanted and to sacrifice the Minister's priorities in favour of the longer-term interests of the Department.

Q212 **Chair:** What role should the Civil Service play in trying to make sure that positive relationships are formed between Permanent Secretaries and Ministers?

Lord Maude: Good relations are very important. It is much better to have good relationships than not, but in the end the duty of civil servants, as set out in the Civil Service code, is to give fearless, candid, truthful advice to Ministers and then to ensure that what Ministers have decided is implemented. There is a lot of talk about the need to get buy-in, and getting buy-in is much better than not having buy-in, but in the end civil servants have to do what they are told to do. The clue is in the name.

Q213 **Chair:** I am asking about something different, really. What coaching do Permanent Secretaries get?

Lord Maude: I don't know. You would have to ask them.

Q214 **Chair:** Baroness Finn, what do you think the role of a special adviser should be as a Minister moves into a new post?

Baroness Finn: As the role of special advisers is always clouded in a bit of mystique or opprobrium at times, what I would like to say about it is that that role is essentially a civil servant whose political impartiality has been waived. The special advisers are there as temporary civil servants, and they are appointed and accountable to their Minister. That is where the difference lies. Essentially, when they come into a Department, they need to do what a very good private officer would do, and a very good Principal Private Secretary in particular. They basically serve the Minister on what the Minister's priorities are. I would say it is very important that the Minister empowers their special adviser at the start and that they are not sidelined.

At the start of being a special adviser, I was literally put into a cupboard and the Principal Private Secretary decided what I was allowed to see and what I was not allowed to see, and what meetings I was allowed to go to and what meetings I was not allowed to go to. We worked very hard at getting a superlative private office and basically had, in Daniel Gieve—if I am allowed to mention names—an excellent Principal Private Secretary who got a great functioning office going and who had excellent relations with the officials in the Department. We would not have achieved anything like what we achieved without that.

The difference was that the special adviser sat in the private office. There was a fully constructive relationship between the special advisers, and we absolutely saw all the advice that was going to the Minister. We commented on it in the way that a Private Secretary would comment on the advice. We would not change it, and we would know which meetings to go to and what we needed to attend.



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There is one observation I would really like to make. I cannot tell you how many times I was told that the job of a special adviser was to provide a little bit of political magic, gloss, sparkle to the beautifully crafted submissions, excellently written and telling us that everything was on track and going on. I spent most of my time—as did most of my colleagues—on simply asking about implementation: what is going on? We were putting measures in place for the Minister to ensure that his priorities were actually happening and being implemented, interrogating submissions and the evidence in them.

Lord Maude: The point that Simone makes about special advisers sitting in the private office is incredibly important. The most effective officers work in an extremely unified way. We are exceptional in this country. I was recently talking to a former Australian Minister who said he was quite shocked by how underpowered British Ministers' offices are and how little support they have of people they have appointed themselves, who have a loyalty only to themselves. This is way different from the comparable Westminster-type systems—Australia, New Zealand, Canada—all of which have much more highly powered ministerial offices.

We have sought to create, through the creation of extended ministerial offices—but also various Ministers achieved this through bringing in specialist policy advisers—a much more robust and holistic ministerial office. We are still way underpowered compared with the comparable—

Q215 **Chair:** We will come back to MOs later and move more to the broader role of the special adviser, but on this question of transitioning in, the evidence we are receiving is that the special advisers are very highly valued by civil servants when they are playing a role to bridge-build and increase understanding between Ministers and their officials. Baroness Finn, what was your experience of that when you first started in the Department?

Baroness Finn: It improved in the course of being there. You are told at the start that you are absolutely not allowed to have any involvement with personnel. You are not allowed any involvement with any sort of project management. There is a long list of what you are not allowed to do.

Q216 **Chair:** It sounds as though you are greeted with quite a lot of suspicion.

Baroness Finn: You are greeted with quite a lot of suspicion. The point is that, as you develop your working relationships—and as I say, the achievements under Francis were pretty considerable—that cannot be achieved without very gifted and committed civil servants with whom you need to have good relations. The point is that a special adviser, especially if they have worked for the Minister before, will absolutely know how that Minister wants to work, what the priorities will be, and will be able to give a clear direction and say, if you submit a paper with 100 pages and it is jargon-ridden, "He is not going to read it".



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Q217 **Chair:** Your message seems to be that you have a lot of very good advice to give the civil servants about how to handle the Minister.

Baroness Finn: It is a two-way process, because you rely on the Private Secretaries to give you advice on how to handle various bits in the Department, but when it is a constructive relationship it is a very good relationship. That depends on officials who very much want to do what the Minister is asking for. It is in the conflict when maybe some of the officials are not as keen on it as others that the difficulties can come.

Q218 **Chair:** How do you think you learned best to build up trust and understanding between your Minister and the officials in your Department?

Baroness Finn: By absolutely realising that these two should be completely aligned—that their job is to best serve the Minister and your job is to best serve the Minister, and that they use your experience and your knowledge to get that through. You ask for their advice as well, particularly when it goes between Departments. In the Cabinet Office we had a lot of interdepartmental building.

The special advisers are absolutely key in unblocking write-rounds at the last minute and, basically, being able to smooth over a lot of things that officials in another Department are possibly telling the officials in our Department but that, when you ring up the special adviser, you discover are not coming from the political level at all. They are actually only at official level. When it works well the special adviser network is very powerful for that. Obviously officials in your Department rely on you to do it, and that builds up good relations as well.

Lord Maude: It is a well known phenomenon that Bob Kerslake referred to in his valedictory remarks at the IFG. He mentioned his experience of being told that a Minister in a Department would not have a particular policy or agreement, only to find that it was the civil servants. A lot of what we were doing in the Cabinet Office was cross-Government. It was dealing with cross-Government activity and we were so often told, “My Minister won’t have that” and the role of the special advisers in checking them out—me calling Ministers, finding out that they did not know anything about it and certainly did not care about it—was absolutely essential.

The other point to make is that all of my special advisers were very good networkers. That ability to network in the Department, particularly with the younger officials who got what we were about and were enthusiastic and keen for change and reform, was essential.

Q219 **Mrs Cheryl Gillan:** That is interesting, because basically what you are saying is that the biggest challenge coming in as a Minister is having effective communications across Government and interdepartmentally, and between civil servants and the Ministers themselves, so it is a communications problem and the special adviser is part of the fix as well.



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Lord Maude: That places a huge burden on them. You know if you are a Cabinet Minister you get two special advisers—now in some cases it is three. Compared with comparable Ministers in similar jurisdictions, this is way underpowered. The amount they have to do is huge.

Q220 **Mrs Cheryl Gillan:** Some Cabinet Ministers were lucky, I only got one. In your opinion, what have successive Governments found so difficult in reforming the Civil Service? It clearly has been difficult.

Lord Maude: The Civil Service is a big, complex organisation. It is a bureaucracy. I don't use that word in the pejorative sense. It is literally a bureaucracy, and it needs to be. There are bureaucratic things that have to be done in Government and it is there to do it. It is very protective of itself, and there is an institutional suspicion of changes to the Civil Service that are being promoted by Ministers who are, by definition, politicians. They are very quick to cry politicisation—"noli me tangere: don't touch us, because you are going to politicise us". That was never remotely what we wanted to do.

I will give you an example. In 2004, Tony Blair made a speech about Civil Service reform. We only found this speech two years into being in government, and way after we started our programme of Civil Service reform. In it he announced, as a decision, that in future all senior civil servants would be appointed for a four-year fixed term. Literally nothing happened. We started to address this issue of fixed-term appointments for Permanent Secretaries only, which had been the case in Canada, New Zealand and Australia for donkey's years—for decades in some of those cases. Then we discovered that Tony Blair thought he had already done this, and it just did not happen. What happened was that a line got inserted into the appointment letters for senior civil servants—I am caricaturing this monstrously—which said something like, "After three and a half years we might have a bit of chat about how it is going". But there was no possible sense in which what was introduced was a four-year fixed term, at the end of which the presumption would be that they would move on.

Q221 **Mrs Cheryl Gillan:** It is quite clear that the blockages come right from the top down, so it is a culture.

Lord Maude: In that case clearly from the top, because it would have been the responsibility of, I guess, first Andrew Turnbull then Gus O'Donnell to implement that, and it just did not happen. I am sure the thought would have been, "Tony Blair is not going to be around for long. He has said he is not going to do another full term, so let's let it run and see if anyone notices", which nobody did.

Baroness Finn: If I could pick up on one point that Francis made about politicisation, it is a word that is used to put people off, and there is always the suspicion that, "Oh, the official is politically biased" or whatever. The officials are far less politically biased than any special adviser is told in advance or has probably been told. When there is a very



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big defensive resistance it is about protecting the system. It is about politics with a small “p” and protecting their own rather than resisting specific policies. The interesting thing is that, when officials realise that you are doing something for the public good—that it is not a party political matter but you are trying to improve public services and there is a genuine mission to do the right thing—you will find a lot of them do come on side.

Lord Maude: Yes. Particularly among younger civil servants there was a lot of enthusiasm. The most frustrated by the inertia in the Civil Service were the younger civil servants themselves.

Q222 **Mrs Cheryl Gillan:** If you were going to attempt Civil Service reform all over again, how would you do it this time?

Lord Maude: Start it sooner; do it more robustly. One of the answers to the original question is: this is never a high priority for Prime Ministers. We had very strong support from David Cameron for what we were doing, but it is never a day by day priority for them. Of course, if you are the Minister trying to drive reform and the resistance is coming from the Cabinet Secretary, the head of the Civil Service, that person is going in to see the Prime Minister twice a day. I was told I used to see the Prime Minister more than many senior Ministers, but it certainly was not every day.

Q223 **Mrs Cheryl Gillan:** We see a lot of corporate restructuring going on. Are there lessons that can be learned from the private sector about restructuring? When we are doing Civil Service reform, we never seem to even look over our shoulders and see how other organisations do it.

Lord Maude: It is a good question. The truth is, driving change in any big, complicated organisation is really hard, and you will only do it if people are receiving completely unmixed messages about it. I sought all the time to have communications from me and the leadership of the Civil Service that are completely aligned, and indeed very often we achieve that. But people who are responsible two or three levels down for making changes right across the Government need to hear a totally unmixed message about the need for change.

Some of what we were doing was about making the management and implementation of cross-Government activities much more effective and efficient, and we achieved a great deal in doing that. We saved over £50 billion cumulatively, mostly from the running costs of Government, in the space of five years. The only way to do that was to encroach on the much prized autonomy of departmental Permanent Secretaries, and they would frequently be praying in aid their Ministers as the reason for not doing it. Generally Ministers did not care about it. They wanted to be able to focus on the things that were genuinely unique to their own Department.

Q224 **Kelvin Hopkins:** What was the ultimate aim of your Civil Service reform proposals, and how did your priorities for reform change during your time



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in office?

Lord Maude: We did not really get into Civil Service reform for a couple of years, at least in terms of our formal Civil Service reform plan. We had to take urgent action as a coalition Government to address the fiscal deficit. We had a budget deficit of some 11% of GDP. Cutting the overhead costs of Government was an important contribution to protecting frontline services, reducing the need for tax rises and reducing the need to cut welfare payments. There are only four ways you can address a budget deficit, and cutting the overhead costs of Government is—in political terms, but also in terms of the interests of the country—absolutely the one to give priority to.

We started with reforming the Civil Service Compensation Scheme, which the previous Labour Government had tried to do but had been defeated in their laudable attempts to do that. That enabled a downsizing process to begin because the previous Civil Service Compensation Scheme was ruinously expensive, with some people entitled to nearly seven times their annual salary if they were made redundant, so, surprise surprise, it never happened.

That was the first thing. Downsizing was an early priority. I started as an enthusiast for this system of running the Civil Service. When we were in opposition, I used to be criticised by some of my colleagues for my enthusiasm for the existing system, but by two years in we had become quite sharply disillusioned with the way the Civil Service was working as an organisation. That is when we developed a much more comprehensive Civil Service reform plan, which is what we published with one-year-on, two-year-on and I think three-year-on reports. The three-year-on report never happened, but that was the aim.

Baroness Finn: Also, at the beginning Francis put in place spending controls over Departments. That was quite informative for the Civil Service reform plan when we came to develop it, because it gave a great deal of visibility and stopped the Departments from spending money that they did not want to spend. But goodness, they did not like that very much.

Q225 **Kelvin Hopkins:** I attended your lecture at the Speaker's House, and I must say I enjoyed it. There were areas where we would disagree about public expenditure and so on, but it struck me that from your early time, when you were really caught up with the Government's view that the role of the state had to be reduced and there was much more contracting out and privatisation, you moved on from that. That seems to have been less to the fore, and in the latter part of your speech you were talking about making the Civil Service more effective through things like making the fast stream programme look and feel more like a typical two-year graduate training programme; introducing more emphasis on hard-edged skills, such as for a graduate who wanted to learn how to use spreadsheets; and then contrasting our Civil Service with Singapore where they have courses in letter drafting, speed reading and touch



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typing. Those are all basic skills that the Civil Service leadership seems to resist, which seem to be eminently sensible and would make the Civil Service much more effective. Did you sense that there was a change of emphasis over that time?

Lord Maude: Yes. I think that is fair. A number of other Ministers and I did become quite disillusioned with the quality of some of the Civil Service. It is very easy to sound like you are generalising. We had some absolutely brilliant civil servants—some of the best people I have known—working with us and for us, doing amazing stuff. On the lower-level, basic skills, touch typing for anyone in any office environment is a basic skill these days. Nobody dictates stuff to secretaries any more. You do your own drafting, and touch typing is just a basic thing. The Civil Service College Singapore do speed reading and letter drafting. This isn't done nearly as seriously as it should be, because training for the fast stream was absolutely made secondary to doing the job.

In any consultancy, law firm, accountancy firm or anything like that, people do valuable work during their training period but the training is the priority. I was astonished that when I said, "We need to make this feel like a proper graduate training scheme", literally, four Permanent Secretaries showed up in my office to tell me that it was completely impossible.

The second thing that I found odd and never really understood was when I developed this proposal that the 10 Permanent Secretaries, who had a 10-year horizon ahead of them, should go through top leadership courses at one of the top business schools in the world. These are three-month courses. I have seen people go through them in the private sector and come out bigger people, more confident, better networked, with a lot more points of reference to what they do. It is a hugely valuable thing.

First of all, I was told it was too expensive. It cost \$70,000. I said, "These are people who are already running annual budgets, in some cases, of tens of billions of pounds. If the *Daily Mail* wants to make a fuss about it—which was what I was being told—bring it on. That is an argument I will be really happy to have.

We decided this 18 months before the 2015 election, and I kept being told, "Yes, yes, it's happening. It's happening. It's happening". By the time of the election, instead of 10 Permanent Secretaries having three months at a Harvard, a Stanford, an INSEAD or whatever, one—my own Permanent Secretary—had had one week at IMD in Lausanne. He said, "It was fine, but it wasn't what you had in mind". I just thought, "Why does nobody see how useful this is and how unfair it is to put Permanent Secretaries into these roles, where they have incredibly demanding implementation requirements placed on them and they are woefully inadequately prepared for the scale and magnitude of the tasks that they are given?" I was shocked by it.

Chair: I am anxious for you to be able to say what you want to say but,



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if we can keep the answers a little shorter and crisper, then we will get through our questions.

Lord Maude: I have a lot to get off my chest.

Q226 **Kelvin Hopkins:** A final question, if I may. My concern—and I am sure many others are concerned about it—is the potential loss of corporate memory in Government, the lack of effective note taking and record keeping. It is absolutely fundamental to government, and in the past it would have taken place. We have better note taking and record keeping of every word we say in a Select Committee, which is far less important than central Government. But we have heard that record keeping and corporate memory is being damaged.

Lord Maude: I talked about bureaucracy. Bureaucracies need to be able to do these things, and they need to be able to keep a filing system. We found in one particular case—something really quite important—that a load of historic files had just been bunged into a room. It was shocking.

Baroness Finn: Since 1953.

Q227 **Mr David Jones:** You reminded us a few minutes ago that the duty of a civil servant is to give fearless, candid, truthful advice to the Minister. You have previously noted also that, in your experience, civil servants had privately resisted Government policy rather than openly challenging Ministers. How widespread was that phenomenon?

Lord Maude: You never really know. I had clear examples of that. One I referred to in my lecture was where a bunch of commercial directors from around Whitehall were in my room and it became clear that a decision made by a Cabinet Committee, some nine months before, had simply not been implemented in their Departments, so I said, "Why?" They said, "Well, we did not think it was a very strong mandate". This is a Cabinet Committee, co-chaired by two Cabinet Ministers, myself and the Chief Secretary. There were no coalition issues, and it was a completely clear decision. They just had not done it because they did not want to. Did anyone get fired? Was it a blot on anybody as a result? I mean—shocking.

Q228 **Mr David Jones:** What was your reaction to that? Did you take any further action?

Lord Maude: At the end of it, there is nothing a Minister can do, because Ministers have no hire or fire powers. Ministers cannot institute disciplinary procedures, and all of these commercial directors who disobeyed a decision, taken perfectly sensibly by a Cabinet Committee, would have felt that they had air cover from their Permanent Secretary. It was the Permanent Secretary who controlled their careers, not the Ministers.

One of the things that I recommended in my lecture is that you should have a much stronger model of functional leadership, so that these cross-



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Government activities—like procurement and commercial—are driven by a very senior leader at the centre of Government, who has much more influence over these people's careers and does that performance management. In a big, complex, private sector company, a BP or a whatever, the commercial director in a particular part of the empire will have a solid reporting line to the commercial director at the centre of BP, while his or her day to day relationship will be with the local managing director, but their career path will depend on the person at the centre. That is the antithesis of what we have in the Civil Service, which is why people feel they have permission just to ignore a decision made by a Cabinet Committee.

Q229 **Mr David Jones:** That recommendation of yours was not implemented, so far as you know?

Lord Maude: Once we found out this was going on we made sure that it was implemented to an extent. Whenever you introduce any centrally driven initiative in Government, you find that there is a real interest in all of the departmental baronies to make sure it fails. You face that all the time.

Baroness Finn: It is not just the departmental baronies. This goes back to my point about staying on the case and about implementation. When you think something is being done, unless you are having regular catch-ups and asking, "What is the status? Can we have the next stage, please?", which was a large part of what my colleague and I used to do with the private office, you often find that you can leave something for six months and say, "What happened with the data collection on this?" and the reply is, "Oh, nothing has really happened on that", because you were not chasing it up.

Q230 **Mr David Jones:** We have had evidence about the loyalty that senior civil servants show to their Secretaries of State. Is this something that you have experienced or have personal knowledge of?

Lord Maude: There were lots of civil servants—I don't know whether it was personal—who had a very strong loyalty to what we were doing, who understood what we were doing and were enthusiastic about it and would go the extra mile. That is where buy-in and good will is incredibly valuable because, to be blunt about it, a lot of what we were doing was pretty countercultural in Whitehall and there was quite a lot of active resistance and certainly a lot of passive inertia resisting it.

There were amazing civil servants who were incredibly dedicated and, in some cases, damaged their career. This is what is shocking: civil servants damaged their careers by robustly insisting that what Ministers were deciding should happen. That is a terrible dilemma for any young civil servant to be placed in.

Q231 **Mr David Jones:** Personal loyalty to a Minister can be counterproductive in terms of career progress?



Lord Maude: Yes, if what the Minister is trying to do is something that is, as I say, countercultural and to which the system is resistant.

Q232 **Mr David Jones:** Do you think that your officials found difficulty challenging you on policy?

Lord Maude: You would have to ask them. I always made it absolutely clear what I wanted. It is all very well for people to speak truth unto power but you do then need to do it. No sane Minister wants to embark on a policy without having had well informed advice, but it does need to be well informed and it does need to be well evidenced. I think Oliver Letwin has talked about how disappointed he became that quite often he would see work submitted by civil servants that was simply not based on fact. Too much of the advice being given was based on assumption and assertion, not on evidence.

The right model is where civil servants feel completely uninhibited about saying, "Minister, can I try to change your mind?" The answer to that is, "Yes, obviously, you can. I want to hear the arguments. If there is something I have not thought of, something that is not on our radar screen, for heaven's sake tell us. Make the case". No sane, intelligent Minister resists that. The thing that I found intolerable was when what I had decided to do wasn't challenged by civil servants but then they did not do it. That is what they call soft compliance—"We'll go along with it but we will just sideline it"—and that is intolerable.

Q233 **Mr David Jones:** I suppose it could be the case that certain Ministers are less disposed to challenge than others.

Lord Maude: In that case, the correct route is for that to be raised through the head of the civil service with the Prime Minister. It is part of the ministerial code that you are obliged to listen. You are obviously not obliged to take the advice, but you are absolutely obliged to listen to the advice. The other part of this, which I would draw attention to—I did not mention it in my lecture because I ran out of space and time—is that there is a safety valve on important things, which, to be technical, is the right of an accounting officer to ask for a written direction.

What is sad for me is that that has become a kind of nuclear relationship or become seen as that, and it only gets used towards the end of a Government. I would like that to be much more routine. A confident Minister, who is confident that what he or she is doing is right, should be perfectly willing to defend it publicly when the accounting officer says, "I am sorry, I don't think this represents good value for money" or "There are risks in this". Ministers should be willing to take that on the chin and defend what they are doing. For me it is a great pity. One of the things I would want to see is that to become much more common, particularly early in a Parliament, and for it not to be a kind of nuclear option.

Q234 **Mr David Jones:** Why is it a matter of option? Any Minister should, as you say, be prepared to answer for his or her own decision?



Lord Maude: This is something I would blame Ministers and Prime Ministers for, because it is seen to be an act of disloyalty by the Permanent Secretary or whatever. As a Committee, if you can find a way to make this a much more routine part of the system, it is an essential safety valve to deal with exactly the situation that you are talking about.

Q235 **Mr David Jones:** Do you think that there is any danger that an attempt to explain to a Minister the complexity of a particular policy decision might be misinterpreted as resistance to executing that policy?

Lord Maude: What you are describing would be done by a senior civil servant. We should be putting in place senior civil servants who are strong enough characters and robust and resilient enough to do that. This is not the place for snowflakes. These are people who need to be intellectually robust and to feel that they have backing from the Civil Service hierarchy in speaking truth unto power. A lot of it will be about: is there a high level of trust by Ministers in those civil servants? Do they trust the judgment of that civil servant? If they don't, then that is not going to be persuasive. The key point is that there is no obligation on the Minister to take the advice, but there is an obligation to hear it.

Baroness Finn: Could I make the point that there are different ways that advice can be presented? There is obviously well-evidenced advice saying, "Minister, this is what you want to do. These are some of the obstacles you are going to face and these are potential ways of overcoming them". That is the proactive, "Can do. This is how to do it". All too often the advice would come up saying, "It is absolutely impossible", and you could list the reasons. By the time they got to judicial review and legal reasons, you knew that, "Okay, we are really long-grassing it now".

It is the difference in how it is presented. If you have legal advice in a company, it is explaining how you can do something, what you will need to do to do it and what the barriers are, not just, "You can't do this, so sorry". I think there is a big difference between the two, and there is too much of the latter and there should be more of the former.

Lord Maude: Part of the trust issue is that if the civil servant who is telling you that it is too difficult or too complicated and will not work is someone who has told you something in the past that turns out not to be true—either because it is deliberately not true or because they have not checked whether it is true or not—then you are that much less likely to be persuaded by it.

The specific thing that you are talking about is where an official is saying, "It is too complicated". Part of the problem and a lot of the reason why mistakes get made is because the people who are charged with implementation are too remote from the Minister. I make the point in my lecture that we still have this class divide. There are the white collar mandarin, policy-making civil servants, and the blue collar people—the overwhelming majority of the Civil Service—who are charged with making



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things happen, either operational activity or commercial, financial, technical, digital, IT or whatever. They are kept away far too much, because the civil servants who surround the Minister are all from the policy stream.

With universal credit, the policy was being done in Tothill Street, implementation was in Sheffield, and the IT was being done in Warrington. The only time that we really got a grip on implementation was when we had a digital team working in Victoria Street, close to the Minister, where they could expose implementation issues directly with the then Secretary of State. So the thing got iterated in a sensible way instead of the policy decisions being borne carefully away on a velvet cushion to the oily rags who are charged with implementation, who say, "We just have to do this. It may be daft and over-complicated, but that is what we are obliged to do".

Q236 Sandy Martin: Very briefly, Lord Maude, do you think it would be helpful if Ministers sometimes understood exactly what the implementation requirements were beforehand?

Lord Maude: Yes, totally. That is the point. One of the benefits of what I have described as the model of strong functional leadership is that the more technical people—the commercial, digital, IT, financial people—who are at the moment kept far too far from the decision-making process have a strong reporting line into the centre. When you have a Cabinet Committee deciding whether a particular project or programme should go ahead, you have Ministers at the centre—Treasury Ministers, No. 10, Cabinet Office—who will be getting robust advice from the functional leaders about the implementation implications of it.

One of the things we set up was the Major Projects Authority. When we started I think only a third of Government's major projects, with a lifetime value at cost of £400 billion, were being completed more or less on time and on budget; two thirds were failing. Having experts at the centre of Government who were providing uniform or consistent oversight and assurance over those projects, and supported them, roughly halved that failure rate. If you have that kind of advice coming in to the centre of Government you are much more likely—it is never going to be perfect—to be able to spot the problems we are storing up for the future.

Chair: This is all fantastic evidence, but we have to move much faster. It is absolutely fascinating but please can we keep it shorter. I am going to start pulling you up.

Q237 Paul Flynn: Baroness Finn, what was the subject of the papers that were locked away since 1943?

Lord Maude: 1953.

Baroness Finn: 1953.

Paul Flynn: 1953. I was politically active in both those decades, but



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what was the subject of it?

Lord Maude: I don't think you can say.

Baroness Finn: There was a written ministerial statement; yes, I can say.

Q238 **Paul Flynn:** It was something clearly memorable to you. What was the subject?

Baroness Finn: What I can remember, which was properly in the public domain at the time, is that these were the so-called Cabinet Secretary papers. They had not been filed, and therefore a few of them had been missed in an inquiry that had gone on into child abuse and some files were discovered after the event. When we asked why—because the Home Secretary raised why—it was that they had not been properly filed. I understand that that was going to be undertaken.

Lord Maude: There was no register.

Baroness Finn: There was no register of the papers.

Q239 **Paul Flynn:** That is a matter of major public concern now. It is clearly something that is burned into your memory.

Baroness Finn: What I was worried about was that if we covered it up and didn't say, "This is the problem; we will grip it and we will start making sure they are properly kept and filed for future reference", there could have been other papers there that had been missed, and then everyone would be told, "You are trying to hide something". For something that could be corrected properly, I thought the better approach was to be honest about it and then put it right. That is what the Minister put out in his statement to that effect.

Q240 **Paul Flynn:** What was the nature of the secret that was being concealed?

Baroness Finn: I don't know that there was any secret.

Lord Maude: It was simply there were some files that it should have been possible to give to the inquiry that was then going on, and they had been missed.

Q241 **Paul Flynn:** Of course, the people involved in that are all dead now, presuming they were politicians at the time; are you suggesting there was a cover up in 1953 of sexual abuse?

Lord Maude: No, nothing going on in 1953, apart from me being born.

Paul Flynn: I am sure there was.

Lord Maude: But nothing relevant to that inquiry. It was simply that what we discovered was that there had been no systematic filing of these files since then.



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Q242 **Paul Flynn:** I had a powerful sense of déjà vu this morning, having listened to former Ministers, who are always much more useful to talk to than sitting Ministers, who often behave like automatons who give us the questions they think we should answer. Going back, at least a decade, there was an evidence session like this with Ken Clarke and David Blunkett talking about the rubber levers—they would pull on the levers and nothing would happen. They talked about the careers of civil servants being surmounted by the unimportance of being right; the bright, challenging civil servants' careers withering; and the compliant, brainless ones' careers prospering. But nothing changes. What can you do to change this?

Lord Maude: I am hoping that is what your inquiry is going to recommend.

Q243 **Paul Flynn:** I am filled with optimism at your enthusiasm and really struck by your demeanour at this Committee compared with when you were a Minister.

Going on to a practical thing, the Chair does not want me to labour this point, but it is a non-political matter in many ways and covers Governments of both parties. It is the question of ministerial directions by civil servants.

There has been criticism of people going back as far as Tony Benn when he wanted to give money to co-operatives, through to Vince Cable with Hatfield colliery, but the overarching example, which is part of the unfinished business of this Committee, is Kids Company. When the charity's requests to Ministers were looked at, they went well back into the Labour Government, to 2002, 2005, 2007, and then 2010, 2012 and 2015. These were all requests from Kids Company, accompanied by blackmailing threats that they would go out of business and embarrass the Government if they did not get the money. Each time Ministers acceded to those requests. The Public Accounts Committee looked at this and described officials as "naive and gullible" and refused to believe officials' claims that they had felt under no pressure from Ministers.

In that situation, where we had a strong political imperative because Ms Batmanghelidjh, who is regarded as a charismatic woman, was the poster girl of the Big Society. I hope nobody will be too embarrassed if I mention that—no one is allowed to talk about it now, but it was the vast, vacuous failure of David Cameron's Government. Because she was in that position, the Government could refuse her nothing. £3 million was given when there was a strong ministerial direction from the civil servants saying, "Look, we aren't going to take this. We are going to say publicly this is a waste of money". The money was authorised by two Ministers. The money was lost within four days. The company went broke. What is the judgment to be made on that now, when civil servants did their job? The civil servants who challenged the foolishness of the Ministers, were they promoted?



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Lord Maude: As a matter of fact they were. My recollection is that the official who required a written direction—this was after my time—was the Permanent Secretary in the Cabinet Office, who has now been promoted to be Permanent Secretary in the Ministry of Justice. That did not do his career any harm at all. It was absolutely the right thing to do.

Q244 **Paul Flynn:** What was the right thing to do for the Prime Minister at the time? There seemed to be a clear breach in the ministerial code.

Lord Maude: What was?

Paul Flynn: The behaviour of the two Ministers. They lost £3 million of public money. That is something which, if we are going to punish Ministers for anything, should be investigated. But that matter was never reported to the adviser on the ministerial code, or to anyone. There was no kind of disciplinary against the Ministers in any way. That is crude piece of political advantage of a Prime Minister acting against the public interest in order to defend his party and the Big Society.

Lord Maude: I don't agree. I think it was an example of the system working properly. Officials were saying this represented bad value for money and requiring a ministerial direction, which the Ministers were willing to give and justify. It seems to me that is how the system ought to work.

Paul Flynn: The result of ignoring the—

Lord Maude: That is something you will have to take up with them. That is not to do with the Civil Service. That is an interesting question, which the Public Accounts Committee will no doubt—

Paul Flynn: It is to do with the Government of which you were a member.

Chair: I think we will move on now, Mr Flynn.

Paul Flynn: You see, before this Committee meeting started, the Chair of this Committee, who has politicised this Committee, had asked me not to raise this or to labour it.

Chair: No, that is not correct. You are misleading the witness.

Paul Flynn: Well, you did. It is important for people to realise that this—

Chair: Mr Flynn, order. Mr Flynn, order. What I said to you, Mr Flynn, is that I know you want to ask this question, and I want you to have the opportunity to ask it. Would you like to correct the record, Mr Flynn?

Paul Flynn: You don't make an impression by shouting at people, Chair. You have politicised this Committee, you are under investigation—or one of the organisations that you supported prior to Brexit—

Chair: Rupa Huq, please.

Q245 **Dr Rupa Huq:** I want to move on to something entirely different, to workforce issues. In particular the coalition Government, I think, in their



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two Civil Service reform plans, set great store by reducing numbers and a smaller Civil Service. Having 50 less MPs sounds good on a doorstep. People don't like flabbiness. My question is: how well have successive Governments managed the balance between reducing the headcount and maintaining Civil Service capacity? We have had quotes from Sir Amyas Morse and Prospect saying that headcount is prioritised at the expense of a more strategic approach. What thoughts do both of you have on this?

Lord Maude: During the period of coalition Government we downsized the Civil Service by a bit over 20%, like for like, and there was some movement and re-categorisation. Part of that was about saving money; part of it was that there were too many people. An organisation that is overstaffed is less effective at getting stuff done. At the end of five years, with a workforce around 80% of what it had been at the outset, it was not doing any less, and certainly not doing things less well than it had been at the outset. What we showed during that five-year period was that you can do more for less, and we were doing more but for much less money.

Q246 Dr Rupa Huq: What about that public sector disease of stress? I have always been public sector; were there lots of people then suddenly becoming stressed because they were doing more and more and were stretched further?

Lord Maude: One of the good things Gus O'Donnell put in place was a Civil Service-wide people survey done every year. I would have to check. I am certainly not up to date with this, but we were expecting—particularly as the downsizing was front end-loaded, so required a lot early on—the results of the people survey in terms of happiness, wellbeing and so on to deteriorate sharply, and they didn't. People like challenge.

One of the things that we discovered when he came in was that there were vast amounts of money being spent on consultants. Ministers and senior civil servants were very trigger-happy in hiring consultants. There was a bit of a sense of, "As soon as there is anything difficult to do, you need to hire consultants to do it". That is very demoralising to civil servants. We cut the spend on consultants by literally two thirds, because our view was that good civil servants like being asked to do difficult things. They like learning new skills and they rise to the challenge, and they did.

One of the programmes we did that was very successful was the public service mutuals process, where groups of public sector workers spun themselves out into an employee-owned and led entity delivering the service from outside the public sector. Most of those chose to be a social enterprise, not for profit. When I talked to them—and I visited a lot of them—I always asked, "Would you go back and work for the NHS, or the council, or the Government?" I have never heard anyone say anything but no. They would all say, "We are working harder than we were, but we love it because we have more ability to get things done".



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People like doing things. They like to apply their energy and knowledge and intelligence to getting things done. An overmanned organisation is not good at that. It is the Civil Service phenomenon that I referred to in my lecture. No Civil Service that I have come across has an “up or out” culture. High-performing organisations do, militaries do, and it is the absence of an “up or out” culture that leads to the phenomenon where people are saying, as they frequently do in any Civil Service, “For every one person trying to get something done there are 10 trying to stop it”.

Q247 Mr David Jones: We have had evidence about the phenomenon of churn within the Civil Service—officials moving from role to role for various reasons, sometimes for more money. Was this a phenomenon that you noticed and, if so, how did you try to tackle that?

Lord Maude: I think we totally failed to tackle it. One of the things that was shocking was to find how often the senior responsible owners of major projects got moved. There was one really big defence project—I cannot now remember which one it was—that had had a change of senior responsible owner certainly more than once a year; I have it in my head that it was once every six months. That is irresponsible. If you have responsibility for a big project, you need to wait till there is a sensible break point.

One of the things that has changed in the Civil Service since I was in Government previously, in the 1980s and early 1990s, is that it was much more of a free market within the Civil Service: people were entitled to go and take jobs wherever they chose and there was nothing that the Civil Service management could do about it. One of the things we should have done—I kick myself for this—is insisted, for senior responsible owners of major projects, that their head be given a right of veto over the change and over the appointment of the new SRO.

One of the things we sought to do was to create a leadership cadre all the way through the Civil Service, from the graduate entry scheme—not impermeable but with people coming in and coming out—through to the people who become permanent secretaries. I don’t know whether this has persisted or not, but the deal would have been that you get into this cadre and then your career is managed. You do not have the ability to go off and take a job because you fancy it and there is more pay. Your career will be managed, as it would be in any big high-performing business, where you do not get to say, ‘I would like to go and be in Australia for a bit for BP’. You wait until your career management takes you there.

Q248 Mr David Jones: Is it not possible to impose contractual obligations? In other words, an official, “Enter this particular post for the duration of a particular project”? Is that not possible?

Lord Maude: It absolutely would be possible. I don’t see why that could not be possible. It does require, going back to an earlier point, a much stronger central authority in the HR function in Government than there is.



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I always remember before the 2010 election, when I asked the then head of HR for the Government, "How many HR professionals are there across Government?" I was told, "We don't really know, but we think it is somewhere between 3,000 and 6,000". That seemed to be quite a wide range for the head of the function across Government not to know.

Chair: We are running out of time, so if there is anything you particularly want to get off your chest, can you make it quick?

Lord Maude: How long have you got?

Chair: We have several more questions to ask and we would like to end by 12.15 pm or 12.20 pm.

Lord Maude: Sure, about how long?

Chair: Another 10 or 15 minutes, maximum. Let's aim for 10.

Lord Maude: Yes, okay.

Q249 **Sandy Martin:** Lord Maude, you introduced a number of measures to promote recruitment from outside of the Civil Service, particularly from high-level private sector management experience. What benefits did you hope that this would bring?

Lord Maude: A different outlook, different experience, different knowledge, and it was often good and effective but the system is not good at learning from people who come in. The Chairman mentioned the Baxendale report that we commissioned. We also commissioned a number of other reports on how the culture of the Civil Service works, but this one showed that a lot of people who have brought in external hires felt like members of a country club.

A classic quote was from one senior business leader who came in to Government, who said to one of his successors, "When you come into Whitehall you find that the mandarins operate behind a wall. You spend a lot of time looking for a door; eventually you find a door, but it only opens from the inside". Very graphic; a vivid way of making the general point that, for anyone who comes in from the outside, if they are going to make progress they have to conform to the rules of the club. There is no sense that the club might learn anything from those who come in from the outside, other than specific hired-hand skills that they have brought in.

Q250 **Sandy Martin:** Do you think there is anything that could be done that would make it easier for people coming in from outside to have an effect?

Lord Maude: The key thing—and again I set it out in the lecture—is that it is all part of this parity of esteem thing: the class divide, the blue collar/white collar divide. The way you have to address that is that you simply say, "In every Department there will be a duumvirate leadership, an operational leader and a policy leader". In the operations-heavy



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Departments the Permanent Secretary will always be the operational leader; in the policy-heavy Departments it will be the policy head.

Then you alternate the head of the Civil Service between the full-time chief executive of the Civil Service, who will often be someone who has come in from outside—certainly for the foreseeable future it should be—and the Cabinet Secretary, who is the head of the policy stream.

Baroness Finn: I would very briefly make the point that the whole culture of the Civil Service is quite innovation-averse. The quote that has always stuck with me is from Jonathan Powell, who was Tony Blair's chief of staff. He said, "The system is stacked against civil servants who might want to get things done. There is very little upside gain for an official who succeeds in resolving a problem and a huge downside risk for permitting something to go wrong". The point is that people who are brought in need to be addressing this culture, which in a high-performing organisation would be completely the other way around. You do need to look at the picture more broadly and look at the incentives for people who can achieve change and get better results, and are looking to get better results.

Q251 **Sandy Martin:** You don't think, either of you, that there is a problem with the way in which accountability works in the public sector, which is different from the way that it works in the private sector? You believe that the problem all lies with the Civil Service rather than with some of the expectations of people coming in from outside?

Lord Maude: I don't think this particular thing is an issue of accountability. A lot of things we were doing—driving change in how we did property, IT and digital, commercial and procurement, shared services, various things that are quite technical and operational and require a particular skill set—were headed by career civil servants, some were headed by people we brought in from outside, some by people who had come in previously from outside and then become career civil servants. We recruited people from outside to come and work for the public service at a fraction of their market value in the private sector. They did it because they had the prospect of driving serious historic change, and that is what you need to encourage them to come in. They then need to be robust enough to resist the tissue rejection that will often happen for people who do things that are countercultural.

Q252 **Chair:** Briefly, what about coaching for people who come in, so that they are mentored into their roles?

Baroness Finn: That was a recommendation.

Lord Maude: Yes. That was one of the recommendations in the Baxendale report, but it is essential.

Q253 **Mr Marcus Fysh:** Moving on from that and following on from what the Chair was mentioning, you have referred to training not being adequate for the fast stream and your attempt to get more of a graduate training



scheme in place, with more business school education. We have heard evidence from some witnesses that the loss of the National School of Government creates a bit of a gap there. Could you comment on your thoughts about the closure of the National School of Government and what we might do in the future?

Lord Maude: I don't have any regrets about closing the National School of Government. It had turned into not a very high-performing organisation. You need to provide learning and development—as it is now called, rather than training—for civil servants in lots of different ways. There are some specific bureaucratic skills that need to be done in a Civil Service context, but a lot of the other skills should not be delivered just for civil servants. It is about getting the senior leaders into the top leadership programmes in top business schools, where they are learning alongside big figures in their peer group in the private sector and other sectors, because they learn from each other. Anyone who goes through these courses will say they learn at least as much from each other as they do from the course.

A lot of what we want civil servants to get their learning and development from should be done in a mixed environment, not in a Civil Service-only environment, and the National School of Government was not good at doing that.

Q254 **Mr Marcus Fysh:** When we went to Canada and met with the civil service institutions there, they had a quite progressive approach to online learning mixed with events, trying to enthuse the civil service there with what the major change management tasks were for going back to the task-oriented functionality of the Civil Service. You did institute an online training course of a kind. Do you think that is an area that we could look at beefing up even more than it is now?

Lord Maude: Yes. I think there is a lot to do on this front. I have no doubt it was right to close down the National School of Government. I am not completely happy with what got set up in its place. Again, I suddenly found that a contract had been given to Capita to run Civil Service learning. At no stage was I asked whether I wanted it to be outsourced, and I would have had a view about that. I don't think it was brilliantly successful. This can be done in lots of different ways. The Civil Service College Singapore, which I referred to in my lecture, is absolutely brilliant, and this can be done in lots of different ways and places. Again, there is no single vehicle for delivering the training and development that is needed to all civil servants.

Q255 **Chair:** I feel a Committee visit to Singapore may be coming on, because it would be very interesting to learn about that.

Lord Maude: I wish you well. I draw your attention to the plaque I found on the wall in the Civil Service College there. It seemed to me to capture exactly the culture you want in a civil service. It said, "What we want is for all officers to see it as part of their job to question the assumptions and past ways of doing things and suggest ways to improve and



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innovate". They thought that mattered enough—not just that you have permission to innovate but that you have an obligation to innovate—to stick it on a plaque on the wall.

Chair: I think we will explore the Singapore experience.

Lord Maude: Yes. To give you another example of what they do, the Public Service Commissioner there, which is a part-time oversight, regulatory-type role with the Singapore civil service, has a scholarship scheme where they pick 80 bright school leavers and put them through some of the best universities in the world with an obligation that they then spend eight years in the civil service afterwards. The Public Service Commissioner personally interviews 300 of them to pick the top 80, which, for me, shows a level of seriousness about the human capital aspects that is far too often lacking in our Civil Service.

Q256 **Chair:** Absolutely fascinating, thank you for that new gem of an idea there. In three sentences, what do you think are the three top lessons you would draw from the experience so far with departmental boards?

Lord Maude: Stick with it, ensure that the people are senior, because there is a tendency for them, as time goes on, to be less senior. Have a very serious figure as the Government's lead non-executive. Lord Browne did a brilliant job. He recruited very senior people into departmental boards. Require Ministers to chair them. Ministers in charge of the Department should chair the board. That should be—and is—an obligation that we put in the ministerial code and insist that they take seriously.

Q257 **Chair:** What consideration have you given to the idea that neither the Permanent Secretary nor the Secretary of State should chair the board but that it should be a more recognisable governance arrangement; that you have an independent chair that can both mentor the Secretary of State and provide some independent oversight to the conduct of the Department?

Lord Maude: We thought about that. We looked at all these options. There is no textbook for this. There is no, "Have you read this? There is one way of doing it". My own view is that requiring the Secretary of State to chair it is a good obligation to put on the Secretary of State and means that he or she has to get under the skin of the operational activity in the Department. Realistically, Ministers in charge of a Department are not going to show up and sit through a meeting where they are just a member of the board.

Q258 **Mr David Jones:** Briefly, for Lady Finn, how did the rules affecting the conduct of special advisers affect you in the pursuit of your job?

Baroness Finn: Are you talking about the code of conduct?

Mr David Jones: Yes.

Baroness Finn: It is quite interesting. The code of conduct that I received in 2010 was a rather interesting hotch-potch of requirements.



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The code should go from the very first principle. As I said at the beginning, a special adviser is a temporary civil servant with political impartiality weight. As such, they are bound by the Civil Service code, except those with political objectivity and impartiality. In the original code there was a long list of what a special adviser could not do, for example, and there was not an equivalent list for civil servants.

There was also a strange requirement that we were not allowed to campaign politically. While I fully understand the importance that a special adviser should certainly not be campaigning on taxpayers' money, to say that they are not allowed to do that in their spare time seemed to me a bit absurd. I do believe that has been changed. It led to the fudge when there was the row about whether or not we were allowed to do telephone canvassing or door-to-door canvassing. It is very important that these codes are clear about behaviour. A special adviser should uphold the same values as a civil servant and should behave in a correct fashion.

Q259 **Mr David Jones:** In what way, if any, do you think the code for special advisers could be improved?

Baroness Finn: There was a revised version in 2015 that clarified that, as long as it was not done on taxpayers' money, political campaigning was perfectly acceptable. There was a large section on how civil servants could complain about special advisers. We said, "Well, that is not entirely necessary". There were confusing lists about seeking authorisation for their activities from the Permanent Secretary or other officials when, in fact, they are appointed by the Minister, who should therefore be authorising. I do think there is an awful lot of problem with guidance in Government. It creates more confusion than it resolves, and it is very important to go from the first principle that special advisers should behave like any other member of Government.

Lord Maude: There is an asymmetry here, in that the ministerial code and the special advisers code run to several tens of pages, but the Civil Service code is contained on two sides of A4; admittedly, in quite small print.

Q260 **Chair:** Point made. Perhaps the Civil Service code is more concise and clearer.

Baroness Finn: There was a management code for the Civil Service as well, I was told, which backed it up. It is important that, when you have codes and principles, they should be very clearly stated so that you don't have to go to somebody else to ask what they need.

Q261 **Chair:** Is it not clear enough at the moment?

Baroness Finn: It is clearer now than it was, but there are many elements of guidance that could be tidied up.

Chair: Very good. You have been absolutely brilliant witnesses, thank



you very much. Some of it is going round the same houses, but there was a lot of fresh thinking as well. Thank you very much, and we do apologise to our next witness that you might have been speaking for too long. Thank you very much indeed.

Examination of witness

Rt Hon Sir Oliver Letwin MP.

Q262 **Chair:** Sir Oliver, welcome to our session on the effectiveness of the Civil Service. I am going to forego my introductory question, in order to compress the time as much as possible, and we will go straight to Rupa Huq.

Dr Rupa Huq: Oliver, you have a memorable quote, where you describe civil servants as producing “a huge amount of terrible guff”, and the implication is that they don’t know what they are talking about. I guess if you watch “Yes, Minister”, it is the bumbling Sir Humphrey, or even Malcolm Tucker from “The Thick of It”.

In theory, the Civil Service recruits from our two oldest universities and it has the most high-calibre people, so why is there the mismatch?

Sir Oliver Letwin: I will indeed answer that, but may I just apologise, Chair?

Chair: We know you are time-constrained.

Sir Oliver Letwin: There is an urgent question at 12.30 pm on the proceedings yesterday in the House and I really feel a distinct obligation to be there, so I will need to leave before that.

My view is that although obviously, as with any organisation with several hundred thousand people in it, it is not uniform in quality, the actual quality and calibre of civil servants is immensely high. I don’t think there is any problem with the calibre of our Civil Service. In fact, it would be very difficult to imagine recruiting, at any reasonable cost to the nation, any group of people more qualified to undertake the task than our civil servants are. That is not the problem.

The problem lies in the system in which they operate and in the culture that system has generated. As I made clear in my written evidence to the Committee—although I have to say that the media, as one might expect and as normally happens, only picked up the adverse points—I went out of my way to point out that I met, from right across Whitehall, enormous numbers of groups of officials over six years, probably more than any other Minister. I had the experience of dealing with people who produced very good advice, very well done, and, as I also go out of my way to say in the written evidence, the central Departments with which I above all dealt, in one of which I was resident, almost exclusively produced very



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high-quality advice. I am not saying that the civil servants are bad. They are very good. Nor am I saying that all the advice is wrong. In my view, a large part of it is excellent.

However, from my experience, there is substandard advice that arrives from non-central Departments into the centre more than from time to time. What is distressing is that it is not just a random occurrence; a certain proportion is substandard. Therefore, you have to ask the question: how is an extraordinarily talented, conscientious, energetic group of people being organised in such a way that quite a lot of the product is not very good? That lies, as I say, in the culture of an organisation.

Above all, as I tried to point out in my written evidence, my sense is that it is too often the case that those who know most, work hardest to get at the facts and are most immersed in the substance are disadvantaged in the promotion stakes compared with those who learn how to engage in management speak, jargon, managing upwards, leadership and all sorts of other things. Those no doubt have their place but, to my mind, are secondary to the task, which is producing first-class advice based on real knowledge and unifying that in the right way. No doubt we will get on to that as we talk more about the business of implementing things so that they work.

Q263 Mr David Jones: Why would you say that the Civil Service has proved so resistant to reform under successive Governments?

Sir Oliver Letwin: I would not say that. On the contrary, the Civil Service has been endlessly reformed under successive Governments. I have not studied this in detail, but I am at least half inclined to believe that the efforts of the Thatcher Administration way back—when I was working in Downing Street in the early 1980s—to bring in Derek Rayner from Marks & Spencer and others to “reform the Civil Service” were probably part of the genesis of the very problem. If anything, it has been over-reformed and it has been enormously willing to accept endless different kinds of reform.

In the end, I don’t think that a willingness to accept reform is the issue. The issue is, how do you get a culture going where all the really clever and conscientious people who are employed there spend their time trying to get to the facts and work out what will work on the ground, and trying to inform Ministers about those things, and are given the time and the job to do so as well? I don’t know what your experience was when you were a Secretary of State and Minister, but, as I mentioned in my written evidence, mine was that very frequently, just at the time when people are really getting expertise, they would be moved on to some other post.

As I describe in my written evidence, I was really astonished that at the end of six years there were topics on which I knew more than the people who were ostensibly coming to advise me professionally, not because I was more clever or because I had more time on it at any given moment,



but because they had changed three or four times in the course of the six years and I had remained. This mania for progression and accumulating more and more people to manage has to be balanced, in my view, against actual expertise, which is based on sticking with the subject for really quite a long time.

Q264 Mr David Jones: We have just taken evidence on that very point. What do you think could be done to stop this phenomenon of churn within the Civil Service?

Sir Oliver Letwin: Public choice theory and common sense teach us that, on the whole, all of us—and civil servants are no different from the rest of us—respond to professional incentives. If you make it that the way you get paid more, have more dignity, have more status and leave at a higher level is to move off any subject in five minutes and move on to some other subject for five minutes and then move into another subject, that is what you will do. That is what I would do.

Somehow there has to be some thought given to how to reward people, honour people, celebrate people who stay in a particular area and become real experts about that area, rather than regarding them as stick-in-the-muds who are second-raters and celebrating the people who have moved on 50 times, maybe more.

Q265 Mr David Jones: Is this made more difficult in an era of pay restraint, where frequently the only way that you can progress financially is if you move to a different role within Government?

Sir Oliver Letwin: No. I don't think it has anything to do with pay restraint or otherwise because, within any given envelope, you can always arrange these things differently. There have been companies—ICI and AT&T both spring to mind—where there was a peculiar emphasis, for various reasons, on the building up of intellectual capital. I don't really know that it happened, but Google is another example today, where they found means of allowing people who were not engaged in massive man-management, or woman-management, but were engaged in creating intellectual capital, to be rewarded and have their own scales and patterns.

It is slightly different here because we are not here talking about research, but somehow we have to find a way. I will give you an example without naming a particular official. There was a particular official who was the greatest living expert in Britain—I can say this absolutely unchallenged—on the question of state aid. There were few more important issues while we were part of the EU. There was a whole series of massive state aid issues to do with nuclear power and everything else that we were struggling with, and there was this one person who really knew about it. He had been there for years and years. I struggled mightily to get this person recognised. There was a great resistance to doing so within the system because there was a feeling that this person was just an expert on that subject and was not in charge of some great



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group of people. This person was worth 10 of me, or most others, when it came to talking about state aid, because this person really knew.

Q266 Mr David Jones: Your role within Government was very much cross-departmental. Could you tell us something about your experience in that role? Did you ever encounter resistance from other Departments for this cross-departmental remit?

Sir Oliver Letwin: Not generally, no. It was pretty highly co-operative. I was surrounded by extremely high-calibre officials at the centre who certainly helped a lot to smooth things over in ways I probably never saw. I probably had a slightly rose-tinted view of it because, by the time I was dealing with people, they had already been suitably diplomatically warmed up.

To give you an example of where you might have expected some resistance, when we got the implementation unit going and started investigating things that were going wrong in various parts of Whitehall using the implementation unit, you might have thought there would be a lot of resistance from the parties that did not want to have their failings exposed, even within Whitehall. There wasn't. In fact, what happened was that Secretaries of State in Departments that were subject to a lot of such investigations started forming their own implementation units to help.

My sense is that, if you go about these things reasonably diplomatically, most people in Whitehall do try to serve the nation. That is certainly true of all civil servants. Again, without naming names, occasionally you can get a Minister who is slightly protective of their Department. But certainly I don't think that civil servants are resistant to collaborative working, if it is sensibly undertaken.

Chair: Sir Oliver, Mr Flynn would like to ask a follow-up question to our report on Kids Company. The Committee is content for him to do so, so long as it is reasonably brief.

Q267 Paul Flynn: First of all, can I take up what you have just said about this person that you were hoping to advance? Have you seen the reports in the last few weeks from the National Audit Office and the Public Accounts Committee on Hinkley Point, which they describe in vivid details as a waste of £30 billion that is likely to hit the poorest consumers? There is a picture there of Government incompetence on an Olympic scale.

This person you mentioned, would he be someone who could have advised the Government to stop them falling into this sinkhole of utter disaster called Hinkley Point?

Chair: That was not the question you were expecting, but go ahead.

Paul Flynn: It was arising out of the evidence of the witness.

Sir Oliver Letwin: I completely disagree with you about Hinkley Point. No—



Q268 **Paul Flynn:** Have you read the Public Accounts Committee report?

Sir Oliver Letwin: Yes, I have. To address your question specifically, no, I am not talking about that at all. In relation to that and many other projects, there were state aid issues, but the person I am talking about was nothing to do with the Department of Energy and Climate Change, as it then was, which was dealing with Hinkley Point, but just specifically on state aid.

Q269 **Paul Flynn:** Okay. The question I want to ask you is a fairly obvious one, as someone who is surprised that a person with your high-quality brain could survive as a Government Minister for so long. That was a source of astonishment for me given your contributions when you were in opposition.

On Kids Company, on a whole series of occasions—about six times over the years—they applied for money and were given money. Eventually the civil servants issued a ministerial direction pointing out that it would be a waste of time, in your period in office, to give them an extra £3 million, because they would be clearly using money unwisely, depriving other charities of the money. You overruled that decision, gave them £3 million and they went broke four days later. Do you feel a sense of remorse about this? Don't you think there should have been some action against the Ministers involved, because the civil servants found themselves being entirely right?

Sir Oliver Letwin: As I mentioned when appearing before the Committee some while back when you reported on the subject, the civil servants behaved impeccably throughout that process. It is perfectly true that, as Minister, I overruled them. As I said to the Committee then, and the Committee disagreed, I still think that it was worth trying to rescue.

Q270 **Paul Flynn:** It opens the Government up to the accusation of behaving in a political way with public money, because of Ms Batmanghelidjh, who was the poster girl for the Big Society—which was the main thrust of Government policy at the time with the previous Prime Minister—and that you acted in a cavalier way by throwing away £3 million of Government money. You have never shown any remorse about it, and the civil servants involved are the ones who turned out to be right. How can we treat that seriously when Ministers have proved themselves to be wrong? Don't you think you should have been reported by the Prime Minister under the ministerial code for your conduct?

Sir Oliver Letwin: The Committee has already made its views known in the report. I don't have anything to add, and it does not sound as if you do either.

Q271 **Paul Flynn:** Yes, but it will occur again, won't it, if some other Government have some political stunt that they are pushing? The accusation was made against Tony Benn about co-operatives—that he wanted to give them money. The accusation was made against Vince Cable about a colliery that he wanted to keep open. It is not a party



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point, but how can you suggest that the relationship between civil servants and Ministers is right when Ministers act under their own party interest and overrule the public interest? There is no punishment for this. The Ministers' and the civil servants' careers carry on, but how can a relationship be set up between the two if, when the Ministers are entirely wrong, they are regarded as being let off the hook? We have an example here and now.

Chair: Do you have anything to add, Sir Oliver?

Paul Flynn: I will give you the other example: the Foreign Secretary used national statistics in a way that was regarded as being misleading by the Chairman of the statistical authority. He has been called to this Committee to ask why he called Boris Johnson to book. Boris Johnson has not been called to this Committee to account for his abuse of statistics.

Chair: Order. Sir Oliver Letwin will answer your many questions.

Paul Flynn: I can only talk for a certain time until the Chairman has a tantrum, I am afraid.

Chair: You have asked several questions and I want to give Sir Oliver an opportunity to answer them.

Sir Oliver Letwin: Thank you, Chair. I don't organise the proceedings of the Committee so I cannot answer the question of why particular people are or are not called before the Committee. I was called before the Committee; I was interrogated for some hours on the subject. You wrote a report on the subject, perfectly properly. Ministers are brought to account. The system is that if civil servants believe that something is not value for money, and they say so quite properly—which they did in that case—Ministers have it open to them, I think rightly, to overrule that judgment in a very public and very formal way through a ministerial direction, which I issued. That, then, is accountable before this Committee, before Parliament and before the media, and so it was. That is all perfectly proper. I happen to believe it was the right decision, in fact—

Chair: We will move on now, Mr Flynn.

Paul Flynn: How can we hold Governments to account for using public money to advance their political agenda?

Chair: Mr Flynn, we will move on now. I think we are going over old ground. We will move on.

Paul Flynn: No, we are not. It has not even been answered. You are Government, and you were a supporter of that.

Chair: Order.

Paul Flynn: You spent money, public money, on the Big Society.

Q272 **Chair:** Lord Maude made it clear that civil servants deliberately delayed or undermined policy. Did you find much evidence of that resistance?



Sir Oliver Letwin: No. I disagree with Francis about this. Although I agree with him about many issues of policy, I disagree about that; that was not my experience. I am not saying that it can never happen. Thinking back to the 1980s, I can recall one instance of a particular Department that I think did have its own agenda, the then Department of Education and Science. I think that it successfully fought off attempts by Keith Joseph at that time to carry through a particular policy.

I am not aware of any instance of that kind during the time when I was a Minister. My impression was very strongly, pretty uniformly and consistently that where Ministers were clear in their objectives, whether right or wrong as judged by members of this Committee or otherwise, if they made that clear to their officials, their officials worked to fulfil the ministerial agenda.

Q273 **Chair:** When something was going wrong in the relationship between a Permanent Secretary and a Secretary of State, what factors contributed to that failure of a relationship?

Sir Oliver Letwin: That was not something that I had much insight into. As it happens, I dealt with a range of Permanent Secretaries in the Cabinet Office, with all of whom I had very happy relationships, and they were outstanding civil servants. I didn't deal at all—quite understandably I think—with the relationships between my colleagues and the Permanent Secretaries. You have a Secretary of State here, and I think he will testify that I never remotely had anything to do with whatever it was he did or didn't say to his Permanent Secretary or vice versa. Why would I have done? Unfortunately, I cannot help you on that.

Q274 **Chair:** What is the kind of challenge that civil servants should offer their Ministers, and why do you think that sometimes they are fearful of challenging openly and tend to challenge covertly?

Sir Oliver Letwin: What kind of challenge is a very interesting and important issue. The first point is that our Civil Service—it is a feature of our deep constitution—fulfils two kinds of roles at once, which is quite an uncomfortable position to put them in. It has been that way for a very, very long time. They are the guardians of the constitution, in the sense that they tell Ministers what it is proper to do and what it is not proper to do, and there is nobody else to do that, other than in extreme cases the courts. They are also there to serve Ministers, so that immediately sets up a certain tension in the life of any civil servant. That is not their fault, that is how our constitution operates, partly perhaps because we don't have a written constitution, and at least until quite recently we haven't really had a Supreme Court.

Once they are on the side of the line where they are not acting as arbiters of the proper but are acting as agents of the state and trying to carry out Ministers' intentions, of course they also have a dual role, partly to carry out the decisions that are made, once they have been made, but partly in this course of advice to point out problems that Ministers might



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have ignored, to question whether Ministers are clear about what their objectives are and so on. It is fantastically important that they should feel utterly able to do that in an open way.

I have to say the solution to that lies in Ministers, not in civil servants. It is up to Ministers to create an atmosphere around them where open, genuine, serious, prolonged debate can take place and where, at a certain point, the Minister says, "Okay, I have heard enough. I am going to make up my mind; here is my decision". Then it is up to the civil servants, having engaged the debate, to put that to one side and get on and try to implement that decision effectively.

Q275 **Chair:** In your experience, what coaching or training do Ministers or potential Ministers have to strengthen their ability to be able to do that?

Sir Oliver Letwin: Very little.

Q276 **Chair:** Is that something that you would correct and, if so, how?

Sir Oliver Letwin: I don't know whether one can effectively train Ministers. We tried to do a certain amount of it in the lead-up to 2010. Francis was in fact himself heavily involved in that exercise. Peter Riddell and others contributed. We spent time with Permanent Secretaries and with ex-civil servants and with ex-Ministers being told what things to look out for and so on. My sense is that less of that went on as time went on, and most Governments have not done that in a systematic way. There is ample scope for doing more of that.

Q277 **Chair:** What do you think about the idea that new Ministers should have personal coaches to help them transition into their new roles and to develop the new skills they need?

Sir Oliver Letwin: I don't know. It would depend on the quality of the personal coaches. I was always slightly sceptical about this—

Chair: Assume that they are A1.

Sir Oliver Letwin: If you could guarantee that you were going to get A1 personal coaches, then I think there would be merit in the idea. As I suspect, it might be incredibly difficult to do that. It might be preferable to have a rather formal kind of training that people go through, in a college or an environment in which it is structured, and maybe also going back and forth a bit. These are things that are, in part, matters of trial and error. It is like teaching practice or something. I suspect it might make sense to have Ministers do the job for a while and then go and sit down and do some formal training about it, where they can reflect on how they have been doing it. I don't know. I haven't thought about it enough to offer the solution, but I am clear that it is a challenge we should meet.

Q278 **Chair:** Reflective learning is something we see very little of in the Civil Service or among the ministerial cadre.



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Sir Oliver Letwin: Yes. As I say, if we are addressing the issue you are raising, which is a very important issue, how do we create an atmosphere in which officials feel able to provide the right kind of challenge? It is the Ministers, above all, who we need to attend to rather than the officials.

Chair: That is a very helpful comment.

Q279 **Sandy Martin:** You talk about the civil servants providing the Minister with advice where they think that that Minister is trying to do something that is not proper, but surely it is also about whether or not the civil servant believes that the Minister is trying to do something that is feasible. There has been a lot of talk about the disconnect between policy commitments and the resources required to carry them through. What do you think could be done to make the ability of the civil servants to advise Ministers robustly about whether or not resources are going to be available a bit more effective?

Sir Oliver Letwin: I completely agree with you that. As I was trying to say, once we are on the side of the line where the official is trying to be an agent of the state, rather than just an arbiter of the Crown, one of the main questions is: is what the Minister has in mind clear? Is it feasible, and will it work? Will it achieve the ends the Minister aims to achieve? That is absolutely right. Of course, the issue of resources does come into that. I don't think that it is by any means the only such issue. There are many issues involved in trying to work out whether a plan of action or a policy will work. There is a lot of work to do to try to make it work.

What I have tried to say in my written evidence to the Committee is that one of the things that has plagued us—to come back to Dr Huq's original question—one of the systemic problems I see at the moment, which is not a problem with the individuals and their calibre but is a problem about the way the system operates, is that there is an implicit mythology that "advice" is different from "implementation" and that "implementation" is different from "specialised knowledge" of computing, science, engineering, accountancy or whatever it may be that is involved in the particular policy.

Of course, it is very different to be an accountant and to be an IT specialist and to be a journalist. These are all different backgrounds with different skills. Just as human beings don't come as bodies and mind separately or whatever, and good doctors have to treat the person as well as the body, if you are trying to implement those policies and trying to work out those policies and trying to advise Ministers on those policies, you have to put all those things together. Therefore, what you need a project team that is composed of people with the right backgrounds and skills, who stick with the project from its pre-inception, when it is an idea in the mind, through to the end of it with relatively little change. Of course there will be some churn of people, but the team needs to be broadly consistent.



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"Multidisciplinary", I think, is the modern jargon. It just means people who know all the things they need to know between them and who work together, so that you don't have somebody offering advice in a vacuum on the assumption that the computers will do the job. There is a complete disjunction between that and the computer expert, who knows perfectly well that the computer could never do that job but could have told you if you had asked, at an early stage, "If you want to have it done by a computer, you should get it to do it this way."

That kind of conversation is not generated very frequently, because there are hierarchies, there are offices and there are posts, instead of projects and project teams composed of people who have the right skills. That is the biggest single frustration I had inside, and I have to say I have still had it since talking to people—including people who have advised this Committee—because I don't think that message has got through. I don't think there is an acceptance yet, even in theory, in Whitehall circles or, even, if I may say so, in this Committee in so far as I have yet seen it, that you have to take seriously the creation of project teams and keep them constant.

That goes back to the question that Mr Jones was asking earlier about how you reward people. If you are part of a project team, a big project that may take five, six, seven, eight years to get to a steady state from inception, you have to find some way to allow a person who stays within that project team to be promoted, rewarded, celebrated and so on if they are doing good work all the way through, rather than being told that, because they are stuck in that project team, they have just missed out on nine promotions that all their colleagues who are doing other things have had.

Q280 Sandy Martin: Clearly there is a lot of merit in what you are saying, but do you not accept that there are going to be times when, for one reason or another, politically or because it is a pet project of a particular Minister, the attempt will be made to carry through a project that is never going to be successful? There seems to be a belief that somehow or other if the project team is right, if the advice is right, if people work hard enough, if they are in post long enough, all problems can be surmounted. I would suggest to you that sometimes there are going to be projects that are put forward that are never going to work, and that there possibly needs to be a more robust way for civil servants to make it clear to Ministers that they believe that these projects are never going to work.

Sir Oliver Letwin: Certainly there are such things as projects that will never work; you cannot know that in advance of doing a lot of work to try to make them work and see whether, as a matter of fact, as you try it collapses under you. I completely agree that the right kind of team, thinking about what the Minister has in their mind, may well need to say to the Minister, "We have thought about this a lot. We have tried to work through five or six different ways in which we could try to make it work."



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We just cannot find a way. Unless you have any inspiration, we advise you not to do this in the first place". Of course, that is something that such a team needs to be able to do.

Q281 Sandy Martin: Do you think that the set-up in the Civil Service at the moment makes it feasible that civil servants will be as robust as that with their Minister?

Sir Oliver Letwin: Yes. I have certainly seen examples of civil servants being admirably robust in saying, "This just isn't a good idea". Sometimes Ministers—and this is a ministerial prerogative—may overrule them, and sometimes they may be right in doing so, sometimes they may be wrong in doing so. I have certainly seen civil servants say that. It is extraordinarily important that all Ministers should encourage an atmosphere in which civil servants feel totally empowered to say that. Equally, it is important that, nevertheless, once the Minister has decided they want to proceed, the civil servants try to make it work as well as they can. That is the relationship.

Q282 Kelvin Hopkins: Touching on what you have been saying earlier, it strikes me that you think there is more of a problem with our politicians and our Ministers than there is with the Civil Service—that is just a comment rather than a question.

My question is about the National School of Government. How do you respond to the evidence the Committee has heard that closing the National School of Government has left a serious gap in developing civil servants?

Sir Oliver Letwin: I don't know enough about what happened in the National School of Government to know whether it was an effective or ineffective mechanism. I do think that the effort to acquire real skill the policy profession, is worthwhile. One of the things that happened while I was in office was that working with Mr Wormald—now the Permanent Secretary at Health, then at Education, who was the Head of Policy Profession, if I remember the title correctly—we did try to institute a programme sponsored by LSE, if I remember correctly. That was to offer to senior officials in the policy profession the ability to spend time working through the business of giving sound advice and managing implementation projects as part of that advice. There is certainly more scope for that too.

Q283 Kelvin Hopkins: Francis Maude, in an earlier session this morning, agreed that there were a whole range of areas where civil servants needed to develop skills for the modern age, and he suggested that they ought to do a range of other things. He said the National School of Government was not effective. Wouldn't it be better to make a new institution more effective, adding in all the things that Francis Maude was suggesting to make sure that our civil servants are as well prepared for the future as we can make them?



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Sir Oliver Letwin: It might be. I don't personally have an immediate fix one way or the other. The French have developed in the École Nationale d'Administration—and to a degree in the Polytechnique and in Sciences Po—a system of education of fonctionnaires, as they call them, which is very impressive and much more focused on learning the arts necessary for administration than anything we have. Those are very, very elite, long-standing institutions and the people teaching in them are enormously celebrated. It is a great thing to be a professor at ENA, like being a Regius professor at Oxford or something. That is why it is so good because, just like any educational institution, it depends on the quality of the people who are doing the teaching. I don't want to start launching out into some amateur construction of a new entity, but what you have to find is some way to have really, really good people teaching able civil servants all the things they need to know. How you do that is something that each country has to find its way to, and I don't have an off-the-cuff answer to it.

Q284 **Kelvin Hopkins:** I am a great admirer of the French system, and there are other systems that have been mentioned this morning, Singapore and elsewhere, where they concentrate on producing effective elite civil servants who can do a good job. Do you think this Committee could learn a lot more and advise on the future of the Civil Service by looking at some of these systems in more depth?

Sir Oliver Letwin: Yes. I certainly think that understanding how other countries have done this, looking at the best examples and trying to learn from them, is a worthwhile exercise.

Q285 **Chair:** We are about now the only major Civil Service in the world that does not have its own dedicated training and education facility. We visited the Canadian School of Public Service. I believe you visited the Chinese system, and we have heard Francis Maude advocating the quality of the Singapore school for government. There is an awful lot talked about culture in the Civil Service, which we understand to mean the attitudes people have and the way they tend to behave. If you want to change those things in an organisation, it is not about learning skills, it is about something much deeper and more attached, more about the personal development of individuals. Where do you think that is done at the moment in the Civil Service?

Sir Oliver Letwin: I quite agree with you that having a set of knowledge and skills is not the only thing that is necessary. Obviously, in any career, it matters to follow paths that enable you to widen your experience and to learn things that you can only learn on the job as you go along. The Civil Service is quite good at that aspect of it, in the sense that the very able young people I have seen going into it do tend to get quite a wide experience and an understanding of how to proceed in lots of different areas. As I say, oddly, what goes missing in that is structuring the thing so that they know a particular subject as well as I think they need to, because there is so much effort made to move them around the system and give them a wide experience. I think that has gone too far.



Dr Rupa Huq: I think this is the last question in this epic evidence session, isn't it?

Chair: I am going to ask David Jones to raise something else.

Q286 **Dr Rupa Huq:** There is more—okay, maybe I am just getting near the end. How far is specialist expertise valued by the Civil Service, and is it incorporated into policy making at an early enough stage, with outside contaminants?

Sir Oliver Letwin: Specialist expertise is quite highly valued. I don't know exactly how to measure that, but I have heard people talking in pretty hallowed tones about people who had specialist expertise. I don't think that there is a lack of respect for it. There are admirable, excellent groups of people in diverse areas of the Civil Service with real technical expertise. The Government Office for Science is pretty formidable, GCHQ is incredibly clever at what it does, the Government Accountancy Service is pretty hot, the economists are excellent, and the lawyers tend to be extremely good. There is plenty of expertise around. The Government Digital Service is an admirable operation.

It is the second question you are asking that is the material one: how far is that expertise harnessed? It goes back to the questions that Mr Martin was asking a while back—when do you discover that a policy is conceived in such a way that it isn't going to work, and how do you make it work? Right back at the beginning of the policy process, all that expertise tends not to be involved. There are other ex-Ministers present, but I certainly found as a Minister that, unless you made a huge effort, you would naturally get served up all the people who were going to be involved in the later stages of the policy implementation at the beginning. In fact, they were usually not even nominated yet. There would be somebody who was on a little island somewhere trying to advise about it, without having the computer experts, the accountants, the economists or the lawyers who were going to be involved. In fact, at the extreme, you would even have such cases—to take one specific expertise that I am sure Francis will have made observations about, which he tried manfully to improve—in the expertise of contracting. The Government does a lot of contracting. Contracting is a skill, and you can learn about contracting; there are better people at contracting and worse people at contracting, people who are experienced and people who are not experienced.

Many Government programmes, policies and projects depend on a large amount of contracting. You might have a system in which—and I fear that our system still is very much this way—you design everything until the point where it is to be contracted, and then you hand it over to a contracting specialist, who has not been any part of any of the formulation of the policy. That specialist then starts writing you a contract and holding a tender. You can bet your bottom dollar that it will not do the job, because the person won't know what you were trying to achieve. You can also bet your bottom dollar that the people who were trying to design the policy right back at the beginning will not have correctly



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understood what was going to happen when it was refracted from the medium of the contract.

You need to get the contracting specialist, just like all those other people, right up the front end. That means that you have to have a team. You have to have the conception of a project, with all the expertise, and deal with it at the beginning. Have it as a running seminar, so that everybody understands how the whole thing is going to look from start to finish and then advises Ministers on what the problems are, whether it is doable, how it is doable, what it will cost and so on, on the basis of real information from real expertise.

Q287 Dr Rupa Huq: Do you think levels of churn and turnover can detract from getting that—

Sir Oliver Letwin: Yes, but I am not talking here about levels of churn in the sense of what we observed by finding out how long the average civil servant stays in the Civil Service; I don't think that is the issue. There are plenty of civil servants who are there quite long enough to do the job and have real expertise in whatever it is they are doing.

The problem is in the particular thing—in designing the roads programme in a particular way, or the particular part of the rail programme, or a particular part of the energy system, or a particular part of school changes or hospital changes. You need to have a team of people who are consistently responsible for that from the beginning to the end and who will be accountable—in their own minds and in the minds of the people around them—for the delivery of it as much as for the beginning of it. That is where the churn is. Civil servants have engaged in Brownian motion. They are constantly in and out of any different slot; you cannot get a team to be consistent.

Q288 Chair: Isn't this another cultural thing in the Civil Service—this is the way it is?

Sir Oliver Letwin: It does not need to be that way, and I hope this Committee may help it not to be.

Q289 Chair: You have talked about a kind of teamwork that you want to see around contracting and project managing, which requires a kind of personal development that you cannot get through some subcontracted skills programme. We do have something developing called the Civil Service Leadership Academy, which seems to be an apology for the babies that were thrown out with the bathwater when the National School for Government was closed.

Sir Oliver Letwin: As I say, I am not an expert on that, but I don't think the solution to the problem I am talking about is any kind of training programme, valuable though that may be if it is the right kind. It is having a principle of operation that when somebody is a new Minister and they are coming along in a new Government, and they say in their manifesto or their programme for Government or whatever it is, "We



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want to do X", what ought to be going on in the minds of the Permanent Secretaries involved is, "Because this is going to take some years, we are going to need over those years to form a project team composed of—" Then they need to go through a checklist of all the kinds of people they are going to need to be part of that project team. They need to structure it. They need to find a team leader who is good at leading that kind of team. They need to keep those people there. They need to work out how to promote and cherish those people as they stay in that team, so that there is a group of genuine expertise doing it. This is the point I can never get across to anybody. It is what is missing. I promise you that, if we could get that right, the quality of administration in this country would increase by leaps and bounds. Endlessly, I sat at meetings trying to make up for the fact that that had not happened, and that is very frustrating.

Q290 Mr David Jones: Briefly, Sir Oliver, how would you assess the value to Government of special advisers?

Sir Oliver Letwin: This is a very, very, long-running discussion, as the Committee will be well aware. Special advisers can be fantastically valuable as a link between the political world and the official world but, of course, it has to be managed very carefully.

Q291 Mr David Jones: Do you think that the special advisers code is sufficiently robust?

Sir Oliver Letwin: The Committee has spent a long while on the special advisers code and is probably much more expert on this than I am. I cannot claim to have been through the special advisers code in any great detail. I never had a special adviser when I was in Government, as it happens; maybe for the first two or three months, but I did not need one. It wasn't the kind of job I was doing. I have never specifically attended to the special advisers code.

As I say, I am aware that special advisers can play a very valuable role but it obviously is, of its nature, somewhat ambiguous and therefore requires very careful management.

Q292 Chair: A final question in the last two minutes. We are all, of course, looking at Whitehall through the lens of the present challenges, which include the addition of a very large number of tasks associated with leaving the European Union. As we look through that lens, what do you think we should be learning about the Civil Service, its readiness and adaptability and its capability and capacity?

Sir Oliver Letwin: That is certainly too big a question to address in full in the last two minutes. My main concern at the moment is that I don't think there is anything like as much organised effort across Whitehall, devoted to preparing all the mechanics that it will be necessary to put in place in the event of us leaving the EU without an agreement, as there needs to be. I hope that we can encourage a significant change in that, but that will only happen if Whitehall is organised in such a way that an



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enormous amount of effort is put into that task by a very, very well-articulated set of project teams.

Q293 **Chair:** What is preventing it from being organised in that way now? Is it ministerial direction?

Sir Oliver Letwin: I don't know, because I am not close enough to it, but I am pretty sure that one of the starting points for getting that to happen would be to have a very senior Cabinet Minister, very close to the Prime Minister, very much commanding the confidence of the Prime Minister, in charge of that process.

Chair: Thank you. Are there any further questions? Marcus, do you want to ask anything, very quickly?

Q294 **Mr Marcus Fysh:** Just something to follow on from what you have just said. That has been my observation too, that having a grip at the centre is absolutely essential. I am heartened to hear that being based around project teams is an idea that would work too, because that is something that we have been discussing in the Committee. As a Committee, what do you think that we could usefully do to encourage that to happen in particular at this time? What would be the mechanics that we could use?

Sir Oliver Letwin: I think that the Committee has an enormous impact on the consciousness of Whitehall. If you were to recommend very firmly that, in general, it should be the rule that, when there is a policy being developed such teams are accumulated, that might become something that people start doing. Once they start doing it the miracle is it becomes the norm and, once it is the norm, it happens. Once it happens, people cannot imagine a world in which it didn't happen. You could set the ball rolling. If so, it would be immensely valuable for the country.

Chair: Thank you very much indeed, Sir Oliver.

Sir Oliver Letwin: Thank you.

Chair: It has been a very interesting morning, to which you have contributed a great deal, and thank you also for your written evidence. If you want to submit anything further in writing, please do so.