

Public Administration and Constitutional Affairs Committee

Oral evidence: Pre-Appointment Hearings, HC 909

Thursday 28 June 2018

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Members present: Sir Bernard Jenkin (Chair); Ronnie Cowan; Mr David Jones; Kelvin Hopkins.

Questions 80 - 135

Witnesses

I: Rt Hon Nicky Morgan MP, Chair, Treasury Committee; Damian Collins MP, Chair, Digital, Culture, Media and Sport Committee.

Written evidence from witnesses:

– [Rt Hon Nicky Morgan MP](#)

Examination of Witnesses

Witnesses: Rt Hon Nicky Morgan MP and Damian Collins MP.

Q80 Chair: Can I welcome our panel witnesses to this first evidence session on pre-appointment hearings that are undertaken by Select Committees? Could I ask each of you to identify yourselves for the record, please?

Nicky Morgan: Nicky Morgan, the Chair of the Treasury Select Committee, and Member of Parliament for Loughborough.

Damian Collins: Damian Collins, Chair of the Digital, Culture, Media and Sport Select Committee, and Member of Parliament for Folkestone and Hythe.

Q81 Chair: I would just like to place on record that I did invite members of all parties to take part on this panel. You were the only two that have chosen to take part in this, but nevertheless I am sure that you will give a very balanced picture of the situation.

What do you think a Select Committee's role should be in the appointments made by Ministers?

Nicky Morgan: Having been both sides of the table, as a Minister making appointments and seeing them being scrutinised by Select Committees, but also now being Chair of a Select Committee, in my experience Select Committees play a very valuable role in terms of drawing out the witness, making it real, taking their experience and expertise off the page and being able to ask questions of them. I certainly found, as the Chair of the Treasury Select Committee, in terms of the pre-appointment hearings we have done, that being able to probe and ask the candidates to complete the questionnaires has brought out some things that were not perhaps known publicly, both good and bad. Certainly as far as the Bank of England is concerned, I think they regard the Treasury Select Committee's pre-appointment hearings as quite a vital role in the process, when new members are being appointed to bodies such as the Monetary Policy Committee and the Financial Policy Committee.

Damian Collins: We tend to interview people in these hearings who are undertaking a public role, where giving evidence to parliamentary Committees, being questioned in public about their duties and their responsibilities goes with the job. It is a useful thing from the pre-appointment hearings to test someone's capability to do that. The departmental Select Committees have knowledge and experience of the sector, the topics they are likely to raise in these sessions are probably current issues that have recently been raised with previous office-holders or people who also work in that sector. It is a useful process to understand more about the candidate's knowledge and interest in the subject, and their ability to discuss that in a public forum.

Q82 Chair: How effective do you think the pre-appointment process, as it now



stands, is at achieving those aims?

Damian Collins: In my experience, there is only one occasion on which we have recommended not appointing. We may come on to talk about that, but in most cases we have approved without any dissent amongst the members, and it has been useful, certainly with chairs of the BBC Trust and the new Information Commissioner, for us in understanding more about the agenda of that new person coming in, to test that in front of the Committee. On the whole we have found the candidates to be of a high standard. I would hope that when Ministers are thinking about the candidates they put forward, they are also thinking about their suitability, not just in terms of their knowledge and experience and their technical ability to fulfil the role, but how likely they are to perform well in front of a Select Committee.

In the case where we felt the candidate fell short, it was really falling short on all of those grounds: inability to demonstrate in-depth knowledge of the sector and inability to communicate what their interests in the role would be.

Nicky Morgan: I would agree with that. It is an opportunity, often for people who have not perhaps been in the public eye before. As we know, it is a very public forum, and there are a lot of very watchful eyes on what people say in front of Select Committees. I do think it is difficult for some people who have not been in the public eye.

I remember asking Charles Randall, who is now the new chairman of the Financial Conduct Authority, whether he is prepared for the transition from private sector into the scrutiny of the public sector. In his case, we were able to question him about one particular aspect of his CV that had come up in our inquiries, which I do not think had been raised in the Treasury appointment process.

Certainly, with some of the appointments to the Monetary Policy Committee we have seen this week, the business press are particularly interested, for example, in people's views on interest rate rises. That is what has been picked up in relation to Professor Haskel, with some indications of what his views might be in the future. I do not think we would have that public knowledge if it was not for the Select Committee pre-appointment scrutiny process.

Q83 **Chair:** So far your answers have all been about the exchanges, the discovery, the exposure and the revealing of facts. How should a Select Committee want to use a pre-appointment hearing as the foundation of an ongoing relationship?

Nicky Morgan: That factor is very important. We do have members of the MPC and the FPC coming back before us very regularly. The Bank of England appears up to six times a year before the Treasury Select Committee. It depends very much on the nature of the appointment and the job they are going to be doing, and whether it is going to be a period



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of particular turbulence for that person doing that job. The Select Committee is going to be fairly robust in the questioning.

It is a question for Select Committees in terms of how we handle witnesses generally, particularly if it is not going to be just a one-off relationship. You want witnesses to be forthcoming and not to be on the defensive immediately when they appear before Select Committees. It is a genuine exchange of views. You also need them to know that there is going to be robust questioning when there are areas that people on the Select Committee, in Parliament and outside want you to be getting to the heart of in terms of that person's job. I suppose it is the start of a relationship.

Q84 Chair: The heart of a good scrutiny relationship is that there is trust between the Select Committee and the body you are scrutinising. What do you think a Select Committee should do in order to establish that trust at that possibly very difficult pre-appointment hearing?

Damian Collins: There has to be some distinction between the relationship a Minister requires with someone holding these public positions and the role a Select Committee requires as well. Sometimes it will be the duty of the Select Committee to put that office-holder through a fairly rigorous form of scrutiny, because there may be important and difficult issues that require public examination. While you always want a good, professional working relationship, we do not have to work with the people who hold these positions in the same way a Minister might do, where that person is taking on responsibilities on behalf of a Government Department to run a public body.

I do not think we need to be too cosy, and I do not think there is any problem if there are challenging questions raised at the start of the session. Some people would say it could get you off on the wrong foot, but I think that actually the nature of the working relationship is such that you expect the co-operation of these bodies with the Select Committees as part of our work of inquiry, and you hope to establish a professional working relationship. There are some people and some bodies you may have a closer working relationship with than others, but it does not require you to be best friends.

Q85 Chair: During the period from 2010 to 2015, when the Public Accounts Committee was chaired by Margaret Hodge, and she took a very aggressive approach very often to officials, how much information do you think officials wanted to give that Committee, knowing that they were in such an adversarial situation?

Damian Collins: I do not think officials ever want to give any information up that compromises them in any way or makes their decisions look bad. No matter how good or close your relationship, people are often quite guarded at revealing information that they would rather not be made public.



Nicky Morgan: It would be a great shame if Select Committees were seen to be unnecessarily aggressive. It would be a great shame if that word was used. I do think there is a space for robust and challenging questioning, as Damian has said, particularly when you know there is something.

My predecessor as chair of the Select Committee was Lord Tyrie. It is fairly notable in 2017 that it was the pre-appointment hearing of Charlotte Hogg, and the questionnaire that revealed the conflict of interest, which meant that she was not able to continue with her role in the Bank of England. That has caused some consternation in the Bank, absolutely, and it is still very much raised. I still think it is very much in the minds of the Bank of England when they are preparing people for pre-appointment hearings. I would also say that it has concentrated the minds of applicants in terms of things like conflicts of interest, in terms of just how seriously Parliament takes those sorts of answers, and how those questionnaires must be answered fully.

Q86 **Chair:** A previous witness has told us that Committees are incredibly successful in giving candidates a good workout but less effective at scrutinising the process of making appointments. What is your reaction to that?

Damian Collins: Part of the problem is that the Government Department and the Minister is under no obligation to reveal any details about the process at all. They will use the fig leaf of saying, "It is all covered by confidentiality because we are dealing with people who have put their names forward, and they might not want it to be known that they have applied for the role, and therefore we have to protect their identity, and we only reveal the chosen candidates. We won't tell you which other candidates were considered or why that name was put forward when it was."

If there were more obligations on Government Departments to reveal that information, and if there was an expectation that for anyone who put their name forward for a public position, if they were on the shortlist, that name would be disclosed, that would make the role somewhat easier in terms of scrutinising the process. We are left in a position where all we can really do is scrutinise the candidate.

Q87 **Chair:** What effect do you think it would have on the number of applications if you knew your name was going to be up in lights as having failed to be given the job?

Damian Collins: This is part of the problem. It depends on the nature of the position. If someone does not want it to be known that they have put their name forward because it might conflict with a current role they have, and therefore they do not want people to know they are shopping around for something new, then that is difficult and people may not want it to be known that they have failed to get the position. These are all perfectly understandable issues, but I would say to the witness who told



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you that Committees are less good at scrutinising the process, part of the reason for that is that we are not given any information about the process.

Q88 Chair: We should be given the job description. We should have that information when the position is being advertised. We should know how many applicants there have been. We should know whether there was more than one appointable applicant, and we should know who was on the panel. We should know quite a lot.

What is your experience, Nicky Morgan, in terms of having that information well in advance, so you can influence the job description or you can influence the process?

Nicky Morgan: I agree with Damian, first of all, that in relation to appointments made by Government Departments, in our case the Treasury, it is quite difficult to know what is going on. We will suddenly get a letter from the Chancellor knowing that a vacancy has come up or an appointment has to be made, and X candidate has been recommended.

I would say three things, to pick up your points, Chair. First, in terms of or timing, that is absolutely right. Often we will know that a vacancy has come up. For example, we knew that Graham Parker was leaving the Budget Responsibility Committee of the OBR. We have known that for quite some time, because I think I wished him well some months ago on his last appearance before us. We were only notified of the Chancellor's candidate on 8 June, and we are going to see him in early July for his appointment session, and if the Committee decided he was not suitable, the Treasury has left us no time to run another competition before Graham Parker leaves in August.

Of course, sometimes there will be vacancies that come up at very short notice, if somebody is ill or somebody has to leave due to another appointment, so that is not possible. Where it is possible to give us notice, then yes.

The other thing I would say about information is that I do agree with you about knowing who is on the panel and potentially how many appointable candidates have been seen. As you know, the Treasury Select Committee has been doing a lot of work on women in finance, so we have asked now for the Treasury to give us diversity information, in terms of men and women. Of course, there are many other forms of diversity as well. We are now getting that, so when the Chancellor writes to us with a recommendation, he will now tell us how many men and women applied at the application stage and how many men and women were shortlisted for interview by the appointment panel. That is a step forward, in terms of knowing that.

The other thing I would say, in terms of the job spec and whether the Committee should have input, is that I am perhaps less convinced by



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that, except for the fact that I suppose we could write to the relevant Departments to say that we know a vacancy is coming up and we know there has been a particular need for the applicant to have these skills. I would hope that, in watching, as Damian has said, the previous appointments appear before us, giving us evidence as witnesses, it will become very clear to the Department that perhaps somebody has not had the skills that are needed, or the job has changed, and therefore a different kind of person needs to be appointed next time.

Q89 Chair: The time we have interfered with the job description has been when we have been unhappy with the lack of reference to the required independence of the candidate, and the role that we see them undertaking as opposed to the role that the Minister wants them to undertake.

Nicky Morgan: Yes.

Damian Collins: I would just say, in terms of the process, the way in which a role is advertised, and the way in which people are encouraged to apply, is something that has given us concern. We wrote to the Secretary of State of DCMS, before the hearing over the appointment of the Charity Commissioner, to express our concerns that candidates being put forward seemed to come from an increasingly narrow field of experience. A lot of them could be considered Westminster insiders, even if they had not been politicians, and our concern was whether there were other candidates who may not have been approached or who may not have even had their suitability considered, who would have been more suitable for some these roles, which are increasingly being filled with people with a very narrow set of experience and contacts. We raised that privately with the Secretary of State, but we have not seen much fruit come from that so far.

Q90 Mr Jones: To what extent do your Committees regard pre-appointment hearings as part of the continuing work and scrutiny of Departments and Ministers, on the one hand, or, on the other hand, as standalone, discrete events?

Nicky Morgan: The answer is a bit of both. Obviously, we have an ongoing relationship in terms of questioning the members of the Monetary Policy Committee and members of the Financial Policy Committee, and obviously people from the Government. As well as Ministers, we will obviously see the Chancellor at regular points throughout the year, but we will also see Ministers as a result of particular inquiries. I would say that at the start of a Parliament it is important that the Chancellor or Secretaries of State from relevant Departments come and set out what it is that they actually want to do.

I noted in yesterday or the day before's questioning of Professor Haskel for the MPC that when Mark Carney was appointed, he made no public statements about his role until he had been before the Treasury Select



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Committee, which I think we would hope was repeated for the new Governor to be appointed next year.

I also take the Chair's point, which is that a pre-appointment hearing, because we know these people are going to come back before us again, is the start of a relationship where you can build up a relationship of open scrutiny, which I hope benefits both sides.

Q91 Mr Jones: Do you get a list of potential appointments that are likely to come up over a certain period, or do they come out of the blue?

Nicky Morgan: They do not come out of the blue completely. I would not say we get a formal list, but we know, in terms of the MPC and FPC, that people are appointed for fixed terms, so we know that their seat is going to become vacant again. Of course, they could be reappointed, but we know that is going to happen. We know, obviously, that the Bank of England has extended the Governor's term, but there will be others. For example, with Lord Adonis standing down from the National Infrastructure Commission, we have asked the Treasury if we can scrutinise the appointment of the new chair. The Treasury appears not to be very keen, but the reason we want to do it is that actually the NIC should be independent of Government, and, as the Chair suggested, we want to test that independence. It is a bit of a mixture, really.

Damian Collins: We probably do less scrutiny pre-appointment work than the Treasury Committee does, with fewer people to consider, and it really depends on the particular role. If it is the chair of the BBC, the chair of Channel 4 or the chair of Ofcom, these are bodies that we see on a reasonably regular basis. We will see them at least once a year, often more than once a year, and therefore the hearing does often feel like part of the ongoing scrutiny of the institution itself.

There may be other bodies where we see them far less frequently. As an example, at the time when we did the pre-appointment hearing for the current chief executive of the Information Commissioner's Office, the ICO did not necessarily routinely give evidence to the Select Committee, although they have done recently because of our recent inquiry. When something like that comes along, when it is a body you do not normally see as part of your inquiries, that can often feel less like part of ongoing scrutiny and more like a standalone event.

Of course, the timing of the hearings is entirely dictated by the process of the appointment itself. It is a request from the Department that the hearing is held at a particular time in order to suit the selection criteria. Of course, the Committee may be in the middle of an inquiry on something totally different at that time, in which case it does often feel very much like a standalone event.

Q92 Mr Jones: Have you any evidence that the approach that you have taken to pre-appointment hearings has had any influence on the behaviour of Ministers or Departments?



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Nicky Morgan: I would answer that in terms of pointing to the diversity. I mentioned before about the disclosure of diversity, and I think that is beginning to concentrate minds in the Treasury. I fully appreciate that we want the best people to be recommended for the jobs, but we also want there to be as wide a pool of candidates looked for as possible. That is beginning to have an effect, but it is very, very slow. The Committee has publicly noted our disappointment that, in relation to the latest appointment for the Monetary Policy Committee, out of a shortlist of four women and one man, the man was appointed, excellent though he is, and that has been duly noted back to the Treasury.

Damian Collins: Personally, I do not think there is any particular consideration given to the Committee as part of the pre-appointment hearing. If Ministers are appointing someone to a high-profile public position, you will want someone who is up to the job, because you are the person recommending them to do it. However, on the whole Ministers put forward the people they want, and that is the primary consideration.

Q93 **Mr Jones:** The prospect of maybe a confrontation with the Committee is not deterring Ministers.

Damian Collins: No, I do not think so.

Q94 **Mr Jones:** What is the point of it, then?

Damian Collins: That is a good question. That was the question we asked ourselves after the Charity Commissioner hearing. Someone was put forward; it was the unanimous view of the Committee on a cross-party basis that the candidate was not suitable, and yet the Minister confirmed at the end of that same day that the appointment was going to go ahead anyway. It begs the question: why should we take time out of our very busy schedule to hold these hearings if there is no value attached to them?

Q95 **Kelvin Hopkins:** In our last session, our academic witnesses suggested that the list of appointments potentially subject to pre-appointment hearings should be longer—there should be longer lists—but that Committees should be more selective in choosing which candidates to hold a full pre-appointment hearing for. How do you respond to their suggestion?

Nicky Morgan: We would certainly like to see the list held at the Cabinet Office expanded. I have already mentioned the chair of the National Infrastructure Commission, and I have looked at the evidence supplied by other fellow Chairs of Select Committees. All of them have made some very good recommendations for appointments they would like to see in their fields added to the list. Having a longer list is a good suggestion. We all know that Select Committees have a very heavy workload. There will be some appointments that absolutely merit full public scrutiny by the Committee. There might be others, perhaps in the case of reappointments where there is no suggestion that there has been



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anything other than an excellent performance by the candidate, where the Committee might take a view.

In that session, the questionnaire that the Treasury Select Committee asked candidates to complete was mentioned. I hope they find it helpful. Institutions such as the Bank certainly find it helpful to read what candidates have written. We certainly find it helpful. Again, it may be on the basis of the completion of that questionnaire that we might decide that we actually do not need to see the candidate, because we are fully assured of their suitability on the basis of what they have said.

Damian Collins: I agree with that. For my Committee, people would always expect that the chair of the BBC would be someone who would have a pre-appointment hearing in front of the Committee, and similarly with senior figures at Ofcom, but I agree that if there was a longer list of appointments where we had the right to call in, effectively, a candidate but the Committee was not necessarily obligated to do so, that would be a good way of working.

Q96 **Kelvin Hopkins:** Of course, doing pre-appointment hearings is quite onerous and takes up time. How would your members respond to a suggestion that Committees should do more pre-appointment hearings?

Nicky Morgan: It would depend on the positions, as I say. We have an agreement with the Treasury that we have rolling appointments with the chief executive of the Financial Conduct Authority and the chair of the Office of Tax Simplification. They have not actually been formally added to the list, but we do expect that. I suppose there might be some positions that are added to the list where effectively we already have a role.

It does take up quite a significant amount of time, particularly when you have a lot of inquiries. We are all very engaged, obviously, on scrutinising what is happening in terms of the negotiations with the EU as well. We might be able to take on some more pre-appointment hearings, but although I have not raised it with them, I suspect that members of the Committee would want to find the right balance between being able to conduct our own inquiries on issues that we know are important and timely and not just doing only pre-appointment hearings.

Damian Collins: I agree with that. If someone had been appointed to a relatively low-profile body, the person selected was a relatively uncontroversial figure and the area in which this body works is not something of direct interest to the Committee at that period of time, and there is actually no real purpose, other than going through the motions, people would question why we were devoting more of the Committee's time to doing it. As I said, there are certain very high-profile roles where pre-appointment scrutiny should be part of the process, but there are many other public appointments where, unless the Committee itself particularly wanted to see that candidate, there should not be a requirement that the Committee should hold a hearing.



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Q97 **Kelvin Hopkins:** Yes, the significance of different appointments is something I shall come on to. Nicky Morgan, the Treasury Committee holds pre-confirmation hearings for several appointees to the Bank of England and other financial regulators. How effective are these pre-confirmation hearings?

Nicky Morgan: I would say that they are effective. You are right to draw a distinction between pre-confirmation and pre-appointment, because the Chancellor has written to say that this person is going to be appointed, but before they take up their position they will come before us. All members certainly find it extremely useful to have somebody in front of them who they are going to have an ongoing relationship with. It gives the public an idea of things like how somebody is going to behave as a member of the Monetary Policy Committee or the Financial Policy Committee and whether they are going to bring the required independence to that role. Of course, the Select Committee is a key part of the accountability to Parliament.

I would like to think that we get to ask the questions that people outside would want us to ask, and we get to grapple with some of the issues that are thrown up by the questionnaires. Certainly in terms of conversations I have had with Committee members after those hearings, nobody has ever said, "Gosh, that wasn't a good use of our time."

Q98 **Kelvin Hopkins:** Two of the committees you deal with, the Office for Budget Responsibility and the Monetary Policy Committee, are very, very important. They are very significant in guiding Government policy, if one likes. It is very important indeed to ensure a range of views within them, particularly for the Monetary Policy Committee, where over the years there has been some balance between what might be called hawks and doves on interest rates. Do your Committee take cognisance of those important points?

Nicky Morgan: They do. We asked Professor Haskel earlier this week particularly about independence. I specifically asked him a question about whether he would be comfortable challenging, and I made it clear that the Committee expected him to be one of the people who would challenge some of the orthodoxy, particularly as the new member of the committee. He gave us that assurance. Of course we will see what happens when he is able to take up the role.

You are right about interest rates in terms of the MPC pre-confirmation hearings. They always come up, because it is very important that we know where somebody stands on that. We do not ask people to commit, because the whole point is that they are there to judge and give their view on that on the basis of the evidence the Committee hears at the relevant time, but we like to know what their thinking is on that.

Q99 **Kelvin Hopkins:** The Chancellor and Treasury officials no doubt will be keen to guide certain appointments in these matters. Do you get some pressure from them occasionally, indirect or covert?



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Nicky Morgan: No. We have the letters, and we have not had any pressure in relation to, "We would like this person. We hope the Committee would say yes to this person." We have had nothing like that.

Q100 **Chair:** Some appointments are subject to parliamentary approval. Some, like the Parliamentary and Health Service Ombudsman, are subject by legislation; some are subject by convention, and we have managed to make it that the chair of the UK Statistics Authority is subject to parliamentary approval by a motion of both Houses. What type of appointments should be subject to parliamentary approval?

Nicky Morgan: I have not really considered the point. There are some very significant public appointments. I am not sure I can sit here and speculate today, but I would have thought there are some appointments, at the level of the Governor of the Bank of England, where the Committee plays a very important role in terms of the accountability to Parliament, but it may well be that other parliamentarians want to express a view as well. The difficulty is going to be making sure that people express an informed view based on what the Committee has recommended or otherwise, rather than just being told how they should be voting.

Damian Collins: Where the office-holder in a body has significant delegated powers from the Government, that is where the greatest area of public interest lies. For my Committee, the BBC is a public institution not run by the Government but nevertheless run by the board of the BBC on behalf of the licence fee payers. Therefore, it is right that they are subject to public scrutiny in the way they run the organisation. Ofcom has very substantial powers given to it through legislation on matters where there is a huge public interest, be it on mobile phone coverage, standards in broadcasting and so on. It is right that the people who run these organisations are themselves subject to some form of public scrutiny. You could go further. You could look at the way lottery money is spent and allocated and, therefore, the people who are responsible for making those decisions too.

Certainly looking at the DCMS space, these are the areas where you see the role for that. The Information Commissioner is involved in a very substantial and very high-profile investigation at the moment looking at data usage in elections and data breaches. Again, it is right that the people responsible for those inquiries can also be held to account by Parliament too.

Q101 **Chair:** How should Parliament be consulted about public appointments where the appointee is effectively going to be responsible for regulating aspects of Government?

Nicky Morgan: What we do not do as Select Committees, which we could probably do more of—some Committees are better than others—is about reporting back to Parliament on what we have found in our inquiries. Certainly, I have found, since taking over as Chair of a Select Committee, and perhaps being aware of what other Select Committees



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are up to, having been in Parliament for seven years by the time I took up my appointment last year, after an election, I had not appreciated all the different reports. Partly that is because we are all busy doing our jobs as Members of Parliament, but we could all be better as Select Committees at reporting back to our fellow MPs what we are doing and what we are finding. There may well be reports that people want to read that actually help them in terms of dealing with their constituency queries.

- Q102 **Chair:** It was a very interesting answer, but it was an answer to a slightly different question. I was really asking about when we are doing a pre-appointment hearing for somebody who has a responsibility to regulate Government, like the Information Commissioner, the Parliamentary and Health Service Ombudsman or the UK Statistics Authority chair. I am asking a binary question, really: is it not an absolute must that these should be approved by Parliament through resolution? These are the appointments that Government should not be allowed to manipulate for their own advantage, above all others.

Damian Collins: That is a very good point. Through this inquiry you are conducting, if you were seeking to establish a hierarchy of appointments, you are right: there should be even more independence in those appointments where that body has the power to oversee what Ministers are doing and what the Government are doing and does not just carry out delegated functions on behalf of the Government.

- Q103 **Ronnie Cowan:** Mr Collins, what wider lessons on the pre-appointment process do you think we should draw from the recent appointment of the chair of the Charity Commission despite your Committee's negative report?

Damian Collins: As I said earlier, this is the first time the DCMS Committee has ever recommended non-appointment, so it is not a decision we took lightly, and nor are we in the business of just routinely throwing back people at the Government and saying no because we can. We weighed up the suitability of the candidate and we felt she did not have any particular sectoral experience, nor during the course of the hearing was she able to demonstrate a particular direction that she wanted to take the organisation in or how she would bring her experience from other areas to bear on holding that role. It was a unanimous decision.

What was particularly disappointing was not just that the Government are not bound by the recommendation of the Committee but that there is no requirement for a pause or a think again. Actually, the Secretary of State can and did move to appointment as quickly as possible. The Secretary of State made it absolutely clear that he disagreed with the views of the Committee and was not going to give it any due consideration.

I do not believe that the Committees should have the power of veto over public appointments, but if a Select Committee has raised serious



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concerns and has done so on a unanimous basis, there should be something built into the system that allows a period of reflection before the appointment is confirmed. There is nothing formally that requires that at the moment, but one of our recommendations in our report following that hearing was that there should be that pause, and a way of establishing that pause could be for the matter to be referred to the House for consideration and for a resolution of the House to determine whether the appointment should be made or not, which would allow further scrutiny, would bring in the views of other Members, and would maybe allow the Minister and the candidate to consider whether they wanted to continue with the application process.

Q104 **Ronnie Cowan:** A negative report would automatically trigger another step in the process.

Damian Collins: Yes, our recommendation could then be referred to the House. There would be a short debate on the Floor of the House with even a substantive motion tabled for a resolution of the House to determine whether the appointment should go ahead or not. That would also mean that, if the Government felt very strongly, they would be in a position to make sure their candidate was still approved, but it would have to go through a further and more public form of scrutiny before that decision could be made, so it would make a Minister really consider whether they wanted to pursue that or whether they would heed the advice of the Committee and think again.

Q105 **Chair:** What relationship do you think you will now have with the chair of the Charity Commission?

Damian Collins: I knew the chair of the Charity Commission before she was appointed and I am meeting her soon to talk about her work. I would hope that we will have a good professional working relationship between her and the Committee. I would certainly say that the next time the Charity Commission chair is in front of the Committee, there will be no discussion or reference back to the pre-appointment hearing; we will purely focus on the work that is being done by the Charity Commission. That is appropriate. We gave our view, the decision was made and we carry on with our job. That is all there is.

Q106 **Chair:** How much do you hope that her success in that role will prove your concerns about her to be wrong?

Damian Collins: I want her to be successful in that role, because it is a very important position. If we are going to have this process of inviting people in for pre-appointment hearings for scrutiny by the Committee, there is no point to that unless the Committee can give a view. We gave our view and it was not listened to, and the appointment was made. Other than that, we wish her every success in her appointment because I want her to succeed, because it is important for the sector that she oversees that she is a success in that role.

Q107 **Chair:** What you have said is very, very important: to set aside what has



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gone on in the past and to put your relationship on to a fresh footing. That is very generous of you. Would the motion you recommend be a substantive motion to approve or not approve?

Damian Collins: I see no reason why it should not be a substantive motion to approve or not approve. Unless it is very controversial, the Government of the day will largely have the ability to make sure their candidate is approved, so I see no reason why it could not be a vote of the House to confirm.

Q108 **Chair:** Would you expect that to be binding on the Government?

Damian Collins: Yes, I would. If the motion was going to be put to a vote of the House, then I would expect the decision of the House to stand in that case. Because the Government of the day has a majority in the House of Commons, it is not saying that a finely balanced Select Committee, maybe one where not all the members turned up, has the ability to block and veto Government appointments. By controlling the House, the Government would still have the ability to get the candidate if they absolutely wanted to, but it would at least establish a bar that had to be hit.

Q109 **Mr Jones:** Is the difficulty with that not that Ministers are to be accountable for public appointments? If in fact Parliament actually has a veto, then Ministers are absolved of that responsibility. Is that not right?

Damian Collins: It is only down to Ministers to put candidates forward, so Parliament would not be able to choose their own preferred person. This is in extremis. We are talking about someone who has gone through a Select Committee hearing and has been rejected. You could even consider that what would trigger a motion before the House could be based on whether it was a unanimous decision of the Committee or a split decision. You could distinguish between the two, so the Committee had to feel very, very strongly on a cross-party basis that a person should not be appointed. The Government of the day would have to lose a vote on the Floor of the House, which would mean that a substantial number of its own Members had voted against the appointment as well. If all of those criteria had been met, it would be very difficult for the appointment to go ahead. The Minister would have lost in that case, but it is only the Minister who can put forward the candidate.

Q110 **Mr Jones:** It is the case that you would have wished to do that in the case of the appointment of the chair of the Charity Commission.

Damian Collins: We did not believe that appointment should go ahead. Had that have happened, obviously we would have supported that outcome, because on our recommendation that appointment would not have been made.

Q111 **Chair:** What effect would this have on the candidate, if their personal qualities are going to be debated on the Floor of the House even if they are approved?



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Nicky Morgan: They will find it quite traumatic. You may be going to ask me about the appointment of the Chief Inspector of Ofsted when I was Secretary of State for Education. Again, I was on the other side of the table from where Damian was.

Going back to your earlier questioning about aggressive or robust questioning, for people who are not in public life or have not been in such a high-profile way, being before a Select Committee can be a fairly traumatic experience. I would have thought that a lot of people would withdraw at the point of having your qualities debated on the Floor of the House. It may be different because in this particular case it is obviously somebody who has been a Minister, who has been in public life, has been a Member of the House of Lords. But a lot of people would just say, "Thank you, but I don't need this. I'm going to go back to what I was doing before without all that scrutiny."

Potentially that might be the right decision. It might be that that person is not the right person for that role, because of all of this, but it might be that a very good person who could have been very valuable to public life is lost. All of this is worth exploring, but we also have to think about the effect on the individual as well.

Q112 **Chair:** That was the experience that I had as chair of PASC when we were scrutinising a particular appointment that was subject to a resolution before the House, but what we did was we did not issue the report; I telephoned the Minister and said, "We are minded to issue a negative report. Do you want to discuss this with the candidate before we do so?" We never issued the report, because she decided to withdraw. Clearly, if you confront the Minister immediately with a negative report, the Minister is going to react in a certain way. Is the procedure right that the Clerk should be there ready with the draft report to issue immediately? Should a "pause and reflect" become a standard part of the procedure if the Committee is not happy?

Damian Collins: Obviously, on most occasions the report is positive, in which case, as Chair, I quite like to have the report ready to publish almost straightaway because then the matter is resolved. There is no speculation about whether they are or are not going to be appointed; the confirmation is there and you just move on. In the case of the Charity Commission, I telephoned the Secretary of State after the hearing to tell him what the outcome of it was, so he had some notice before the report was published.

Q113 **Chair:** But you had already agreed the report.

Damian Collins: We had already agreed the report.

Q114 **Chair:** You had already agreed to publish the report.

Damian Collins: Yes, but I gave him some notice as to what the report would say so he could think about that before it was in the public domain. In this case, it would not have made very much difference.



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Q115 **Chair:** The Exocet missile was coming in his direction. It would be different if you had rung him up and said, "We are minded to make this report. What would you like us to do? Do you want to reflect? If you're going to go ahead with the appointment, we will issue our report."

Damian Collins: The Committee has made its decision, so you might as well tell the Secretary of State that that is what the decision is. In that position, if the Secretary of State said, "Well, that's very serious. Could you give me 24 hours before you publish? I want to take advice on this and consider what we do," most Committee Chairs and most Committees would be more than happy to accept that request, if that request was made.

Q116 **Chair:** Nicky Morgan, what do you think about a "pause and reflect" proposal?

Nicky Morgan: It is very sensible. As Damian says, if we were going to say no to somebody, the Chair would phone the relevant body and say, "This is what we are minded to do." After a session, we will normally go into private session, so the Committee will in practice agree, even if the report is not actually approved for publication. The Committee will know very swiftly what everybody else thinks about the appointment. There is a danger of leaking at that point. Particularly if it is a high-profile appointment, there is a lot of outside interest and people asking about it. There should be that ability.

I am fairly sure it is standard, even if it is not written down somewhere, that the Chair, or the Clerk if the Chair cannot do it, would phone the Department and say, "This is what we're minded to do." It may well be the report is not written, but having that ability would be sensible. If the Minister said, "Could you give us some time to think about this?", I would have thought most Chairs and most Committees would understand that request.

Damian Collins: With the Charity Commission, as I said, I telephoned the Secretary of State. The first act of the Committee formally was then to write to him, not to issue the report. We wrote to him setting out the concerns we had and the reasons why we had not gone ahead. We did it deliberately in that way so the formal report the Committee would publish would consider not just the hearing itself but also the response we had through correspondence with the Secretary of State before the report was issued as well, but in this case it was quite clear that the Secretary of State was determined to continue. Whatever pause had been built in would not have made a difference.

Q117 **Ronnie Cowan:** Nicky Morgan, you touched on the fact that when you were Education Secretary you set aside a negative report. When you were a Minister, how, if at all, would you have strengthened the role for a Committee? Would a strengthened Committee have changed your approach to the public appointment?



Nicky Morgan: If the Committee had a veto, then yes. As a Minister, that would be a slam dunk. If you put somebody forward and the Committee had a formal veto and said no, it would be difficult to continue and I suspect in many cases many candidates would want to withdraw at that point, because it would become public even if it was through an exchange of letters or a conversation that the Committee was minded to do something. It would become public fairly quickly that a veto had been applied.

If I might, Chair, it is worth just saying that obviously I have been on the other side of the table when I have had a conversation and been told by officials that the Committee was minded to do this. We had a letter written about the candidate to be Chief Inspector of Ofsted. I did reflect very carefully as Minister. I reflected very carefully about putting her forward in the first place. I reflected very carefully on what the Committee had said. I looked at some of the evidence session and the questions that had been asked. As I say, sometimes when people are before a Committee for the first time it is a pretty overwhelming experience, but I did also feel that there was a hidden agenda in the conclusion the Committee had reached, which I felt was very unfair.

As I recall it, when I wrote back it was a fairly traumatic period two years ago when all this was going on, just as I was about to be booted out of office. I wrote back a pretty detailed letter to the Chair as to why I felt the session had not been fair or had not reflected well on the candidate and why, actually, I was minded to go ahead with the appointment.

Chair, you asked a question about the performance subsequently. I was obviously concerned that somebody could then not perform as well on the basis that they had not had that confidence from the Committee. I would like to think the Chief Inspector has performed extremely well and that my confidence in her was justified, and, to be fair, the Committee absolutely have had a good relationship with her thereafter.

Q118 **Ronnie Cowan:** I do not want to be too traumatic for you, but, going back to those days, had you been in that situation where, say, the negative report triggered a debate in the House of Commons, would you have then found yourself in the House of Commons standing up to defend your appointment?

Nicky Morgan: I do not particularly want to talk about that particular individual, but, as a Minister, you would take advice internally and externally. To be fair, No. 10 Downing Street, the Prime Minister's office, would have a very clear view on this as well, as would the Chief Whip, as to whether this was a debate we wanted to get into on the Floor of the House, or whether there had always been question marks about the particular candidate or there had been people we had hoped would put themselves forward who had not done and whether we should go back and start that appointment process again. I cannot say. It would very much depend on the circumstances, the context, the performance of the candidate and the candidate themselves.



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Q119 **Chair:** Was the Committee unanimous in that case?

Nicky Morgan: I am afraid I cannot remember, Chair. I will find out.

Q120 **Chair:** I am told it was in that case. There have been occasions where the Committee is divided on fairly partisan lines. If the Committee is divided, does that not rather lose the credibility of the decision?

Damian Collins: Are you thinking about your pre-appointment hearing with William Shawcross?

Chair: We did have two dissidents, but it was not divided on party lines.

Damian Collins: As I said earlier, if you have a rising scale of things that could happen during a pre-appointment hearing, reaching towards the top of that, one of them might be for it to be referred to the House. That is a fair test for the Committee itself. If the Committee is divided, the Committee can publish its report but that may not necessarily trigger a resolution of the House. If the Committee sends a unanimous position and it is quite clear that all views on the Committee are the same, that could have a higher standing. It would also potentially make the Committee consider very seriously the powers it has.

Q121 **Chair:** Is there not a danger of making Committees rather partisan if the Minister is going to lobby his own party on the Committee to make sure it is not a unanimous rejection?

Damian Collins: That is a fair point. In my experience, most Committee decisions are not that partisan, in terms of considering reports, appointments and other things. I remember being a member of the Select Committee when Chris Patten was appointed chair of the BBC Trust. The Labour members could easily have objected to that just for the sake of it. From memory, out of the 10 members in the room on the day, if the Labour members had decided to be partisan, they could have declined the appointment, but that did not happen. Committee members on the whole do not act in a very partisan way, but it is a fair challenge to throw back to the Committees to say that a unanimous decision of the Committee should probably hold more weight than a split decision.

Q122 **Ronnie Cowan:** How effective have your Committees been in trying to improve the diversity of the candidates that Ministers select?

Nicky Morgan: It is an ongoing process. We have particularly prioritised gender diversity, but, as I say, I am very conscious that, on the basis of evidence that we have heard in our Women in Finance inquiry—and just generally we all know—there is much more to diversity. There is diversity of background and all sorts of different things. In terms of a breakdown, we could potentially ask for more information about the people applying for the job and the people shortlisted for interview. As I say, when the Treasury write to us about appointments, we are now getting that diversity breakdown, and that has only happened within the last year, basically, since we made it a Committee priority.



Damian Collins: I agree with everything Nicky Morgan has said about that. For me, though, one of the other criteria is not just the balance in terms of gender and ethnicity but also range of experiences as well. We see too many people put forward who are really SW1 insiders. They have had a series of similar appointments, they are either former Ministers or close to particular parties, and they are drawn from a fairly narrow group. Some people might say, "They're very experienced. That's why they are chosen: because they're experts," but that is a concern we raised as well. You have a lot of people who are very, very close.

In recent hearings we have held, as people have discussed, Baroness Stowell is a former Conservative Cabinet Minister. David Clementi, chairman of the BBC, is a very qualified man, but he also wrote the Government's own BBC White Paper for them. Lord Burns, the former chair of Channel 4 and now chair of Ofcom, was a former Permanent Secretary to the Treasury. No one disputes his qualifications to do the job, but again it seems like we are constantly fishing from the same pool.

One of the most refreshing things about the appointment of the Information Commissioner, Elizabeth Denham, was that she was appointed from Canada. She had run a similar body in Canada, she had a completely different set of experience and she has demonstrated that she is an absolutely outstanding Information Commissioner as well. I would like to see more consideration of people with different sorts of experiences being put forward.

Q123 **Ronnie Cowan:** Nicky Morgan, you touched upon your Women in Finance inquiry. Have those Government appointments influenced the wider private sector behaviour as well?

Nicky Morgan: The private sector already realises they need more diversity at the top of organisations. It is important. The reason we are looking at diversity is because the example the public sector can set in terms of major appointments is very important in terms of the messages it sends to the private sector. The particular area the Treasury Select Committee scrutinises is financial services. One of the reasons that diversity at the top of the Bank of England and the FCA is important is because there is no point us or others asking or doing reports about women on boards if the financial services firms are going to say, "Hang on a second. It's all very well asking us to get more women into senior management, but look at the regulators and the poor track record they have."

There is more to do. Both the Governor of the Bank of England and the chair and the chief executive of the FCA would say that, and they recognise they are important role models.

Q124 **Ronnie Cowan:** Is there a natural suspicion among us male, stale and grey people when a woman is appointed, to ask, "Is she getting that job because she is a woman"?



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Nicky Morgan: I would hope we hear that less and less. In a way, it is a shame to have the debate at the appointment end. You have to go right back. One of the questions we ask a lot on the Treasury Select Committee is about the pipeline of women, particularly around female economists. For many of the jobs we are appointing or doing the pre-confirmation hearings about, they need economics skills. Again, we talked on Tuesday with Professor Haskel about the number of female economists and the pipeline going through so that you have good people to be appointed. That is going to be a much longer process.

Q125 **Ronnie Cowan:** Just to remind you, for the Scottish Government, with the reshuffle yesterday, the Cabinet is gender-balanced.

Nicky Morgan: I know.

Ronnie Cowan: The first time that happened, Nicola Sturgeon said, "I get lots of correspondence asking me why those women were put in jobs. Nobody asked me about the men."

Nicky Morgan: Absolutely. Until we are over that and stop having that as a debate, we all know we have further to go.

Q126 **Ronnie Cowan:** Damian, you talked about the narrow pool that we choose from. What steps can your Committee take to improve that or to widen that choice?

Damian Collins: One of the things we did was write to the Secretary of State to make that particular complaint. We did it privately, because we did not want it to be seen as a reaction to any one individual appointment. That might have been unfair on that person. We certainly did not want to personalise it in any way. It was just to make the point.

I would not say it was a warning to the Government, but we wanted to put a marker down to say, if we continue to get candidates for these positions who are constantly just drawn from the same quite narrow group of people with no real evidence that people with wider experiences have been considered, the Committee might start to take that into account when considering people. We wanted the Department to be aware that that was a concern we had. We had seen a series of appointments made where this very narrow range of experience seemed to be evident. We wanted them to demonstrate that they were prepared to do more, certainly in the way they advertise these positions when they arise. We wanted them to demonstrate they were doing all they could to make sure other people have been considered or made aware of the opportunity and made aware that they may have the relevant experience to be a serious candidate.

Q127 **Kelvin Hopkins:** I am interested in the underlying tension between what Ministers want and what the House wants. There was, of course, Sir Gerry Grimstone's report, which the Government accepted with interesting alacrity on the day it was published, and yet we have some serious concerns raised by this Committee and by Sir David Normington.



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There are still underlying tensions. I do not know where you stand on that balance, but I would be interested to know what you both think.

Nicky Morgan: It depends on what hat you are wearing. If I was sitting here as a Minister and you asked me, I would give you one answer, Mr Hopkins. Sitting here as the Chair of a Select Committee, I am probably going to give you another. Not just in this area but generally, there are obviously tensions between the Executive and Parliament, which is probably correct and is probably never going to be entirely resolved. We have talked about the list held by the Cabinet Office. As a result of this inquiry and certainly the work of the Liaison Committee, I would hope that list could be expanded. Committees have a very valuable role to play.

We have to do the scrutiny properly and in the right way. As I say, for the Bank of England, the scrutiny we do of future members of the MPC and FPC is seen as a critical part of the transparency they want to see to Parliament and the public of the work of the Committees. The work we do is valued by those who are doing the appointing.

Damian Collins: Ministers should see that there are tests to be met. If a Minister wants to put forward someone who might be considered controversial for a public position because they believe they will be outstanding and they are prepared to defend that person and speak openly about why, despite them being a controversial candidate, they really feel they are the right person of the job, of course that should absolutely be the Minister's right. That is something they should be prepared to do.

What we have to avoid is Ministers seeing this as a form of patronage: "Old Fred is a good person; we feel sorry that he was kicked out of the Government, so we are going to give him this job because we feel we owe him something." Those are the sorts of appointments we have to flush out. We have to make Ministers realise that, if you really want to do that and that person is considered controversial, you are going to have to stand up and explain yourself.

Q128 **Kelvin Hopkins:** It leads on to my second supplementary question. Despite Sir Gerry's position and report, are Ministers being more judicious in putting names forward under the new arrangements? Cronyism, rewarding people for service and all of that, is not so significant now and we are making better appointments. Is that your view?

Damian Collins: All I can say is we have been very happy with the appointments that have been made largely, because we have agreed them all without any dissent on the Committee at all. We have good people doing these jobs. One of the concerns I pick up is that Ministers will say, "We struggle to get better candidates or people from these wider ranges of experience." I believe that is the case; I do not believe the Ministers are misleading us in saying that, but I cannot believe that, in a country of this size with so many large and sophisticated organisations



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being run every day, there is only a narrow pool of people who want to do these public appointments. I cannot believe that can be the case. Therefore, the Government should be doing more to encourage a wider range of people to come forward.

Nicky Morgan: I would certainly agree with that latter point about encouraging a wider group of people to step forward. The other thing we probably have not quite drawn out is the difference between Ministers and officials. As some of us will know, Ministers will come and go, but officials are there for much longer, and so a precedent is set by conceding that an appointment should be subject to Select Committee scrutiny, be on the list or be subject to a formal veto. As individuals, many Ministers would have sympathy with that; they are also parliamentarians. We should not underestimate the pushback Departments and officials will give on that if the Minister says it is a good idea: "Are you sure you want to be doing that, Minister? We don't know in future what the situation is going to be." We have to be quite careful. There can be a difference between the ministerial view and the departmental view.

Q129 **Kelvin Hopkins:** It is something I raised privately before the meeting started. I am interested in the extent to which officials put pressure on Ministers or possibly vice versa, the other way around, but your answer is interesting.

My final supplementary is really about interview panels. Some are subject to interview panels. This Committee initially had a problem. A member of the Committee was then put on to the subsequent interview panel. Indeed, there have been two or three major appointments where our Chair has been on interview panels. In a sense, the Committee becomes tied into the appointment. Is that helpful and sensible?

Nicky Morgan: I am sure there are very senior, good parliamentarians, your Chair included, who would be the right people to be on interview panels. What would be difficult would be if a member of the Select Committee that was then going to do the public pre-confirmation scrutiny was on the interview panel.

The suggestion was made earlier about having published the people who are on the interview panel. With my former ministerial hat on, we thought long and hard about who should be on interview panels. Actually, in terms of the point Damian has made about it being the same old people, we often did get suggested to us the same old people to be on interview panels, and we would try to find different people, people even from outside the sector, just to provide sometimes a balance. That probably is something that is not examined enough and certainly not public. Who is on the interview panel is critical in terms of who makes it through to the final shortlist.

Kelvin Hopkins: I have to say that, on this Committee, whoever is on the interview panel—the Chair, usually—does not participate in the



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confirmation hearing after that. That is very interesting. Thank you very much.

Chair: I do remember the first time we refused somebody. It was greeted with incredulity throughout the system. A very senior official said to me, "We can't run the country like this."

Damian Collins: As a democracy.

Q130 **Chair:** Actually, we can. It has all settled down. The most difficult problem for Select Committees, particularly new members of Select Committees, is when they are confronted with this rather artificial arrangement that they see just the one candidate. I do not think Select Committees can be expected to be given all the names and all the CVs and have the whole process exposed. It is very important for Select Committees to be involved in the design of the process before it gets going.

What can we do to help Select Committees understand that their role is to decide whether the candidate before them is appointable? They are not conducting an interview for the job; they are conducting scrutiny to check that the candidate offered to them is appointable. How can we educate Select Committees to understand that that is the role? It is a very artificial one.

Damian Collins: It also depends on what information the Committee has to go on. Inevitably, Committees are drawn to consider the suitability, not just the appointability, of the candidate. That is only human nature, if they are in front of you. Again, if the Government are putting forward someone who is appointable and the Government have already determined they are appointable, and the only job of the Committee is to determine whether they are appointable as well, the process has very little value in that case.

What might be interesting is whether it would be possible for anonymised data about the performance of that candidate through the interview process or the appointment process could be shared with the Committee. You could get to the bottom of whether the person that has been put forward was actually considered the strongest in interview. What you are told by Ministers is that that person was considered to be appointable, not whether that person was considered to be the strongest candidate. Indeed, the job of the interview panel is not necessarily to rank the candidates but only to put forward the names of the appointable person. Again, this would be of interest. The Committee could be informed if the interview panel agreed that person was appointable but they did not necessarily think they were the strongest candidate. That would be interesting, but I do not know how easy that would be to do. It would certainly give us more to go on.

Nicky Morgan: I have to say, actually, that Treasury Committee members new and old are very clear. We have not had to explain it terribly much. Obviously, the role of the Clerks is very important. There is



not a lot of training for Select Committee members, and that is another whole area that might be looked at. There could be scope for some guidance, explanation or just a reminder that Chairs of Committees should read out or make it clear to members before any pre-appointment or pre-confirmation hearings exactly what the role is.

There is another thing, of course. If there is a concern or if more information is needed, it may well be for the Chair to speak to the head of the interview panel before the hearing to get to the bottom of who they saw, how many they thought were appointable and if there is anything they feel we should know before we actually do the hearing.

- Q131 **Chair:** Of course, panels are encouraged to assess candidates' capabilities; direct experience is less valued. I do not know whether you have ever sat on these panels, but they are rather artificial—I cannot remember what the term is; “capability assessments” or something. You are trying to understand whether this person has the attributes to be able to undertake the role, not necessarily whether the person has been educated and schooled with that role in mind. Quite often it seems odd that people come in front of us who do not have direct and relevant experience, but that reflects the tendency towards generalism in the civil service itself. Everybody can be a Permanent Secretary in any Department if they have the right capabilities. What is your reaction to that? Very often Select Committees look for direct experience and direct knowledge—subject knowledge and expertise—in a candidate, which the panel was not looking for.

Nicky Morgan: It is a good point and, again, it is something to get your head around, particularly if you have worked in the private sector before and you have interviewed in a completely different way. This is the point that Damian was making about the difference between appointable and being interviewed specifically for the job.

It depends on the role. Going right back to the kind of person that is needed, it may well be that actually what you need at the top of an organisation is that person to be the grit in the oyster. They are there to shake things up, to ask questions, to challenge or to lead an organisation into a wholly new period of its existence, or it may well be that the organisation is running perfectly well and somebody is needed to carry on management.

Often, as a Minister, you tend towards the former because you want something to go in a different direction. It is about understanding that. It is different to understand why somebody may not have been a teacher for 25 years, which makes them ideal to be head of a big education body, but they may have other experiences, within either the education field or elsewhere, that mean they are the right person to lead the organisation in a new direction.

- Q132 **Chair:** Should Select Committees just be looking for competencies or should they be looking for direct and relevant experience?



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Nicky Morgan: The Committee should probe both. If I think back to Professor Haskel's appointment hearing on Tuesday, we did absolutely ask him about his knowledge. It was pretty clear that his knowledge of productivity was a major advantage. The Chancellor said that in a letter to me, about why he was going to be the right person for the Committee at that time.

Q133 **Chair:** This, then, would be a very serious and important recommendation for us to make, because if we made that recommendation then panels would have to realise that the Select Committees are going to look for experience and subject expertise, not just competencies.

Nicky Morgan: I would not want it to be only about that, because the trouble is that you end up potentially with the point Damian has made: you end up with people in the same mould or coming from the same sector. Sometimes it is right to bring somebody in. It sounds rather vague, but you need both. It depends on the appointment, the history of the organisation and the challenges within that organisation. It is right that Committees should probe both, but with that understanding. Maybe that needs more explanation from the appointing Minister as to why they think this person is right for this particular role at that time, and then that can be scrutinised and tested by the Committee.

Damian Collins: How many major private sector organisations would appoint as their chair or chief executive someone who has absolutely no sectoral experience at all? On the whole, it probably does not happen, although there will be examples where it has. Where it does happen, probably someone has very strong experience working in a sector that is similar or running an organisation that is similarly large and complex and, therefore, brings that experience to bear. It depends on what the challenges of the organisation are. They were probably chosen because they are particularly suitable for whatever challenge that organisation faces.

Whilst it is not always relevant, if you were to take the BBC, for example, given that the job of the chair of the BBC is not just to hold the executive and the Director General to account but to be the first-stage internal regulator of the organisation, you would want someone exercising those functions as chair of the board who could demonstrate the ability to run the board of a large and complex organisation with a degree of knowledge of the sector so they could exercise their functions properly to know what questions they should be posing internally or where they should be challenging the executive of that organisation. In the interview process, someone's experience is highly relevant to their suitability to fulfil those obligations.

Q134 **Chair:** But then panels need to know that.

Nicky Morgan: Yes.



Kelvin Hopkins: There is a very important point, of course. It is not just experience. There are profound philosophical differences in education, economics and so on. That is something that is absolutely crucial.

Q135 **Chair:** Let us just explore that, because it is a very interesting point. Very often the Minister will be appointing someone who represents a philosophical viewpoint that the Committee may not agree with. To what extent is it the role of Parliament to substitute its judgment for the judgment of the Executive, given that, to quote a colleague recently, "We have parliamentary Government, not Government by Parliament"?

Nicky Morgan: It is not the Committee's role to substitute its judgment. They can ask questions about knowledge and it will become clear if someone clearly has no knowledge and has made no preparation to work in a different sector, perhaps, but they will also probe the capabilities. That is one of the challenges for Committees: where they might disagree profoundly with somebody. Let us take interest rates and the MPC.

Chair: William Shawcross is a case in point.

Nicky Morgan: There is an example in interest rates and the MPC. It might well be that Committee members have a wholly different view on somebody's answer on whether they think an interest rate should go up or down in the medium to long term. The question is about whether the person is experienced enough to be able to offer an opinion and to be able to challenge and be an independent member of the MPC, for example. It is that latter point that the Committee is there to probe, not whether they agree. It might be very interesting, but it is not about whether they agree or do not agree with what somebody is saying about the detailed decisions they are going to be taking.

Damian Collins: The Treasury Committee's role is somewhat different from ours, because we do not tend to have people put forward who have strong philosophical views about the direction of the organisation they want to lead, but it could happen. As I said earlier on, I do not see a problem with Ministers putting forward controversial people.

Hypothetically, let us say the Secretary of State wanted to privatise Channel 4 and they wanted to bring in a new chair of Channel 4 that supported privatisation and would help prepare the organisation for privatisation, but the Select Committee were completely against the idea. Should the Minister have the right to appoint the person they feel shares their vision for that organisation? Absolutely, the Minister should have the right to do that and to pursue controversial appointments if it is important to them. As part of the process, part of their responsibility then is to come forward and speak about that.

If that required parliamentary consent through a motion of the House because the Committee could not agree, the Government can make their case for that appointment. It would set the bar for the Minister. It would say that to put forward someone of that nature, who is important to the delivery of an area government policy they feel passionately about, is



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something they may have to go out and advocate. That is part of the process.

Chair: It has been a very helpful session. You have both been very thoughtful and open. Thank you very much indeed. We will report in due course.