

Public Administration and Constitutional Affairs Committee

Oral evidence: [The work of the Cabinet Secretary](#),
HC 1250

Thursday 19 July 2018

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Members present: Sir Bernard Jenkin (Chair); Mr Marcus Fysh; Dame Cheryl Gillan; Kelvin Hopkins; Dr Rupa Huq; Mr David Jones.

Questions 1 - 87

Witnesses

I: Sir Mark Sedwill, Acting Cabinet Secretary & National Security Adviser; John Manzoni, Chief Executive of the Civil Service and Permanent Secretary, Cabinet Office.

Examination of witnesses

Sir Mark Sedwill, Acting Cabinet Secretary & National Security Adviser; John Manzoni, Chief Executive of the Civil Service and Permanent Secretary, Cabinet Office.

Q1 **Chair:** I welcome our two witnesses and ask you to identify yourselves for the record, please?

Sir Mark Sedwill: Good morning, Mr Chairman. I am Mark Sedwill. I am the National Security Adviser and currently the Acting Cabinet Secretary.

John Manzoni: I am John Manzoni, the Chief Executive of the Civil Service and the Permanent Secretary to the Cabinet Office.

Q2 **Chair:** I will start by saying how sorry we are to see you and we all wish Sir Jeremy well and look forward to seeing him in front of our Committee in September. This is just a filling-in slot but we thought it was very necessary to have this to deal with some very current issues.

Can I start off by asking about the very delicate matter of leaks? What do you think provokes civil servants to leak?



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Sir Mark Sedwill: The first thing I should say is that with my normal role you can imagine how seriously I take this. In fact, I have been dealing with a leak from the Salisbury Amesbury investigation over the last couple of days. As you can imagine, as National Security Adviser these things concern me greatly, so I take a very hard-line attitude to it and I did when I was the Permanent Secretary at the Home Office as well. Leaks are not confined to the civil service but nor are they to Ministers, special advisers, police, military. We see this from all areas and it is deeply regrettable when it happens.

I think the motives vary. There are not that many, if you think of the huge amount of information that goes around. One is one too many, but there are not that many in view of the huge amount of information that goes around. Sometimes, frankly, it is inadvertent. Sometimes it is vanity—people enjoying being taken seriously and treated as a pundit who is on the inside track. Sometimes it is deliberate with a policy objective in mind, and that probably applies to all of those groups. I suspect the third, which is in some ways the most serious, is the least common.

Q3 Chair: What do you think the trend is? Are leaks increasing or are they reducing?

Sir Mark Sedwill: Reliable data is difficult to collate on this but our sense is that, broadly speaking, it is stable overall. I have seen some numbers, which are not reliable enough to share as decent management information, that suggested there was a spike in leaks a few years ago. It seems to be reasonably stable in the number, but it is not so much a quantitative issue as a qualitative issue: how serious is the leak; is it a document that is classified or Cabinet correspondence; is it a bit of off-the-record briefing? There are qualitative issues here, but I genuinely don't have the sense that this is getting worse or better. I think it is about the same.

Q4 Chair: What do you think is in the mind of the civil servant who decides to leak? May I just say that it is very often not civil servants but we are talking about the civil service at the moment. What do you think is in the mind of a civil servant who leaks?

Sir Mark Sedwill: As I said, I think sometimes it is genuinely vanity. Somebody is being cultivated, they are being told how important they are, they are on the inside track, and they are just telling a story, being tempted into punditry, if I can put it that way, and sometimes that is the case. When I was in the Home Office I dealt with deliberate leaks where we were in, for example, a very tough negotiation with some of the unions and then you would see information about performance at Heathrow.

Q5 Chair: Take the Brexit impact statements. I realise these are very delicate matters and part of the reason we want to open this up a little bit is because it needs to be discussed without a sense of outrage and



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blame. It needs to be discussed objectively and we want the public to have more confidence that it is being addressed and talked about properly. The Brexit impact statements appear to be a very politically-motivated leak. Would you agree with that?

Sir Mark Sedwill: I think it would fall into that third category. I agree with you, Mr Chairman, that leaks of that kind look to be designed to achieve a political effect and there are others of that kind. I have discussed one or two of the other categories where it is not that, but that would be my supposition.

Q6 **Chair:** We all remember Vansittart leaking to Winston Churchill during the appeasement crisis and he is portrayed as rather a hero by history. What circumstances would ever justify a leak?

Sir Mark Sedwill: In the modern era, I don't think they are there. We have strong whistle-blowing policies. People can bring things to the attention of the Cabinet Secretary or the Civil Service Commission in extremis if they think there has been something improper. I find it difficult to conceive of the circumstances in which a leak is an appropriate course of action, and the civil service code prevents it.

Q7 **Dr Rupa Huq:** How serious a problem do you think leaking is? I remember Clive Ponting was the first one I had heard of when I was at school. But not just the Brexit impact statements; I think Amber Rudd was brought down by someone deliberately turning the tap on and it did not look like a leak.

Sir Mark Sedwill: Every leak is serious. Some are qualitatively more serious than others. As you would imagine, I take particularly seriously any leaks of national security information because that is a breach of the nation's security. It does happen and it has happened in the last few months. We investigate it and if we can identify those responsible we take action against them, either disciplinary action or, if it is appropriate, we will bring the police in through the Gateway process and see whether there is a criminal case that can be brought. It is rare to be able to find enough information that passes an evidential threshold to identify an individual but I would personally hope to do so and seek to do so, and seek at least to deter people with the sense of the seriousness with which we take it. The former Home Secretary decided to resign because she had inadvertently misled the House. That became public partly through some documents that were leaked, but the fact of the documents and the fact that she had inadvertently misled the House was the basis on which she took that decision.

Q8 **Dr Rupa Huq:** You talked about stuff that happens afterwards but how can you minimise or avert the leaks happening in the first place? What can be done by Cabinet to manage the risk of any leaks in the future?

Sir Mark Sedwill: There is control of information. Having spent most of my career in the national security area in one area or another, we used to have a principle that ran right the way through the Cold War of "need



to know” where sensitive information was only shared on quite a restricted basis, but there are inefficiencies in that. Information needs to be shared for the efficient and effective conduct of government, so there is a tension there between the two. If information is shared very widely, of course it is harder to identify the individuals who might have either deliberately or inadvertently leaked it, but we do need to be able to track where information has been shared.

The new information management systems will enable us to track more carefully exactly who has seen a particular piece of information. We have strong measures in place to identify if, for example, someone e-mails a document out of an official system into their personal account and we can track that in an investigation. In some cases that has been built into new systems so that they will alert to make sure that information is not being shared outside the official system as appropriate. There are some technical means we can put in place, but fundamentally this is about strong management of civil servants, a reminder to people of their duties under the civil service code, good line management at each level, identifying whether individuals are disaffected or going through any kind of personal issues and ensuring the right measures are put in place so that we minimise the risk.

As I say, the numbers are not great. I think it is a qualitative rather than an quantitative issue anyway and there is a range of measures we should take. John may have some other points.

John Manzoni: The counter to that is to provide channels through which people can legitimately raise their concerns, such as whistle-blowing. Although they are not big numbers, given the size of our organisation, we are working hard to try to make the whistle-blowing better. We had 180 in the last year versus 140 the year before versus less than that the year before, so I think those channels are being encouraged. That is another way of giving people an outlet if they feel disgruntled about something that prevents them perhaps leaking.

Q9 **Mr Marcus Fysh:** What lesson-learning activity is undertaken after a significant leak?

Sir Mark Sedwill: It will depend on the Department and the nature of the leak. In some cases there may well be lessons. It goes to the question that Dr Huq was just asking about. In some cases there will be questions about whether certain information was shared too widely or without the proper controls on it. In some cases it may have been on the wrong system or whatever. Sometimes there are technical issues of that kind. In other cases it may be that the right management procedures were not in place and management action needs to be taken, but most leak inquiries are commissioned by permanent secretaries within their own Departments. I did quite a number when I was running the Home Office. An element of those is not only to try to identify the issue with a particular leak but is there a structural system or question that we need to address, and it varies.



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Q10 **Mr Marcus Fysh:** In respect of the leak of the Brexit impact assessments, I believe the Cabinet Secretary, at one of our previous sessions, said that he thought he had a pretty good idea who it had been.

Chair: No, he didn't say that.

Mr Marcus Fysh: No? I thought he did say that. He said he had a view as to what had probably happened but he could not prove it.

Chair: He did say that, yes.

Mr Marcus Fysh: My question is in respect to that. What particular lessons have been learnt from that situation of thinking that there was some evidence but perhaps not enough evidence?

Sir Mark Sedwill: I would probably have to come back to you. I am not aware of enough of the detail of exactly what the follow-up was to that particular incident and the reference that Jeremy Heywood was making when he said that. But if I can use the example, there are sometimes occasions when we are pretty sure where the leak has come from—whether it is a civil servant or a special adviser and so on—but we can't quite land the evidence. As Permanent Secretary at the Home Office, I would generally have the individual who was our prime suspect in and have exactly that conversation and say, "You just need to know this is where this investigation has got to and you need to be very careful that you are observing all of the rules assiduously". One does that in an appropriate way without making an unfounded accusation, but it is always worth firing a warning shot. I don't know the specifics of the particular case. John, do you know?

John Manzoni: No, I am afraid I don't.

Sir Mark Sedwill: Maybe we should write to you if there is anything further that we can disclose.

Q11 **Chair:** I am happy that we don't know the specifics of individual cases, because there are issues, but it would be comforting to know that if there is very strong circumstantial evidence around an individual they are perhaps confronted a little more. If there was no credible defence, what action is likely to be taken?

Sir Mark Sedwill: If the evidence is circumstantial, you are often operating within misconduct procedures rather than having to meet an evidential test in court, but it still has to be the balance of probabilities so it would vary. If we feel we have enough evidence to take misconduct procedures, when I was a Permanent Secretary and in this role I would expect that to happen. My guidance was always that I expected the severest available misconduct procedure to be the course that was pursued, whether that is gross misconduct or final written warning, whatever it might be, including the potential of putting it through the Gateway and asking the police to become involved. I have always wanted to signal and let people know, and on some occasions I would communicate this, that somebody may have got away with it this time



but you need to know that if you do you are taking a risk with your entire career, and try to deter through that method. If there was an individual who was the prime suspect, as I said one would expect to have a quiet conversation with them, that couldn't quite get into formal procedures, and essentially put them on notice. I think that would invariably be the case, John.

John Manzoni: Yes.

Q12 **Kelvin Hopkins:** What more can be done to reduce the incidence of leaks and to build trust between civil servants and Ministers?

Sir Mark Sedwill: I think the two are clearly related and are separate questions. Reducing the incidence of leaks is partly some of the issues I mentioned a few moments ago. A lot of this is about strong management and ensuring that everybody—Ministers, special advisers, civil servants, police, military, and so on—knows their obligations and that leaking is a breach of their professional conduct. It is ensuring that people understand that if they have genuine grievances and concerns there are appropriate whistle-blowing procedures and that is the route they should take. It is ensuring that if people are discontented or disaffected or going through some kind of personal crisis, there is strong management in place to try to ensure that that is properly managed and those circumstances do not provoke a leak. When there is one, in my experience I found that the appropriate course of action was to be completely candid with the Home Secretary of the day, when I was running the Home Office, about what I thought had happened and the measures I was going to take. I would test that that met her—actually in both cases—expectations and that we would follow up appropriately and reassure her that if we identified the culprit I would take the toughest action available to me.

I think there is a separate question about the relationships between Ministers and civil servants, which is a much broader set of questions. I think generally those relationships are very strong. There are some instances where they are not. There are occasions when it comes under pressure, but generally those relationships are very strong and Ministers know that if they are in a meeting with civil servants they are in a safe space in which they can be confident that their exchanges will be treated in confidence.

Q13 **Kelvin Hopkins:** I have a profound respect and reverence for the traditional division between Ministers who are accountable and civil servants who are effectively anonymous, advising Ministers but non-political. But in recent years my impression has been that there is a creeping politicisation of some civil servants and they have become more public figures. By interviewing civil servants at Select Committees, for example, they inevitably become more public. How much do you think we can rebuild the great tradition that used to exist in the past of that very strict division, if you go back to Dugdale when Ministers resigned as a matter of honour?



Sir Mark Sedwill: Of course, today some of your colleagues will be at the funeral of Lord Carrington, who also resigned as a matter of principle. I am tempted, at the risk of sounding slightly flippant, to say call us before Select Committees less often and make Ministers do it.

Q14 **Chair:** When Haldane conceived of Select Committees, he pointed out that it would be necessary for officials to appear in front of Select Committees to provide us with the necessary information. I think the idea that Ministers would appear in front of Select Committees was not in his mind at all.

Sir Mark Sedwill: No, I am sorry, I couldn't quite resist it, given I have spent a lot of time in front of a range of Select Committees. As the Chair knows, there was an arm wrestle over the Osmotherly Rules about one of my own appearances before a Select Committee.

I think it is inevitable that particularly senior civil servants, permanent secretaries in some cases, chief executives of agencies and so on, will become more public figures because Select Committees themselves have become very public fora in the media and the public take a greater interest. That is a good thing and there is greater scrutiny as a result. We are all very conscious of the discipline of a potential Select Committee appearance. Most of us do our best to prepare well for them and one can use it as a forcing function within a Department. I would certainly do so. I would say that, "I am going before HASC unless this is resolved, so we are going to resolve it this week", and you force things ahead.

Chair: Sir Mark, we are going to have to go a bit faster.

Sir Mark Sedwill: I am sorry, apologies. I think it is inevitable. I don't think it means we are being politicised. I think, to be candid, sometimes we get asked to comment on political issues as opposed to simply policy implementation issues where we try to represent the Government's position rather than just saying, "That is nothing to do with me". I think that is where the boundary becomes more difficult.

Chair: I am going to pull you up if you give very long answers, I am afraid.

Sir Mark Sedwill: Apologies. I am trying to be thorough, Mr Chairman, but I will happily be brief.

Q15 **Mr David Jones:** Sir Mark, I assume that upon completion or conclusion of a leak inquiry a report is generated as a matter of course. Is there any reason why such a report or a precis of it could not be published, maybe with appropriate redactions made?

Sir Mark Sedwill: I think the problem is it would probably reveal investigative techniques that we would not wish to become known, for example about how a particular e-mail chain was identified. To be really brief, my concern would be that the redactions would have to be so extensive that they would remove the core meaning of the report. But



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whether it would be appropriate, for example, to share some of the broader lessons learned from a range of leak inquiries would be a different question.

John Manzoni: We could generalise. Our principle is not to go into individual leak inquiries because at times that becomes clear. I think we would have to think rather carefully before, both for that reason and for the reason Mark said. If we were going to make it safe, it would probably not be very helpful.

Q16 **Mr David Jones:** On the other hand, I am sure you will agree it is quite important that the public should be reassured that leaks are being properly investigated and that they are brought to a proper conclusion. How do you feel that that reassurance can be given to the public in the absence of publishing even a redacted copy of the report?

Sir Mark Sedwill: There are occasions on which we have answered either PQs on it or, for example, in Select Committees. I have said when I was running the Home Office on the record that, "There has been a leak inquiry, we did identify who it was and the correct disciplinary action has been taken". For the reasons we have just expressed, one can't go further than that in an individual case, but I think that has provided some reassurance, when it is on the record in Parliament, to a Committee that we are taking it seriously and we are following it through.

Q17 **Mr David Jones:** We have discussed this morning a number of high profile recent leaks and I am sure that a lot of members of the public are concerned to be satisfied that those have been properly investigated. Why is that not done as a matter of course? You have said you would do it in response to a PQ, for example, but don't you think that there should be some formal process whereby it is announced that an inquiry has taken place, it has been concluded and appropriate action has been taken? It does not seem to me that that would cause the problems that you identified in your earlier answer.

Sir Mark Sedwill: I think it is a very fair point. I would want to reflect on it. The issue is perhaps this qualitative question. Some leaks are very serious, some are much less serious, and it is whether one wants a one-size-fits-all response.

Q18 **Mr David Jones:** But I am sure that we should be able to identify the leaks that people would naturally be concerned about.

Sir Mark Sedwill: Yes.

Mr David Jones: Is that something you—

Sir Mark Sedwill: Yes, we are happy to reflect on it.

Q19 **Dame Cheryl Gillan:** Is a leak ever justifiable?

Sir Mark Sedwill: No, is the short answer.

Q20 **Dame Cheryl Gillan:** Even when a Minister is not revealing the truth



about something?

Sir Mark Sedwill: A leak is not the appropriate means of dealing with that.

Q21 **Dame Cheryl Gillan:** I am thinking specifically about my favourite project, HS2, when parts of the MPA report were leaked and then a Secretary of State took a decision to block the publication of the whole thing. If it had been favourable towards the project, I am sure it would have been out there. Surely in that instance that is going to damage the trust between the public and the organs of government and surely in fact the leaks that come from something like that are actually trying to do something that is perhaps in favour of the taxpayer and the public.

John Manzoni: There are other ways of dealing with it: leveraging, whistle-blowing, proper official channels to raise concerns. If you condone one sort of leak you condone many leaks. How do you draw the line? I think the answer “no” has to stand, doesn’t it?

Sir Mark Sedwill: Individual civil servants should not be making the judgment about what is appropriate to publish or not or what is appropriate to say in public or not. We can’t have everybody making that judgment for themselves. There are appropriate channels. Of course, there is a defence if you are prosecuted, a public interest defence, but that is a high bar to cross and, as John said, there are appropriate channels when people think something improper has happened, whether it is publication or whatever it might be. I can’t think of a single instance where the right course of action was a leak.

Q22 **Dame Cheryl Gillan:** If a leak has produced a reaction from a Cabinet Minister of blocking the information that is available to the public, are you satisfied that that is good if it is directly in opposition to what, say, the Information Commissioner has pronounced on something? On HS2, the Information Commissioner said the MPA reports should have been published. There was a lot of pressure on but obviously the civil service advised the Secretary of State not to publish them. I think that that starts to break down the trust between the public and between the political processes and the civil service and the Ministers in question.

Sir Mark Sedwill: I do understand the point you are making. We must not assume—

Dame Cheryl Gillan: I am afraid it is slightly personal for Mr Manzoni because he was involved in this but I can’t help that.

Sir Mark Sedwill: John may wish to add something. Please don’t presume that the civil service made that advice. Ministers are advised. They can take a decision either way irrespective of the advice that they were given, but they have a situation where the legislation permits the Minister to make the decision. The Information Commissioner has reached a view, the Minister has made a decision and the Minister has to be held accountable in Parliament for the decision. There is then a



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question about whether you think it is the right or wrong decision and what that does to trust, but that is fundamentally a political issue for Parliament to hold the Minister accountable for.

John Manzoni: To deal with your particular issue, there was a full Cabinet discussion about the publication of the MPA—as it was called then, now the IPA—reports and an agreement at Cabinet that still pertains today, which is why we have the publication processes that we do. There was a lot of heat and light around the publication six months later of the MPA ratings and reports. My own view has always been that if we make it routine that is fine and the noise goes away, as it has indeed gone away after several versions of that report. One of the issues that you have to balance in that case is that in a project—and maybe we will come to this—there has to be the right information flows and honesty and realism and third-party objective criticism or otherwise. We have to have safe space for people to give their honest views and that is why the MPA would argue that their reports need to be protected so that they do not get politicised, so that they can say what they really think is happening.

Dame Cheryl Gillan: But it results in a huge tension within the organisation and it also results in a deception being perpetrated on the taxpayer and those people who are most affected.

Chair: I will let you say that but I don't think it was really a question. Can we move on?

Q23 **Mr Marcus Fysh:** Will you give some thought to making those inquiries more public when a leak potentially goes to the heart of things that concern the nation in a way that could have a very substantial political effect, like for example the Brexit impact assessments, and the potential for that to undermine public trust in the Government process?

Sir Mark Sedwill: We will take it away, but fundamentally the choice about what to publish is different from allowing individual civil servants to leak it if they disagree with that choice, and I think that is the point we are focusing on. Individual civil servants do not have that right. Indeed, they have an obligation not to under the code. There is a broader question about what is appropriate to publish and when. In our system, those decisions have to be taken rightly by Ministers.

Q24 **Chair:** But I think Marcus is suggesting that there should be a kind of grading of leaks and the Brexit impact assessments leak was certainly top level.

Sir Mark Sedwill: It was a very serious one, indeed.

Q25 **Mr Marcus Fysh:** It has arguably contributed to the current problems that the nation is facing.

Sir Mark Sedwill: I understand the point.

Q26 **Chair:** I would add to that a question about how much you feel former civil servants are perhaps encouraging people in the civil service to



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behave less well as a result of the very strident views that they are expressing or maybe the contact that they have with their former colleagues?

Sir Mark Sedwill: I have seen no evidence that that is causing people to conduct themselves inappropriately. Of course, there are former civil servants who have strong views and once they are retired and beyond their immediate—they can express those, but that must not affect serving civil servants and I have seen no sign of any of them seeking to do so.

Q27 **Chair:** Just before we move on, the question of the advice given to the former Home Secretary before she appeared in front of a Select Committee has been raised, and indeed a report has been leaked. We have asked to see a copy of this report and I don't think we have been allowed sight of it so far although it has been given to the Home Affairs Select Committee, I understand. What kind of action will follow from what appears to be a failure of the civil service to provide the Home Secretary with proper information so that she finished up misleading the Select Committee?

John Manzoni: I think it is true that a redacted copy of that has been shared with another Committee.

Q28 **Chair:** Yes, and it is only the executive summary.

Sir Mark Sedwill: Yes, the executive summary has been shared in confidence with a Select Committee. They have asked to see the full report and they have asked for a redacted version to be made public and the Home Secretary is considering that, just for the record.

John Manzoni: That was not a leaked report. It is a performance report, essentially. It is a report of whether or not civil servants managed that as well as they might have been expected to. I can say that there was no finding in that report of any wilful misconduct or gross misconduct of any sort. Without going further, because I think it is not fair to the individuals involved, appropriate actions have been taken.

Q29 **Chair:** How much would you want to understand why a civil servant, perhaps acting in good faith, might feel that the information that was provided to the Home Secretary was the information that she wanted reflecting Government policy rather than the information that might reflect that other parts of the civil service were implementing a different policy?

John Manzoni: The purpose of the investigation, of course, was to establish whether or not it was a basic issue of incompetence or wilful manipulation, and the inquiry found in the former sense not the latter.

Q30 **Chair:** How do we check how open the conversations were in the Home Office about this aspect, or was there a chill over the conversation that prevented or discouraged the transmission of truth?



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John Manzoni: No. That was exactly the purpose of the investigation: has this been something that has been deliberately manipulated? I think the finding was that it was not.

Q31 **Chair:** Moving on to Brexit, I would like to emphasise that we are asking you about administrative issues. We don't want to stray into policy matters. Sir Mark, you are combining your role as National Security Adviser with Acting Cabinet Secretary. What compromises are having to be made to do that?

Sir Mark Sedwill: To answer briefly, William Hague gave me the best advice I ever had on leadership, which was to set clear objectives, pick a great team, stay calm, and essentially that is way I have tried to approach this. I agreed with the Prime Minister when I said I would fill these two roles for this period, and it was the least disruptive way of covering Jeremy's absence. I said that I would focus on Brexit, on national security and on preparations for the spending review and the Budget, because those are the key areas to which I can add value. What I have done with the other things, mostly some of the discretionary things, is I have a great set of deputies, as has Jeremy, and they have picked up most of the load. To give you an example, if I was just being National Security Adviser I would probably have gone to the NATO summit with the Prime Minister and her team last week; one of my deputies went. I don't think there was any compromise in that. He did a great job and it is good for him to have the opportunity to stretch up into that space. When I return to being National Security Adviser, I am going to have to work out how I can actually add any value, given that my deputies are filling the role very well.

Chair: You missed an interesting one.

Sir Mark Sedwill: Indeed, I did, yes.

Q32 **Dr Rupa Huq:** What impact have Brexit preparations had on the capacity of the civil service to deliver other priorities?

John Manzoni: When I was in front of a Committee—I can't remember which Committee—in December we had at that point hired 2,500 extra people.

Q33 **Dr Rupa Huq:** Trade negotiators or everything?

John Manzoni: No, all sorts. Today, we have hired 5,800 extra people with another 1,000-odd in train. Part of the answer to your question is that we have quite substantially increased the capacity of the civil service in response to these issues. Of course, I think it is true that the preparations—and this is an evolving picture—the projects, the negotiations, the implementations of what we have to do now for Brexit is increasingly coming to the fore and increasingly taking resource. Those resources are being prioritised and things are being prioritised in Departments to get that done. The main answer to your question is that the civil service, as you will have seen from the numbers, has started to



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increase in size as a result. If we look forward, that continues to grow, although the nature of the resources tends to change. When we get beyond March next year we will need to increase again, depending on the outcome, in an operational sense, perhaps at various borders.

Q34 Dr Rupa Huq: We hear all the time that Brexit is taking up all the bandwidth for everything. There is not a lot of legislation coming through Parliament. What percentage of other work of the civil service would you say has been displaced due to Brexit preparations?

John Manzoni: Almost 100% of the legislative agenda, I would say, because right now it is all filled up. There is the first place, that is the obvious one, and then everything flows from that. Everything else gets pushed to the right.

Q35 Dr Rupa Huq: Is that 100%? What percentage of it?

John Manzoni: Normal business as usual takes place, but if we look at the legislative agenda it has been essentially prioritised in favour of all of the Brexit legislation. That is the most obvious place to look. Beyond that, it is a very hard question to answer. I have talked a lot about prioritisation but people are moving. At the turn of this year, in addition to the people we had hired, we had moved about 1,000 people across our system into Brexit-related activity. That is 1,000 people not working on other stuff. The stuff that they are not working on of course you don't really see. A lot of stuff goes on in Government, we don't see it all and it certainly doesn't bubble up and it is not all in the public domain. But those have to happen in local places and those prioritisations have to happen, so for sure things are being displaced.

Q36 Mr David Jones: Which Department is now ultimately responsible for seeking to achieve a smooth Brexit?

John Manzoni: The responsibilities in the Cabinet have not changed. Each Department is accountable for its own suite of activities. DExEU is accountable for the domestic and the negotiations, the co-ordination, if you like air traffic control, of that activity. After the Chequers meeting we have reinforced that and said, with a new Secretary of State, that that person is now the Prime Minister's deputy in those negotiations. Nothing has changed in the accountabilities. As you know, we have a distributed accountability model across Government; that is working. All of the Departments are accountable for their own pieces of the programme. Of course, it takes quite a lot of deft management and co-ordination from the centre to do that, but those have not changed.

Q37 Mr David Jones: How does the work of DExEU interface with that of the Europe group of the Cabinet Office?

John Manzoni: It is a major change really. Since the negotiations have moved into a more intense phase between now and whenever a deal is done, which is what we hope will be the outcome, the people most closely associated with those negotiations have been seconded back into the



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Cabinet Office. They have moved closer to the Europe Unit and they are now part of the Europe Unit in the Cabinet Office. That unit is now providing direct advice to the Prime Minister and her deputy in that matter, which is the Secretary of State for DExEU. We don't have two entities anymore. We have a single entity that is providing that advice for this intense phase of negotiations between now and when the deal is done. I think that is a perfectly natural thing to do as we move and ramp up the intensity of those negotiations.

Sir Mark Sedwill: We are also beefing up DExEU meanwhile because they need more capacity on implementation planning for deal and for no deal and they also need capacity capability to orchestrate the engagement and campaign around the whole of the European Union and beyond. We now have a clear proposition with the White Paper and we need to make sure that we are engaging on that in a more intense way as well. DExEU is going to have its capacity increased to enable it to orchestrate that.

Q38 **Mr David Jones:** But while you are beefing up DExEU, it would seem that Mr Olly Robbins is taking 50 officials away from DExEU to—

John Manzoni: For the negotiations, as I have just described. That is in order to get that group of people closer now to the Prime Minister and her deputy as those negotiations ramp up. Let's be realistic, in some ways we will reach an agreement but the agreement will not be a detailed legislative text, which is what ultimately it has to be. That now frees up DExEU teams to concentrate on how to turn the agreement into a detailed legislative text, which will be an ongoing conversation that goes beyond October, November, December, whenever that deal is done.

Q39 **Mr David Jones:** What change would you say has taken place in the role of DExEU over the last two years?

John Manzoni: Two years?

Mr David Jones: Yes.

John Manzoni: Well, it didn't exist.

Mr David Jones: Since it was established. It was established in July 2016.

John Manzoni: Yes. It goes through a series of phases. I think we are reflecting the natural evolution of what is a highly complex set of activities. It started life with its role to understand the scope of what this Brexit thing means. It did a lot of work with Departments, oversaw all of that, got the scope right, and I would say that was its first mode, to try to understand the scope of all of the things that this meant. I think then it moved to the next phase, which was the preliminary negotiations and discussions with Brexit, staffing those things. That was its next phase. Progressively, now we are in another phase, which is a more detailed negotiation toward an agreement with the benefit of a White Paper, all of



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that. Now we are evolving it again and what is becoming clearer as we move forward, as I say, is turning that agreement into a detailed legislative text, which is a big task that has to be done by DExEU and that is the role that they are playing. They are co-ordinating all of that and it is evolving its structure as it goes.

Q40 Mr David Jones: Would it be fair to say that DExEU's role in the proposed negotiations and the future negotiations has become less central and that that role has been absorbed by the Europe group of the Cabinet Office?

John Manzoni: No. The Secretary of State for DExEU is in Brussels today and the Prime Minister is moving into a clearer role that she has him as her deputy. He is there today doing that. What we have now though is a unit under Olly Robbins, which is feeding into that system. I don't think we should attempt to try to find division where division doesn't necessarily exist.

Mr David Jones: I am not suggesting that for a moment.

Q41 Dame Cheryl Gillan: This for me is a bit like the big bang was for the City. It is an enormous thing that is happening but the home Department is the Foreign Office and the Foreign Office has had all of this carved out by the Cabinet Office, No. 10, DExEU and all the other Departments. How is it working with the Foreign Office? Is there a nice seamless and fully engaged relationship or are there a few wrinkles that need ironing out?

Sir Mark Sedwill: There are always wrinkles, of course that is the case, but most civil servants, most public servants are fundamentally team players and sometimes our job in the leadership roles is to try to reduce the structural barriers that enable them to do that. We don't want them tunnelling through silos and we don't want the silos to be there in the first place.

Q42 Dame Cheryl Gillan: How is that working?

Sir Mark Sedwill: It clearly made sense, given the scale of the project, as you say, Dame Cheryl, to have a Secretary of State, a dedicated Cabinet Minister, responsible for this very significant change. But the scale of the two organisations are orders of magnitude different: DExEU is a few hundred and the Foreign Office is thousands strong. DExEU is operating overseas using the Foreign Office platform. Within Europe, the Foreign Office retains the responsibility for the bilateral relationships and so our big bilateral ambassadors, everyone in Paris and so on, are working through the Foreign Office but of course much of the time to a DExEU narrative, but that is just as if they were doing a negotiation or running something on defence, they would be running to a defence narrative or a BEIS narrative. The Foreign Office is providing the platform and that overall co-ordinating machinery and, of course, we are also beefing up the Foreign Office's capabilities outside Europe with the Global Britain agenda because that is the other part of it. It is not just about Brexit; it is about Global Britain and that broader agenda.



Q43 Mr Marcus Fysh: A recent report from the Institute for Government suggests that a certain John Manzoni should be made the senior responsible owner of Brexit preparations. What is your response to that?

John Manzoni: Here is what I would say. This is a project that is far too big for any one person to be accountable for. As we move into a full implementation phase, as we get out of negotiations and agreements and deals and all of those things and we move into a full implementation phase, I do think it is helpful to have, at ministerial level, more focus on the implementation, at least in the early phases because it is a set of projects that have to interact and have to be done to a certain period of time. I think that is quite important, so it is quite helpful to do that. What is actually happening is at the implementation level the accountability for the implementation has to stay in all of the Departments. The SROs have to stay in all of the Departments.

The question is: how does one co-ordinate that, manage it, assist it, help it? I spend my life doing that from the Cabinet Office and I don't have many firm levers. It is a sophisticated process of doing that and that is absolutely fine. No, I don't think I should be the SRO for Brexit because it is too big and I don't have time in the day.

Q44 Mr Marcus Fysh: From the civil service's perspective, to what extent has the disagreement among Cabinet members about particular directions impeded the civil service's work on this?

John Manzoni: I am not shy to say if you look at what it takes to make complex projects work, one of the first things that you need is clarity of objective. Every textbook tells you that. We haven't had that, necessarily. We have not had clarity and a unified "take that hill" in that way. That is the political reality and that has, of course, made it more complicated. Of course it has. It means we have had to run multiple scenarios. It has meant we have been slower than if you just look through an implementation lens you might choose to get things started because there are still decisions that have not finally been made. This is a negotiation that is a deal to be done and there are two parties in that. This is why this is such a complicated problem.

I think the civil service has done remarkable things. I think it has managed multiple outcomes. I am not going to sit here and say, "By the way, it is all going to be fine, it is all going to be great", because we are not going to be as ready as we would like in as many ways as we would like. The world is not going to end in April 2019, but the complexity of the reality of negotiations has clearly been not optimal for implementing prescribed outcomes, because those outcomes have not been prescribed.

Sir Mark Sedwill: That is why implementation was, of course, an important step forward because it gives us more time to do it.

Q45 Chair: How unreasonable would it be to observe that the Department that was set up to conduct the negotiations now seems to be doing the



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implementation? DExEU is not well positioned to do implementation because actually implementation has to be done through all the Departments. Perhaps DExEU has a role in certain cross-departmental legislation but in terms of delivering across the whole Government, a separate Government Department is ill suited for having its remit across other Departments. It competes with other Departments. Isn't that a Cabinet Office role, which is what the IFG suggests it is?

John Manzoni: I think it rather depends what you mean by implementation, which is really why I differentiated between—for instance, I think there is a very valid and important role to implement an agreement, which is called turning whatever is an agreement into a fully full-blooded legislative outcome. That is a huge task.

Q46 **Chair:** But most of the legislation will be departmentally based.

John Manzoni: Of course it will, but certainly it needs to be co-ordinated; it needs to be air traffic controlled. All of those things will need to happen, just as they have needed to happen up to now.

Q47 **Chair:** That is what the Cabinet Office does. It is its day job.

John Manzoni: We set up DExEU in order to do that. It has done a remarkable job so far and I think it will continue to do a remarkable job. Of course, as you know, in the Cabinet Office we have built the functions. The functions are the professional expertise to drive whether it is the project management or the technical or the commercial.

Q48 **Chair:** My question was how unreasonable would it be to conclude, and I am not persuaded that it is that unreasonable.

Sir Mark Sedwill: If I may, Mr Chairman, I think it is less of an issue than perhaps the conversation is suggesting. Let's say the alternative that you are proposing had happened, we would have had to have beefed up the Cabinet Office by the same scale as DExEU and have brought in a senior Cabinet Minister completely focused on this as a Cabinet Office Minister.

Q49 **Chair:** Yes, and that was the original proposal. That was the original advice given to the Government.

Sir Mark Sedwill: My point is that the role would have been almost identical to the role that DExEU is playing. DExEU is not a normal Department of State with a set of separate responsibilities that are essentially alongside all the other Departments of State. It is an unusual one in that its responsibilities are essentially horizontal. It has some direct ones but it is fundamentally horizontal. I was talking to its staff about this the other day and said, "In effect, you are in a hybrid. You are in a Department of State that is also part of the centre". The judgment was made that it needed to be a separate Department of State because of the scale of the project. It certainly needed a senior Secretary of State, senior Cabinet Minister to lead it, but it is not functioning like BEIS or the



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normal Departments of State. It is functioning as a central, co-ordinating, driving, orchestrating operation.

Chair: I would say that was a spirited defence and in the end we recognise that this reflects political decisions and not necessarily the advice that has been given.

Q50 **Kelvin Hopkins:** What has been the impact on civil service resources of the necessity for Departments to prepare for multiple potential options for leaving the EU?

John Manzoni: I think I have given you the numbers. On the resourcing, we have hired or are hiring up to 6,800 new people with another 8,000 projected into the future, depending a little bit on the operational requirements. The next group are really rather more operational. Up to this point, the majority of those resources have been policy resources to consider and reflect the multiple policy options. As we get to the next phase, we will be moving progressively into the real implementation. Implementation has happened, systems have started to be bought, balls have landed, things are starting to happen, but they will increasingly be implementation resources, project resources.

It turns out, of course, that many of the things that you do for a deal are the same things that you do for no deal, so there is quite a high degree of overlap in those issues. I can't tell you exactly what that overlap is and, therefore, how much extra we have needed to carry but as we progressively evolve from 300 issues into a portfolio of projects focused on deal, many of those things will be relevant for no deal as well and not a huge number of extras. There has been complexity in the policy arena because we have been carrying multiple scenarios. At some point that will simplify.

Q51 **Kelvin Hopkins:** It has been interesting and helpful to know how many extra civil servants you have had to take on. It has been suggested that the civil service is already "doing 30% too much to do it well" and we have extra civil servants. How much is this impacting on morale?

John Manzoni: Everybody is working very hard. If you take a measure of morale as the engagement index in our people survey as an example, that has been progressively going up year on year. We are about to have another one; we will know in October but I don't think it will show signs of taking a dip. There are obviously bits, but if you take that as an indication of morale, I think morale stays pretty high. People are engaged full on. They are very, very busy, so I don't think it has had a morale hit. There have been frustrations, of course, but they have been very real frustrations and that is the world we live in. We are in a complicated environment trying to do a complicated thing. It would not be fair to say that everybody is thinking that is great because it makes life more complicated and more difficult and I think that does raise frustrations.

Q52 **Kelvin Hopkins:** To what extent have you been able to draw on the pool of recently-retired or people who have recently left the civil service?



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There has been a squeeze on civil service numbers since 2010 and now it is increasing. Have you drawn some useful people back?

John Manzoni: We have had various routes to do that and in fact, as I think we were reporting, there has been a lot of people wanting to help because they believe this is important. I don't know the specific numbers but it would not surprise me at all if some of those people who have left the civil service have come back in. We have had all sorts of routes to get people.

Q53 Dame Cheryl Gillan: There was some unfortunate press speculation in the run-up to the Chequers meetings, including a very dramatic headline that the Chequers dinner could end in "Murder on the Brexit Express", which I thought summed up the situation. Sir Mark, what was your involvement in the preparations for the Cabinet meeting at Chequers?

Sir Mark Sedwill: I stepped in as the Acting Cabinet Secretary only about 10 days before, so inevitably it was in the home straight in the run-up to Chequers but I was at Chequers throughout the day. I was involved in ensuring that the papers were circulated, Ministers were briefed and so on, and then was at the meeting itself. I obviously took the minutes in the formal part of the Cabinet meeting and I was engaging, as I would have done anyway as I took on a new job, with some of the key Cabinet Ministers. I knew that that was an important moment so I spent quite a lot of time with some of the Ministers who were going to be most involved in it. To be honest, most of the preparations had already been done by the time I stepped into the role.

Q54 Dame Cheryl Gillan: Therefore, I don't know whether you do have an intimate knowledge of what went on. For example, were other Departments involved in the preparations to a greater or lesser extent?

Sir Mark Sedwill: Of course, all Secretaries of State were relying upon advice from their own Departments on their own portfolios. Lots of Departments had been involved in the preparation of various papers for Chequers. A lot of the coverage has focused only on the economic models but there was work done, for example, on the security partnership that I had been working on as National Security Adviser anyway and the Home Office, Foreign Office and others were involved in that. I think all the Departments doing the policy work were involved, as you would expect. DExEU and the Europe Unit were essentially pulling together that work to prepare for the meeting itself and, because it was a meeting of the full Cabinet, there were some Ministers who had not been as involved in the detail as, say, members of the EU subcommittees. Those Cabinet Ministers were given extra briefings and so on by the Europe Unit and DExEU.

Q55 Dame Cheryl Gillan: The outside impression was that it was not quite the smooth process that it could have been. The Cabinet Manual says, "Any proposals where other Departments have an interest should be discussed with them before collective agreement is sought", that is before



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they are put to Cabinet. Were the proposals at the Chequers meeting in fact fully shared with the Department for Exiting the EU and the Department for International Trade?

Sir Mark Sedwill: Yes, they were.

Q56 **Dame Cheryl Gillan:** There was no doubt that they were fully briefed and were they briefed at the same time as, for example, the Treasury and BEIS?

Sir Mark Sedwill: I don't know for sure. My understanding is that there was a series of meetings including meetings that the Prime Minister held. My understanding is that on the areas for which they were responsible they were involved for some time before the Chequers meeting. I think DExEU in particular, and the then Secretary of State in particular, had a series of meetings in the run-up to Chequers and went through all of the papers— as I understand it, most of them, before they were circulated to the wider Cabinet but I don't know that for sure. There were write-rounds and all of the usual procedures.

Q57 **Dame Cheryl Gillan:** I am pleased to hear that because the impression that has been given is that there was a certain element of surprise that was practised for the Chequers meeting, but you are confirming that that was not the case?

Sir Mark Sedwill: No, there was a—

Q58 **Dame Cheryl Gillan:** The full Cabinet collective responsibility was called upon to try to present a united front; everybody had been fully briefed well enough in advance to have formed their positions?

Sir Mark Sedwill: I believe so. Obviously individual Cabinet Ministers, you would have to ask whether they felt they had had enough time, and so on. But papers were released to Cabinet Ministers in advance of the meeting. The proposal that was made at Chequers—that was the focus of the discussion, in particular on the new future economic partnership. That drew upon a lot of work that had been done on alternative models. The final paper on that was presented a day or two before Chequers, but again it was done so that all Ministers had it in advance and had the opportunity to consult their officials in advance of the meeting.

Part of the Chequers day, the first half of the day, the morning, was designed not to be a formal meeting of the Cabinet but for Ministers to have the opportunity to interrogate the various proposals—the different papers about different models—and just make sure they had all of that final understanding that they needed.

I consulted the experts in the secretariat on what the deadline should be to make sure papers were circulated. Those deadlines were met.

Q59 **Chair:** In our inquiries into the lessons to be learnt from the Iraq War and the Chilcot Inquiry, Sir Jeremy did tell us that it was the Cabinet Secretary's responsibility to make sure the Cabinet Government are



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working properly. What you have told us conflicts with other accounts that—my understanding is—most of the Cabinet only saw the Chequers proposals the evening before. They were allowed to read a draft White Paper over night. Secondly, it is on the record that David Davis thought he was preparing a different White Paper, and he was not involved in the preparations of the Chequers proposal. What is your understanding?

Sir Mark Sedwill: The White Paper itself was not discussed at Chequers and was not tabled before Chequers. What was tabled at Chequers were Cabinet papers on the proposals. Those were—

Q60 **Chair:** These were Cabinet papers that David Davis was not involved in the preparation of, and some of which he had been excluded from as a deliberate political act. Is that not a fair analysis?

Sir Mark Sedwill: That is not my understanding. He was heavily involved in discussions, I know, with the Prime Minister and the—

Q61 **Chair:** He has told me personally he was first briefed about the Chequers proposals verbally on the Monday before Cabinet.

Sir Mark Sedwill: On the Monday before the Chequers meeting.

Chair: Before the Chequers meeting, yes. He did not see a hard copy of the proposals until later that week. They were directly contrary to the proposals he was preparing, which was the responsibility of his Department.

Sir Mark Sedwill: I do not know the detail of exactly—

Chair: I would describe that as a safe answer.

Sir Mark Sedwill: I genuinely do not, Mr Chairman. There were papers being prepared that week. There were a range of papers on the different customs models. There were papers on the security part. They were released to Cabinet members that week. But there was no separate paper tabled by DExEU. The papers were tabled through a process of co-ordination between the—

Q62 **Chair:** It would be hardly surprising if this had happened because David Davis was originally appointed to be the Prime Minister's chief negotiator and yet the key civil servant was removed from his control and put into the Cabinet Office and reports directly to the Prime Minister. There appears to have been a dislocation between DExEU and the Cabinet Office in the run up to Chequers, which contributed to the resignation. Can I just remind you, Margaret Thatcher lost a Chancellor because she had her own economic adviser instead of taking economic advice from the Treasury of which he was first Lord. Have we not just seen something rather similar happen?

Sir Mark Sedwill: I do not think so. The Prime Ministers have had Europe advisers over many years in No. 10, alongside—

Q63 **Chair:** Yes, but they have not had an executive responsibility to conduct



negotiations and be in control of the outright machinery, as Olly Robbins is.

Sir Mark Sedwill: You are right, it is a different role but, for example, Sir Tom Scholar—now running the Treasury—when he was David Cameron’s Europe adviser did conduct the negotiations in the run up to the February agreement before the referendum. He was heavily involved in those negotiations. You are right, the role has changed but Europe advisers have been heavily involved for several Prime Ministers in different Governments in negotiations, the run up to the Amsterdam Treaty, and so on. It is not wholly different.

But clearly there was a significant difference of view between the Prime Minister and Mr Davis over the right policy. The Prime Minister presented the model that she felt was the right model at Chequers. It was presented to the Cabinet beforehand. It was a model on which she had worked and satisfied herself it was the right model. She discussed that, I know, extensively, the whole set of issues with Mr Davis beforehand, but they have not had a policy disagreement over that. The process question was: there were a range of different papers identifying the models that were already on the table and the Prime Minister then presented a new model, which she felt was the one she wanted to secure Cabinet agreement to proceed with.

Q64 **Chair:** We know that when there is a breakdown of collective Cabinet responsibility the job of the Cabinet Secretary becomes extremely difficult, but the recommendation we made in the aftermath of Chilcot was it is the job of the Cabinet Secretary to make sure the right people are in the room when the issues are being discussed and determined. By the time the Chequers Cabinet took place there was a pre-determination to pursue a course of action. It was a rubberstamping exercise. I gather there was a great deal of discussion but the Prime Minister had determined the policy. How can we be convinced that in the run up to all this that the right people—that is David Davis, Boris Johnson included—were in these discussions because at the moment the impression is that they were not.

Sir Mark Sedwill: I certainly do not recognise that characterisation of the Chequers away day and the full Cabinet discussion that happened. There was a full morning of scrutiny of all of the papers. That was a more informal session. There was a very long Cabinet meeting, a three-and-a-half-hour formal Cabinet meeting at Chequers.

Chair: How many people attended?

Sir Mark Sedwill: Every member of the Cabinet.

Chair: That is 26 people?

Sir Mark Sedwill: Including those who are not full members but attached.



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Q65 **Chair:** So 26 people, three hours of discussion; I should not imagine many of those people got very much time to say very much.

Sir Mark Sedwill: That was certainly not my impression. There was not a clock running. Obviously in a meeting of that kind people are seeking to make their point.

Q66 **Chair:** How comfortable are you that there has been proper collective decision making on this?

Sir Mark Sedwill: I am comfortable. There was very detailed scrutiny by the entire Cabinet of the proposals that were made. There were some adjustments to those proposals.

Chair: On a scale of one to 10 how comfortable are you?

Sir Mark Sedwill: I do not have anything to compare it with to put it on that scale. I do not think it is on a scale of one to 10, I think it is binary. Am I, as the Acting Cabinet Secretary, confident—

Chair: That is why I did not ask a yes/no question.

Sir Mark Sedwill: I am willing to answer it that way. As Cabinet Secretary am I comfortable that the procedures were followed, that the Cabinet had the opportunity to scrutinise them properly, that we made a correct collective decision after a very detailed discussion? The answer is yes.

Q67 **Dame Cheryl Gillan:** Now with hindsight, because we are always trying to learn lessons from these processes, is there anything in the process you would have changed that you think would have kept that Cabinet collective responsibility that you thought you had achieved by the end of the Chequers meeting intact, without losing two Secretaries of State?

Sir Mark Sedwill: It is important not to confuse collective responsibility with the decision to go. That is those Secretaries of State respecting the collective responsibility. There was a collective decision made. The Prime Minister said at the end of the meeting that that was the case. Everybody acknowledged that was the case after a very open, quite strong debate. You know how strong views are around that table. All those views were expressed and expressed robustly.

Then over the subsequent day or two, the two Secretaries of State concluded quite correctly that they could not support that policy. The correct action they took therefore was to resign from the Government because collective responsibility means, whether you agree or you disagree, once the policy is set you support it and you advocate it and you implement it. If a Minister cannot do so then the appropriate course of action is for them to step aside. That is collective responsibility in action.

Dame Cheryl Gillan: The process you are happy with?

Sir Mark Sedwill: Yes, I am.



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Q68 Mr David Jones: Was DExEU involved in the formulation of the proposal that was put forward by the Prime Minister at Chequers?

Sir Mark Sedwill: Yes, they were. DExEU officials were involved. Mr Davis and the Prime Minister I know had extensive discussions. I am not privy to those of course but I know they had extensive discussions. But the proposal that was put forward, that was discussed by Cabinet—alongside the others that were the on the table—was a proposal the Prime Minister had concluded was the right approach to take and the proposition that she wanted Cabinet to consider and then adopt. That was what was at the core of the White Paper and was communicated after Chequers.

Q69 Mr David Jones: But as the Chairman pointed out, David Davis was taken by surprise about the proposals that were put forward by the Prime Minister. Is it the case that DExEU officials were working on this proposal without the knowledge of the Secretary of State?

Sir Mark Sedwill: I do not believe so but—from my perspective, I have to distinguish between the way people felt about it because there is a significant policy difference here and we should not pretend that there wasn't. But the Prime Minister, in the end, asked officials to work up a proposal with the parameters that she had set out. It drew upon the two that were already on the table, that different cohorts of Cabinet Ministers had been working on, and was then presented in advance of Chequers, circulated to every member of the Cabinet. As I understand it, it went to Mr Davis first but I do not know how far in advance. All of the Cabinet then had the opportunity to work on it. But in the end—we need to be clear—this was the Prime Minister's proposal and she was taking advice from all the sources that she felt were appropriate.

Q70 Mr David Jones: It was the Prime Minister's proposal that was founded in part upon work that was carried out by DExEU or DExEU officials, apparently without the knowledge of the Secretary of State for that Department.

Sir Mark Sedwill: I genuinely do not believe that to be the case. The proposal was found—

Mr David Jones: That is Mr Davis's understanding. That is his view.

Sir Mark Sedwill: Sometimes if something is produced that does not meet your expectations you wonder exactly how it has happened. But that proposal, if you look at it, draws very extensively on the work of the two sets of Cabinet Ministers that were working on the two alternative proposals that were there already and that already been set out.

It had drawn a great deal of work. It is not just from DExEU—HMRC of course had to be very heavily involved. They provided a lot of expert advice. One of their senior officials was at the Chequers meeting on the Friday morning in order to be able to provide expert assistance, advice to Ministers who were questioning it. The Department for International



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Trade were involved because one of the tests we wanted to look at was what impact did the model the Prime Minister was proposing have on the ability to reach trade deals with the rest of the world and so on.

This was a proposal drawing on a lot of information from different parts of Government. In the end, the Prime Minister had concluded that she wanted to put forward a proposal she believed was the right approach, and that she wanted the Cabinet to consider and then adopt. That is what happened. A couple of adjustments were made to it but that is what happened.

Q71 Dr Rupa Huq: How prepared is Whitehall to implement the motions in that long-awaited White Paper that had the farcical release a week ago after we leave the EU?

Sir Mark Sedwill: John will want to add the detail but, as he indicated earlier, now that we have a single deal proposition White Paper set out in great deal—of course there are some areas where we have been making preparations, but again it is a range of scenarios—those can now be crystallised and advanced.

John Manzoni: The answer to your general question is that certainly, assuming a deal, we have until December 2020 and there are good plans in place for all of those component pieces. We are moving from thinking about them as a series of issues into thinking about them as a series of projects. There is a portfolio of projects, which has been defined, and those projects can now be increasingly interrogated.

In general, those are all on track. There are very few that go beyond the December 2020 date; part of the facilitated customers arrangement does, as we know, but most of them don't. At the same time we are ramping up now with more clarity in the event that we are not successful in getting the deal. That is not the plan. We want to get a deal but, in the event that we do not, we have those ramped up as well.

The civil service and the system remains relatively confident. Certainly in the deal sense that we have now the projects, the plans, the resources, and progressively those will—do I think there will be some surprises in there? Yes of course I do.

Q72 Dr Rupa Huq: What are the significant things that will be needed to be completed before it is put into practice? Because I think the "max fac" technology has not even been invented.

John Manzoni: Do you mean the border?

Dr Rupa Huq: Yes, it is a more general question but—

John Manzoni: Of course there are all sorts of things in all sorts of areas. DExEU have said there are 300-odd issues that need to be resolved. What I have reflected for you is that the most important of those have been assembled into a portfolio between 40 and 50 projects.



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Those projects can now get increasingly clear definition. Every and each one of them has an SRO and a programme director and things are starting to happen.

The one that I think Jon Thompson would say is not going to be perhaps immediately ready is the refund process in the preferred customs arrangement because that will be—

Dr Rupa Huq: Who will it be refunded?

John Manzoni: As contained in the White Paper, there is a process where certain tariffs are collected and might need to be reclaimed by certain companies depending on the end state.

Q73 **Chair:** What is the timescale for completing that implementation?

John Manzoni: I cannot remember what he said. He was moving quite quickly. It will be ready when it is ready. I thought he said it was beyond December 2020. Some time in 2021; mid-2021 I think is what he said.

Q74 **Chair:** Can I just ask a matter of administrative fact? What preparations are being made for a customs frontier in Northern Ireland but without infrastructure on the border?

John Manzoni: I have a feeling the Prime Minister answered this question.

Chair: As a political policy matter she said, “We will deal with that when we come to it”. But I am just asking you as a matter of administrative fact. She does not want to say anything political but as a matter of administrative fact what—

John Manzoni: As a matter of administrative fact, the proposal contained in the White Paper does not involve—

Chair: Does that mean there is no preparation?

John Manzoni: —any activity on the border.

Q75 **Chair:** I appreciate that. But does that mean as a matter of administrative fact no preparations are being made for an invisible customs frontier in Northern Ireland? I am entitled to an answer on this question; I really am.

John Manzoni: You would have to ask Jon Thompson, because I do not know specifically what he is doing.

Sir Mark Sedwill: I do not know the detail of it. I know that, certainly when I was at the Home Office, we were doing some thinking about that, but where that has reached and whether that has reached anything you would regard as a concrete proposal, I do not know. We will have to come back.

Chair: Could you find that and write to me about that matter please, as a matter of urgency? I would be very grateful.



Q76 Mr David Jones: We have dealt largely with the questions I have but we know that post-Chequers it has been announced that preparations for the UK's departure from the EU without a negotiated deal have been stepped up. You have indicated, Mr Manzoni, that a lot of the work that has been done is applicable to both a deal and a no-deal scenario. What are the most significant matters that will have to be addressed in the case of a no deal?

John Manzoni: This is a complicated question because it rather depends on the nature of the no deal. If it is the almost unimaginable cliff edge then things—

Mr David Jones: But that is essentially the clock ticks on and time expires and we leave.

John Manzoni: Under those circumstances, I can say some of the things that have been made public. Of course there are supply chains for food and medicines and such things. We have to put in place contingencies for those. There are transport systems that have to be handled, the aeroplanes flying have to be negotiated bilaterally as opposed to as a bloc, and the safety system for those. We have to take care of our UK nationals overseas. All of these things that any intelligent person could think about. Data are particularly complicated because—

Q77 Mr David Jones: What work has been done?

John Manzoni: In all of these areas work is being done. It is being ramped up post-Chequers. The civil service is now focusing increasingly acutely on those actions; the Department of Health has announced that it would stockpile medicines, as an example. You can begin to see some of those actions. As the Prime Minister said yesterday, increasingly we will be, over the period between now and the end of the year, engaging third parties—businesses and third parties—in the preparations that they have to make, in the unwanted event that we have this circumstance.

Q78 Mr David Jones: What form will that engagement take?

John Manzoni: The communications process—again orchestrated with the co-ordination in DExEU—will be, as I think the Prime Minister talked about yesterday, a series of 70 technical notices, but there will be a narrative. There needs to be a narrative to say, "We do not want this to happen but we have to prepare just in case it does and here are all the things that we have to do", and that is the content of the 70 notices. We were having a conversation yesterday around the border and of course there are a whole series of things that have to happen at the border. How do we communicate all of those things? There are a series now—

Q79 Mr David Jones: When you say "the border", this is not just the Irish border?

John Manzoni: No, the border around the United Kingdom because of all the parties that have to trade across that border—that perhaps are not used to having export certificates—in the event we have a no deal we



have to be ready for those things. All of those communications that have not thus far happened in a co-ordinated and, if you like, front-footed way now, post-Chequers, will be progressively between now and over the next few months, over the summer and the autumn. That is what was the significance of the announcement yesterday.

Mr David Jones: Are you satisfied—

Sir Mark Sedwill: Mr Jones, can I give you a specific example? It might just bring it alive. There are quite a large number of SMEs, 140,000 or more—by some measures up to 250,00—who only export to the EU. They do not export beyond it. So far they have had to make no customs arrangements. I don't know whether it will be one of the technical notices in September but we will need to start to prepare those SMEs for what measures they might need to put in place to conduct customs arrangements, were there no deal. There is a policy choice to be made, which Ministers will have to consider very carefully, which is at what point do we advise those SMEs—if we think a no deal is becoming likely—to start investing in new systems to enable them to do that? That is the kind of thing that we will need to work through and will need to be judged sector by sector.

Q80 **Mr David Jones:** On that very issue, I was going to ask if you are satisfied that all relevant Departments have been properly resourced to do this?

John Manzoni: If you ask Jon Thompson on that particular matter—it is not September, it will be October—he has hired more than 1,000 people to be ready for that conversation, and he is still hiring. He is ramping up the operational capability required to answer the questions that will result from exactly that communication.

Q81 **Mr David Jones:** And other Departments? You will know that there was some criticism by the NAO today of the Department for Transport.

John Manzoni: That NAO report said, “In a quite complicated project the DfT is not doing a bad job, but it needs to carry on ramping it up and carry on getting increasingly specific” is I think the essence of it, and of course they are right. Nobody is sitting here saying it is all easy. It is hard. The system is ramping up. That report is reflecting that fact. It is pointing out some areas that are more difficult.

Mr David Jones: It has some fairly glaring areas. They said there are 52 vacancies in a team of 136 to support Brexit. That is rather worrying.

John Manzoni: As I have said to you, we have hired 5,800. There are 1,000 in the pipeline and there are some more to go. We are hiring people all the time and there are all sorts of areas where—I am not sitting here today saying, “It is all going swimmingly well and we are ready” because we are not.



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The clarity, for instance—and I was answering a question earlier—we will go now. Most of these no-deal preparations require third party engagement. You cannot do it in isolation. They require a dialogue with traders or businesses and it is always a balance because what you do not want to do is to scare the system unnecessarily. We have to put it in the right context. We have to say, “We are heading for a deal. This is the deal we want but just in case we have to do this” because the first question that a trader will say is, “Who is going to pay for that then? I am not going to do it in the event that perhaps there is no deal”. That is why this is a process that is building. There has been an increased clarity in the last few days now post-Chequers so we can ramp up those no-deal communications, apart from anything else, and that was what was announced yesterday. Over the course of the next few months that is what we will see.

Q82 Mr David Jones: I take your point about not wanting to scare the system, as you put it, but on the other hand surely you would recognise that far from scaring it, it would provide a great deal of reassurance for businesses to know that the proper preparation is being made. We have heard I think the Dutch are taking on 1,000 officials, the Irish are taking on 1,000 officials. Are we seeing the United Kingdom taking on a sufficient number of customs officials and border guards?

John Manzoni: The United Kingdom has taken on 6,800 officials so far. I just told you.

Mr David Jones: Customs officials?

John Manzoni: Yes, there will be—Jon Thompson is—yes, all of those operational resources are being ramped up.

Mr David Jones: And UK Border Force?

Sir Mark Sedwill: Several hundred he said.

John Manzoni: Yes, I do not have the specifics on the Border Force but I can find them for you.

Mr David Jones: It would be useful to know that.

John Manzoni: I think the answer to your question is we are ramping those things up. It is not—

Q83 Mr David Jones: Don’t you think it should have been done far more visibly though before now? Wouldn’t you accept that?

Chair: I think that is a political matter; you do not need to answer that. Although I agree with the premise of the question. We must draw to a close but I just want to recap. When you say you have, Mr Manzoni, more certainty now because of the Chequers proposals, I appreciate you have more internal policy certainty as a result of the Government’s determination. But I would put it to you that the civil service has to prepare for other eventualities. The former Minister for DExEU said in the



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House of Commons yesterday that the Chequers proposal is dead, for political reasons. That it will not get through the House of Commons. There is an increasingly high probability that there will be a no-deal Brexit or perhaps a skeleton agreement, WTO Brexit, and it is the Prime Minister's stated policy to be prepared to have a no-deal Brexit. How confident are you that the United Kingdom will be ready for a no-deal Brexit?

John Manzoni: Let me put it this way: I have been arguing for some time that the political certainty needs to be clarified so that the civil service can get on and organise itself and get it done. The civil service will react. I believe that we have reached another stage of clarity post-Chequers. That is what I have been saying. I believe that the civil service is now going to react with increasing clarity. We will be ready for a no-deal Brexit. Not everything will be perfect.

Sir Mark Sedwill: That puts it very well. We will be ready but we should not assume that it will be smooth if it is a disruptive outcome.

Q84 **Chair:** In order to address those disruptions, many of which will be, some might say, inflicted upon us by the EU because these are all resolvable issues, one by one—aviation, telephones, Northern Ireland power supply, and so on, medicines registration—all these are resolvable if the EU would like to resolve them. But what are the things that you are most concerned about that need to be done, and are perhaps not being done fast enough at the moment? Could you give three things you are concerned about?

John Manzoni: Everything that we can do we are doing. There is nothing that we are not doing that I wish we were doing because if I wished that we were doing it we would be doing it.

Q85 **Chair:** You would tell this Committee if there was a political barrier in front of doing something that is necessary?

John Manzoni: I believe the areas that offer the most complexity—and you have raised them yourself—is not what is in our gift, it is how others behave. It is very difficult for us to determine how the member states, how Calais—even if we believed Paris had a point of view it might not be the same point of view that Calais chooses to deploy.

Chair: We are used to Calais. We do Operation Stack quite regularly.

John Manzoni: Yes, we do. We have to be ready for that. It is the third-party activities that contain some of the most difficulty. There are some things that are very complicated in the absence of co-operation, frankly. I mentioned data before. That is a very difficult area because it will require lots and lots of individual actions by individual companies, usually in legal frame, in the event that we are not able to have data sharing.

These things are all in everybody's interest to get right, which is why—but on the other hand we have to prepare in the event that there are



either spiteful or ignorant, or whatever, activities by third parties. That obviously makes it very uncomfortable and some horrendous consequences. That is what we have to try to do our best to mitigate against.

Q86 **Chair:** You are happy that the legislative pipeline will be ready for a no-deal Brexit domestically?

John Manzoni: There is primary legislation that is scheduled and that is working. I cannot determine how that is going to work. There are of course a lot of SIs that need to be done. Those are ramping up quite quickly. We are a little behind but we have to get on with that. The system is accelerating; 48% of them roughly are drafted right now. We need to carry on that process. SIs we need to keep concentrating on.

Sir Mark Sedwill: A point I might make, Mr Chairman, is I would not want any of our European partners to think that we are not well prepared enough that it becomes a negotiating card on their side of the table.

Q87 **Chair:** Would you like to say something to make it clear to them we have confidence in our no-deal planning?

Sir Mark Sedwill: We do have confidence in our no-deal planning. We know that it will be disruptive for them and for us if there is no deal and that we have not been able to find, as you suggest, some other arrangement. But we will be ready for that. We have a whole range of mechanisms, some of them designed over many years for different circumstances that we can apply, should that be the case. Again, it is a range of no-deal scenarios and I would not want any of our partners to think that we will not be ready for it.

Chair: Thank you both very much indeed. We kept you rather longer than we suggested we might. You have been very generous with your time and we appreciate it very much. Please would you convey this Committee's admiration and respect for all our civil servants, and particularly dealing with these pressured issues. Civil servants do get criticised sometimes for giving the wrong advice. I am sure that every civil servant is doing what they think is in the public interest, even if they are giving the wrong advice. Thank you very much indeed.