

Procedure Committee

Oral evidence: Should there be a Commons Budget Committee?, HC 1482

Wednesday 20 March 2019

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Members present: Mr Charles Walker (Chair); Bob Blackman; Chris Elmore; Sir David Evennett; Sir Edward Leigh; David Linden; Gareth Snell; Mr William Wragg.

Questions 78 - 118

Witnesses

I: Charlie Elphicke, MP

II: Ms Angela Eagle, MP

Written evidence from witnesses:

- [Charlie Elphicke MP](#)
- [Ms Angela Eagle MP](#)

Examination of witness

Charlie Elphicke, MP

Q78 Chair: Charlie, we are not going to allow you to say anything in an introductory way because you sent us some very good evidence. I am going to ask you an immediate question. Office for Budget Responsibility, yes?

Charlie Elphicke: Yes. Parliamentary Budget Office, as you would like to call it.

Q79 Chair: Tell us briefly why you think this is such a good idea and a strong idea?

Charlie Elphicke: Yes. Good afternoon, everyone, and thank you for having me along. I really appreciate it. Maybe it is a good idea if I set out what the problem is. The problem is this. Has anyone seen this? It is a Supply and Appropriation (Anticipation and Adjustments) Act 2019. It went through the House of Commons less than a month ago. I doubt anyone in this Committee realises that except for Sir David, because he is formally in the Whip's office. It authorises the spending of nearly £300 billion of hard-earned taxpayers' money without any debate. It was not debated at the second reading, it was not debated at the third reading; blink and you miss it. It went through on the 27th of February. We completely failed to have any oversight of how our hard-earned taxpayers' money is spent. I think that that is inexcusable and needs to change.

Q80 Chair: Why would the Treasury Select Committee not be the best Committee to do this work?

Charlie Elphicke: That is a really good question. The answer to that is that the Treasury Select Committee does an enormous amount of work already. I have seen the evidence provided to this Committee by the Treasury Select Committee chairs, the Public Accounts chair, and the Department of Health and the HCLG chairs. They say, "We do not like this idea", because they worry that it will undercut them, they worry about the vested interest, and they worry about overlap. I think they are not right on that, because this is about supporting, not supplanting them. If you look at the actual work of those Select Committees, this is work that they are not in fact doing.

The Treasury Select Committee particularly, as Lord Macpherson rightly points out in his evidence, focuses more on monetary policy and financial regulation than it does on spending. If you look at their actual reports, as the OECDs themselves point out, there is not in fact duplication. The Treasury Select Committee has done 27 reports, and just two of them cover spending. The Health Select Committee has done 13 reports, and just one, the ninth report, covers spending. The Housing, Communities



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and Local Government Committee has done 12 reports, and just two cover spending. Yesterday at the Treasury Select Committee we had evidence from the Office for Budgetary Responsibility; after two hours the spending review was raised by me for all of 10 minutes. The Institute for Local Government submitted further evidence to this Committee that highlights very clearly how few departmental Select Committees have held hearings on estimates, while the DWP and HCLG chairs have exchanged letters with the permanent secretaries, but that is about it. There needs to be a real focus on how we spend our taxpayers' money.

Q81 Chair: Can I ask you a question now? Gareth Snell here has just joined this Committee, a great man, and he is on the Public Accounts Committee. Surely Gareth and his mates on that Committee should be doing this work. Why do you think there's more work to be done?

Charlie Elphicke: The Public Accounts Committee works brilliantly, and I myself used to be on it before I moved across to the Treasury Select Committee. However, the Public Accounts Committee looks at what happens after. For example, let us say you have built an airport in the South Atlantic where, unfortunately, planes cannot land. It is great fun, and I had great fun with the Public Accounts Committee. You get to cross-examine the hapless permanent secretary whose fault it is all going to be, you get a wonderful report from the NAO, you get a front page in *The Daily Mail*, but what you do not get is the money back.

Rather than shutting the door after the horse has bolted, I rather think that we need to change our practices so that we close the stable door before the horse gets away. With challenge, with a Parliamentary Budget Office asking those important questions and fulfilling important functions, you might well then have found out before we built the airport that there was a problem with wind shear and made sure that best practice was followed so that the contractors did the studies that they should have done before spending £300 million of taxpayers' money on a failed project.

Q82 Chair: I am going to read a short quote to you, and I would be interested to know whether you agree or disagree with the premise of the quote. It was given to us by Professor David Heald, and he said the following, "The feeble condition of ex-ante scrutiny is not accidental". Do you agree with that? If you do agree, why, and if you do not agree with it, why?

Charlie Elphicke: The answer to that is yes, I do agree with that. More to the point, Lord Macpherson, former Permanent Secretary of the Treasury agrees with that in his evidence to you. He does not quite say that, but he does say that the Treasury would not wish to have a great amount of scrutiny, and he points out that the Treasury have made improvements to what they do and that Parliament should match that. The Treasury and the Government machine enjoy an information advantage, one that would be set aside by a Parliamentary Budget Office. However, it means that they have the advantage that they can look down on anyone who dares to question them.



If you look at the evidence from the Treasury to this Committee for this inquiry you will notice it is just one page and ridden with typos. If you are on a Budget Committee in a Parliamentary Budget Office do you really think that they would be giving you one page of typo-ridden evidence and a poor piece of work, or would they be spending a lot more resources looking at and answering the challenging questions that have been posed by the Parliamentary Budget Office and by the Budget Committee? My own view is that you would get a much better quality of challenge, and that the Executive hitherto has not particularly welcomed. Also, Lord Macpherson points out that the Treasury would have to raise its game and explain Government decisions, and it would stop the Treasury cutting corners.

You all know how three-year spending reviews work. They potter along, there are lots of nice words, lots of parliamentary political theatre, lots of words about how we are going to have a proper review and in-depth deep dives, and then at the end there is a massive panic while they engage in salami-slicing of Department budgets of those weaker Departments that are less able to make their case. It is not a way to run spending reviews. Spending reviews need deep reform. The Treasury ought to be welcoming this kind of scrutiny, and the Executive as a whole ought to be welcoming this kind of scrutiny, because it gets people a better bang for their buck.

Chair: Charlie, because there are so many Brexit SIs going on at the moment, we are a little thin as a Select Committee. I know people have demands on their time, so we are going to run you in this session until 3.05 pm, which gives us about another 13 minutes. I know Edward, who is one of the driving forces behind this investigation, has some questions for you.

Q83 **Sir Edward Leigh:** I do not think it is too important. By the way, thank you for your written evidence, which I thought was very impressively written and argued. Thank you very much for that, and for your answers so far, which have expressed very clearly indeed, and some of the problems that we have.

You mention Canada. You have been on both the Public Accounts Committee and the Treasury Committee. Of course, Canada has something that we might now try to create, namely a Treasury Committee and Budget Committee. Do you know how it works there, or how the tensions work, or whether there are any useful lessons for us?

Charlie Elphicke: The Canadians say in their evidence to this Committee that what they have been very careful to do is to make sure that there is no overlap and they are not treading on toes by having a strong and very clear mandate. I think how the Budget Committee would best work, and how it would best sort out its remit, is first of all it needs an approach that looks across Government as a whole and does not tread on the toes of individual Select Committees, be that the Health Committee, or indeed the Treasury Committee. To support, not to supplant, should be the



mantra. It should have a strong mandate on estimates. It should not be the Liaison Committee; that should be for the Budget Committee. There should be a Parliamentary Budget Office that answers to the Committee, very similar to, and frankly just as well-resourced as, the NAO. Maybe you bring Public Accounts and the Budget Committee together as they have in Germany. It should be about soundness of plans, not political choices. Party politics are great in a departmental Select Committee, great fun on the floor of the House, but in a Budget Committee you can be looking much more carefully at plans, quality of spending, cross-cutting themes, adoption of technology in Government, how you handle projects and avoid the mess of HS2, and Saint Helena, and things like that, and also have a focus on efficiency. As the TaxPayers' Alliance said in their evidence to this Committee, it is not just about fiscal aggregates, it is about efficient use of taxpayers' money and getting the maximum bang of buck for the people who we all serve.

I hate to say it, because I have been on Public Accounts, but there was a little bit of show voting, because it is quite tempting. However, before spending, it is less interesting and less newsworthy, but you can be a critical friend. Being a critical friend in terms of challenge, pushing back on Ministers, pushing back on officials about what they are planning, why, and make them think harder about it is really important, and it needs teeth. You need the power of Public Accounts, effectively, to call for books and papers, and have any equivalent powers in the Parliamentary Budget Office to go in and look at plans in detail. That, along with a rapporteur system of concentration of expertise among members, will ensure that the Committee will be very effective, very powerful, and represent a step change as to how we do things in this place, so that we get a better deal for the people we serve rather than Acts of Parliament going through that none of us even knew were going through.

Q84 Sir Edward Leigh: I am quite taken with your example of the airport in the South Atlantic built in such a way that a plane cannot land on it. When I was chairing the Public Accounts Committee we had lots of those sorts of examples. As you said, it is great fun, because you get the front page of *The Daily Mail*. For example, we had the eight Apache helicopters you could not fly at night, and things like that. I think it is very well argued, the way you have put it.

Just to try to dig a bit deeper, if you take that example of the airport, presumably then you would like the Budget Committee then to look at this appropriation for this airport that is going to be built. It has not been built, it is going to be built in five, or six or 10 years. Do you think there are sufficient resources and expertise to make a difference at that stage? Of course, the whole point about the Public Accounts Committee is it is much easier to be wise after the event, is it not? We know what has gone wrong. It might be quite difficult to work out that the plane cannot land on the airport. I do not know, I am just thinking aloud there. We will be criticised if we suggest the creation of a Budget Committee and then



people will ask, "What will it do? What will its priorities be? How will it work out what is going to go wrong?" Do you see my point? Maybe you can elucidate.

Charlie Elphicke: My own view is that the Budget Committee would have the overview, but individual departmental Select Committees should be able to call in to the Parliamentary Budget Office to help them in their own deliberations. This is not something to put their size 9s on everyone else. In the Swedish system, individual MPs can request a report is done. I think that is really important. I think it is important because today's minority opinion is tomorrow's majority view. So, a strong staff, like the NAO, and there are some things you can do. The chances of them picking up on an individual project, on Saint Helena as to the wind-shear issue, might be quite small. However, if you had best practice as to how to run projects generally, and if the best practice of projects meant that these sorts of questions were asked on a routine basis, you might then find that that was picked up simply in a routine way. Making sure the framework of decision-making is better before spending decisions are made, rather than hurrying towards them, is where the key benefit and the key boost comes, in my mind. That is why oversight matters so much.

Q85 **Sir Edward Leigh:** I have one more question. It may be a small question, but I rather like this idea that you have now christened this new thing the Office of Spending Responsibility. It is just another way of describing what we were talking about before, which is a Parliamentary Budget Office, but it just makes the point. You are flying a flag for responsible spending.

Charlie Elphicke: Yes. The NAO, as you know, has 800 people, 400 of whom are answerable, effectively, to Public Accounts. Australia, under their system, their PBO has 40. The Congressional Budget Office has 235. I prefer the big, heavy-duty model to ensure that our civil service has the kind of support and scrutiny that it will most benefit from. It would be so great if you could have all the best bits of the NAO before things go wrong, rather than looking at them in the rear-view mirror.

Chair: The remaining four members want to ask you a question, so laser-like questions, and absolutely focused responses. David.

Q86 **David Linden:** Thank you, Chairman. Thank you, Charlie. It is good to see you here. Three questions. I am sorry, three questions all together. First of all, conflict in overlap. If you have three committees, the PAC, the Treasury, and Budget, they are going to jockey, and they are going to overlap. Will there be a conflict? It is all the one question, really, Chair. Secondly, why not have a Budget Sub-committee of the Treasury Committee, as we have had in other Departments and Select Committees? Thirdly, why not get departmental Select Committees to scrutinise their Department's plans and expenditure themselves?

Charlie Elphicke: I have dealt with overlap already; you make sure you have a clear mandate and you have drawn the best practice from around the OECD.



Q87 David Linden: In theory that is right, but then you might have a powerful chairman who wants to make a name for himself, so how much will they still overlap?

Charlie Elphicke: As we have seen from the Liaison Committee evidence but the experience around the OECD says it can and indeed does work; it works everywhere else except here. I think it can work here as well. Why not make a Budget Committee Sub-committee of Treasury Select Committee? Because £840 billion of spending requires more than just a sub-committee; it requires proper scrutiny, and the Budget Committee, I think, could most effectively do that. The question really is whether you combine it with the Public Accounts Committee as they do in Germany. Getting Departments to scrutinise, absolutely right. That is why I think a key thing the Parliamentary Budget Office should do is exactly that, help Department Select Committees get more into challenge. They shy away from it at the moment because they do not feel they have the quality of information.

Q88 Gareth Snell: One question in two parts. First, you have indicated failure with that obscure piece of legislation. How do you foresee the Budget Committee not simply replicating the Committee stage of the process of ratifying Bills anyway? Presumably the sort of scrutiny you are seeking that the Budget Committee should do, should have been picked up at the Committee stage of the process. Secondly, you have described potentially appropriations, prelisted scrutiny, looking at what money is spent and how money is spent. How do you prevent a Budget Committee becoming this monolithic, amorphous Committee that has so many areas of responsibility that it loses its focus?

Charlie Elphicke: Excellent questions. I think you need to reform the entire spending-review process. You have a rolling review, not once every three years. You make sure that Parliament has the powers to get the information that it needs ahead of decisions being made. Estimates should be published at the time of the budget, not half-way through the year. There are lots of good examples, including the Scottish Parliament system. You take a zero-based spending approach. "Should Government be doing this at all?" not just do this hurried salami-slicing stuff. You focus on waste with the deep dives. You focus on efficiencies in Government. You make sure you have independent challenge of the figures. That is why the PBO will independently assess—that is really important—not just rely on Treasury's own figures.

Above all, you take a long-term approach. The Netherlands has a not-bad idea, where you look at it beyond the lifetime of any one Government. It is worth considering, for example, in health, how is that £20 billion going to be spent? What differences can we make? How do we make sure that it goes to the frontline, makes a positive difference to people, and does not just disappear into a black hole? The Institute for Government has said in evidence to this Committee, "The risks, as well as long-term costs and benefits, need to be assessed". By reforming the entire spending-review process and having it rolling, and with expertise concentrated in a



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rapporteur system on the Budget Committee, I think you can make a complete step change, just as they have done in Germany.

Q89 David Linden: I think most of us on this Committee already serve on more than one Committee, and as you can see by the not-great turnout Members are already under quite a lot of pressure. How would either increasing the size of the Treasury Select Committee—and I would be interested in your view on that—or introducing the Budget Committee be compatible with the Government's plans to reduce the number of MPs?

Charlie Elphicke: That is a very good question. If you have 600 MPs, are you going to find it difficult? I think the key question is does every Department Select Committee need to have as many people on it as they do today, and could they be slightly smaller. If you had powers to a Budget Committee, could you make the Budget Committee slightly larger, because you are dealing with massive amounts of money and enormous amounts of public-spending scrutiny? You are providing scrutiny where there was no scrutiny before.

Let me just touch on the impact if we get this right. Next year we are going to spend £840 billion of taxpayers' money. Let us assume we have a system of Parliamentary Budget Office and a Budget Committee. Let us assume we save just 1%. That is £8.4 billion. You could not only give people a tax cut, you could spend £2 billion more for the education system, which many people feel is needed, or invest in other political choices. By making sure that we get more bang for the taxpayer buck we have more political choices. If you have better scrutiny, MPs would have equality of information and be better able to challenge Ministers and officials. There would be a better quality of discussion than exists today, whether in this Committee or in any departmental Select Committee, because information is everything if you are going to challenge and hold people to account.

There would be interest. At the moment hardly anyone goes to an estimates debate because you know it is not going to change anything. You only turn up if you are going to raise some constituency issue, because you know it is half-way through the year and the decision on spending has been already committed. However, if estimates were published at the time of the budget, if you get the chance to scrutinise before the decision is made final, and if you start to have the debate about spending on this or spending on that, I think, like with the Finance Bill system, you start to get people more involved, interested and engaged. The more the wider public is engaged, the more you have a discussion about the kind of spending culture we have, the spending decisions we make, just as you do with new taxes, or cutting taxes, or increasing taxes, the better. The quality of discussion around spending is not the same. The public is not engaged in the same way, nor are Members of Parliament. That could change.

Q90 David Linden: One last thing is that Clive Betts says there is a good chance that a Budget Committee could be inexorably drawn in to



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examine the detail of policy. How would you avoid that?

Charlie Elphicke: You would look at the soundness of decision-making; you do not look at the political choices. You do not tread on the toes of Departments in terms of their own estimates, their own spending decisions, and what they think the political choices are to be made in their own Committees. You get the Parliamentary Budget Office to support them. The idea of the Budget Committee is to take a 360-degree view of all spending, and look at the macro level, but also look at soundness of decision-making, spending culture, adoption of technology, efficiency, and that much wider approach of how Government decision-making, and spending, and spending efficiency, and effectiveness could be improved.

Q91 **Chair:** Charlie, this all sounds very good and very interesting, but how could it be possible that a group of well-meaning Back Benchers would know more about what was going on than the Government? Surely the Government bringing forward their budget would have had the best advice from civil servants and officials in the affected Departments. How could it be possible that you and others would be able to add anything to their deliberations?

Charlie Elphicke: The answer to that is the information disadvantage. That is exactly the reason so few colleagues turn up to estimates debates. I remember a few years ago there was an estimates debate on HMRC. It just turned into a debate about how the taxman did not answer the telephone and how they needed to get better at answering the telephone, not whether the right officers are in the right places or the right functions are being done by the right people. If you have a detailed report, like the NAO-type report, before decisions are made, to challenge the Executive, and the civil service, and the officials, you can then start to ask the really detailed, nitty-gritty questions that can bring to the surface some of the deep underlying questions. "Are we doing this in the right way? Are we organising the right way? Are we getting the best bang for the taxpayer buck? Can we do better and can we be more efficient and effective?"

I think you do that very quickly. For example, only recently has the Health Secretary realised that the NHS is still buying fax machines. Who knew? But I suspect the Parliamentary Budget Office might have brought that to the surfaced before then, and also asked the question, "Why are some NHS trusts spending twice as much on toilet rolls as other NHS trusts?" These sorts of basic questions save small amounts of money, but when aggregated save a lot of money, and that is the key kind of change you can make.

Q92 **Chair:** You think Back-Bench scrutiny has a huge part to play in the effective operation of Government and their expenditure?

Charlie Elphicke: In my experience Back-Bench scrutiny allied with the media taking an interest changes everything in this place. I think that is



so important, because it can make such a massive difference to people's daily lives.

Chair: Thank you very much. You were given two minutes of injury time. It is always nice to have a little bit extra up your sleeve. Thank you so much for your concise evidence, Charlie. Well done. We now have Angela Eagle.

Examination of witness

Angela Eagle, MP

Q93 **Chair:** Angela, thank you so much. We will, I hope, give you a little more than 20 minutes. Is that all right?

Angela Eagle: That is fine. I will take whatever time there is available, Chair.

Q94 **Chair:** I am amazed that we have a former Exchequer Secretary here who thinks that the Government should be held up to more scrutiny and the Treasury should be held up to more scrutiny. Surely, Angela, you are a creature of the Executive whose interests are aligned to protecting the interests of the Executive. Can you briefly explain to the Committee how you arrived at the point where you felt that better and more scrutiny was a good idea?

Angela Eagle: I have a 360-degree view of all these issues. If you look at my 27 years in Parliament, you will see that I have been on the Public Accounts Committee three times, once as a Government Back Bencher, once as an opposition Back Bencher, and once as the Minister responsible, that I have served on the Treasury Select Committee, that I have been a Minister in large-spending Departments during spending reviews—the DSS, the DWP, the Home Office, the DETR—and also, obviously, I have been a Treasury Minister. I have seen the system operate from every angle. I really just come at this whole process from the view that challenge and scrutiny is really important in terms of ensuring that you get, not only best value for money, but that you over time improve the decisions that are made on spending in our Government.

The National Audit Office and the Public Accounts Committee do a very good job indeed, and we have a very distinguished ex-chair of the Public Accounts Committee on your Committee today. However, that is all retrospective, and I think there is a gap for looking at public spending, and particularly the spending review, trying to improve the decision-making capacity of Government by scrutiny. I think that is what Parliament should be doing.

Q95 **Chair:** For the record, I want to read paragraph 7 of your evidence, because it is a devastatingly good paragraph. "It is important to create a



much more consolidated, transparent approach to Government estimates so that all of the expenditure is in one place, and obvious, and actually calculated on the same basis so that it would be possible to follow every pound through from when it is raised, through to how Parliament decides to approve its expenditure, through to where it is spent, which would be a big improvement." That is my lead in for Sir Edward, because I think you have captured the spirit of what he is trying to achieve and what this Committee is hoping to achieve.

Angela Eagle: It is not an easy thing to achieve, but it certainly should be a goal.

- Q96 **Sir Edward Leigh:** Obviously, it is very interesting to have your experience as a former Treasury Minister. We were a bit disappointed with Liz Truss, with her evidence, very brief evidence, to this Committee. I suspect on a rainy afternoon one of her officials gave her a letter to send to us where she rubbished this idea. I did not quite understand why it was not explained. You have been on the Public Accounts Committee and you have been on the Treasury Committee. It is true, is it not, that the Public Accounts Committee has a very good relationship with Treasury, and in a way the Public Accounts Committee does work with Treasury, does it not? It is sort of allied with Treasury.

Can you say a bit more about how a Budget Committee could help the Treasury make and expand plans? Is there any way, from your knowledge of being inside the Treasury, in which this could not happen, or it would not work, or it would not make a difference? I was a bit confused by the Chief Secretary's evidence to us.

Angela Eagle: No, I do not think there is any way that it could not happen and it would not work. I think the Treasury rather enjoys its monopoly of the overall Government view, and it rather enjoys the advantage that it has in having that oversight when nobody else has it. In my experience, it also likes to throw its weight around, particularly with spending Departments during the negotiations for a spending review. I think that there are elements of it that would not want there to be a parallel amount of information available elsewhere. That is looking at it at its worst.

Definitely being on the receiving end of spending reviews and a lot of the stuff that went on when I was at the DWP, which obviously is responsible for spending rather a lot of public money, they do like to turn the screws, but they do like to be the only ones that have information.

- Q97 **Sir Edward Leigh:** Yes. From your experience, again, do you think this Budget Committee could make a difference and you could get the information? As you say in your report, it is very important that the spending plans are in one body of opinion and that they are understood. I am just trying to think my way through this. With the Public Accounts Committee it is all out in the open now, is it not?



Angela Eagle: It is all retrospective, so it does not affect decisions that are going to be made on future spending, except by demonstrating where things have gone wrong and serving as a warning to other Departments not to fall into the same traps. However, other Departments routinely fall into the same traps, by the way. That is something for a different evidence session.

There would be a frisson of worry if Parliament got its act together and started putting in one place in a transparent way the kinds of finances and decisions that had to made going forwards in a spending review.

- Q98 **Sir David Evennett:** You are thinking, obviously, that a scrutiny of spending would be a good idea. If you were the Minister back in your Treasury days, how would you have viewed it then, because that is the other side of the coin, is it not?

Angela Eagle: I did the clear-line-of-sight stuff, which was the first attempt to try to at least get the accounts in some form, although it is not exactly reading for anyone but accountants. I think if you are a good Minister you should absolutely welcome scrutiny. If you are not a Minister who is on top of what is going on, or your civil servants are not good enough, or they are behind the game, then perhaps they want to be defensive. However, as a Minister you ought to welcome that kind of scrutiny, because if you are on top of your brief you will be able to explain in real time the kinds of bids that you are making for a spending review. Again, my experience of spending reviews is that they are somewhat annoying, really, and that the civil service has a particular way of doing things. It may have changed since I was a Minister; it may have changed a lot.

Charlie was talking about salami slicing. The number of times that the Treasury tried to get zero-based reviews going on about a whole range of things, and just after the spending review had happened it just got the same bids plus 2% from all the Departments. I presume it is minus 2% in the current context forum. It is really just very, very unimaginative and unchallenged. If Parliament could have a well-resourced, forward-looking Budget Committee, there would be another space where you could have challenge moving forwards. That would, in my view, increase the likelihood—it would not be a certainty, but it would increase the likelihood—that you would get better decisions made.

- Q99 **Sir David Evennett:** That is very helpful. Obviously the PAC and the Treasury Committee have built up over the years a reputation for efficiency and excellence, and being not partisan. Would you be a little worried if you were a Minister that a Budget Committee might be a tool for beating the Government rather than looking at the objectivity that we have with the Treasury and with the Public Accounts Committee?

Angela Eagle: I think you would probably want it established in its remit that it was not about policy making, but it was about use of money and improving the use of money over time. It would not necessarily be about



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efficiency, because I think it is for the PAC to look at that, but definitely best practice, and effective spending, and whether Departments are ahead of the game in terms of having new technologies, and whether their project leadership and management were up to scratch. Those kinds of things are very important.

Q100 **Chair:** Angela, if this Committee were to be positive in its approach to the establishment of this Committee, as I believe it will be, is this something that you believe could be campaigned on cross-party, yourself and Charlie? Do you think there is a body of Members of Parliament across the House that would see this as, not just a good idea, but something they would want to put their names to and push for?

Angela Eagle: I hope so, but I think our system of estimates and oversight of, in general, the supplies and the way that we do things at the moment is very, very old fashioned. Very few Members of Parliament get involved in it at all. I am not sure how many Members of Parliament would know what DELs and AME were, or what Total Managed Expenditure was. I think it would be helpful if a Budget Committee, if it existed, could begin to put good briefings out about those things.

The library does well, but again it is more backward looking than forward looking, and scrutiny of these kinds of quite technical things, which are very meaningful, is specialist. Therefore, the more you could have a centre where people could go to have technical questions answered and have their interest piqued, the more they are likely to get involved in what can sometimes seem to be quite dry, technical debates.

Q101 **Chair:** Let me ask you this question—and it is a turn of phrase, so do not take it literally, but—the Treasury seems to be very testosterone-fuelled. It seems quite assertive in the way it approaches Parliament.

Angela Eagle: I would say “bullying”, but it does that to other Departments. I never did, of course.

Q102 **Chair:** I know. Why do you think it behaves like that, and where do you think that culture comes from?

Angela Eagle: I will probably get myself into trouble now, but I think the Treasury has in general the cream of the civil service intellectually. They are trained within Treasury culture to realise that they are the cream, and they very much enjoy being the largest person in the playground, if I could put it that way. They do, in the end, know that they have the power to put the squeeze on Departments and they have a lot of leverage. Obviously, the Chancellor is, in general, the most powerful person in the Government outside of the Prime Minister. That kind of heft is brought to bear in the way in which the civil servants deal with their colleagues in other Departments. Also, generally in Whitehall—again, it may have changed, but I doubt it—the Whitehall Departments are very siloed, and so they can be picked off by the Treasury, which has an overall view.



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Q103 **Chair:** I do not want to lead you as a witness, but in its dealing with the Treasury Select Committee—the Treasury Select Committee covers a variety of policy issues—do you think in a sense the Treasury Select Committee does a fabulous job, but its lack of focus in one particular area almost lets the Treasury off the hook, and the Treasury has worked that out to some extent when it comes to the type of things we are talking about, budgets and spending?

Angela Eagle: I think that Parliament is, by its nature, more likely to be reactive to something the Government has done after it has happened than to get ahead of the game and look at the plans going forward. If you look at what happens in the way that all the Select Committees work that is bound to be true. However, I think there is merit in Parliament trying to be much more proactive about future decisions. That is not to say that I think Parliament should try to somehow usurp what are properly Government decisions, but it should certainly try to scrutinise the basis upon which they are being made much faster, rather than waiting until it has all happened, when the Permanent Secretary who was responsible has taken early retirement, and you can get to grill the Permanent Secretary afterwards.

Q104 **Chair:** We had a previous Permanent Secretary, Lord Macpherson, who almost had a Damascene conversion.

Angela Eagle: I thought his evidence was absolutely compelling. He knows where the bodies are buried.

Q105 **Chair:** He does, and he might talk.

Angela Eagle: I would ask him if I were you, if you have not already.

Q106 **Chair:** When you were there, did you work with Lord Macpherson?

Angela Eagle: Yes, I did. Yes.

Q107 **Chair:** Did you have any inkling that he perhaps may have had a different view of scrutiny than the conventional view within the Treasury?

Angela Eagle: I think Treasury would work with what it was told to work with, though it might not like it. Treasury is used to being, as I say, the part of the Government that is the most listened to with the most power outside of the Prime Minister's own personal retinue. I find, and I found in my time in Government, which was eight years in four different Departments, that Treasury officials were by far the most open and competent, but also could cope with any level of challenge. I think some of them would definitely welcome it.

Q108 **Bob Blackman:** Clearly you are bringing your experience to bear, which is terribly helpful.

Angela Eagle: It is slightly out of date.

Q109 **Bob Blackman:** It may be out of date, but what would have been your reaction, as being involved in Government, to having a Select Committee



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looking at the intricacies of the budget? What would have been your view of, "Oh my goodness me, there are other MPs that potentially are better informed than I am as a Minister?"

Angela Eagle: I would have made certain that they would not have been better informed by making sure I was more informed than them. I would have definitely welcomed having sessions where I could explain what the thinking was.

Q110 **Bob Blackman:** Do you think it would have upped your game as a Minister?

Angela Eagle: I think it would have upped the game of Government as a whole. There is a great deal of difference across Departments in the capacity of civil servants to deliver things. Some Departments are better at it than others, some civil servants are better at it than others. Some Departments have cultures that are better able to deliver it than others. I think that trying to get everybody up to a better standard, particularly in project delivery, is a very important part of ensuring that what public expenditure there is, is spent properly and wisely.

Q111 **Chair:** Do you think there is a lack of self-confidence in the Government somewhere when it comes to scrutiny?

Angela Eagle: I think they are just not used to it, and I am not certain that a lot of civil servants are trained to respect the role of Parliament enough. If that was more part of their training, rather than being seen as something that has to be swatted away or got over, we should have more respect for the scrutiny role of Parliament, and if we did it better it would be more respected as well.

Q112 **Chair:** Final question: people in this place guard their turf jealously. Sir Edward and Mr Pugh came up against a former colleague who was then chairman of the Treasury Select Committee, who was not best pleased with their ideas and did not warm to them. How would we as a Parliament sell this to the PAC and the Treasury Select Committee as being a good idea and not something they should worry about?

Angela Eagle: I think the role of a Budget Committee like this would be separate to looking retrospectively at things that have gone wrong, which a Public Accounts Committee does so well. In fact, the pattern of catastrophes that the Public Accounts Committee highlight, for example, could then be taken in by the Budget Committee to check against what was happening going forwards. The issue here is about decisions yet to be made, rather than looking at what has gone wrong with decisions that have been made. The Treasury Select Committee does a series of really important things superbly well, but they do not routinely look at public spending and they never have.

In fact, even though the Select Committee systems are meant to look at the financial plans of most of the Departments that they cover, they rarely do, because it is technical, difficult stuff. You have to dig it out of



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the annual report, you do not have enough information to really go into it, and there are far more interesting fish to fry. Therefore, it goes unscrutinised. A Budget Committee would have that specific remit that it could concentrate on, and there is no reason at all why its remit should allow it to trample all over the jobs that any of these other Committees do.

Q113 **Chair:** It sounds really interesting, because it is often the obvious that is the thing that —

Angela Eagle: You hide in plain sight.

Q114 **Chair:** There is a rail company—and I am not attacking the rail company—that has ordered a fleet of beautiful new trains for a line not a million miles away from me. Fantastic. There is only one problem. You cannot see the signals from the window.

Angela Eagle: Yes, I read about that.

Q115 **Chair:** I am using that as an example to illustrate that these are the types of obvious questions that need to be asked, and that are often missed by very, very clever people who are very close to a project. I think perhaps what you are suggesting is that Members of Parliament through this Committee would be able to ask the obvious questions that may well have been missed, and that will assist the decision-making process. It would not necessarily be a combative relationship. It would to some extent be a useful, symbiotic relationship.

Angela Eagle: Yes, it should be, if it is done properly. There are examples of other Parliaments where they do it without falling out. I am not sure, though, whether you could find out the engineering problems of not being able to see the signals in that way.

Q116 **Chair:** That was an example to illustrate. Somebody needed to ask the question in those meetings, and the question was never asked. I am sure there are lots of things in Government that in hindsight you say, “Oh my God, that was so obvious. Why did we not see it?”

Angela Eagle: Again, project development and delivery in Government is not as good as it should be. Some Departments are very good at it; others are notoriously bad. It is very difficult even to get the Government to learn lessons cross-departmentally, so anything that highlights this moving forward would be a good idea.

Q117 **Chair:** Final point; and I am sorry to keep you here just a little longer. I suppose the point I was driving at is that all Committees are hugely important, but this would be a very hugely important Committee. We have this huge resource in this place, Sir Edward, ex-PAC chairman, ex-Treasury Ministers, and you have been there, you have seen it, and let us be honest, you have made the mistakes. It would be something that could be extremely helpful to have this repository of knowledge, put it at the disposal of both the Parliament and the Treasury to ask the questions



and to draw on the experience so better decisions are made around spending going forward, and budgeting.

Angela Eagle: Yes. I think it should be a challenge, and it might even be a bit combative, but it should not be about condemning people. It should be about bringing information to the surface and trying to get things on the record about what is the thinking behind decisions and priorities in particular Departments, and whether they have those properly aligned. Just in preparing evidence and information to put to a Budget Committee, it would probably improve the overall sights of Ministers and senior civil servants in Departments about what they are doing.

Q118 **Chair:** Angela, thank you for that very compelling evidence session. I see Charlie is still here; thank you, Charlie, for the evidence you gave. Extremely useful. If we do produce what I believe will be a supportive report around these ideas we will be looking for people from across the House to pick our recommendations up and campaign with them to ensure that they become a reality, because bizarrely some of our recommendations do not see the light of day once they have left this Committee. I cannot understand why, but on this occasion let us make sure we have a success.

Angela Eagle: I would certainly be one of those that would be supportive of such a recommendation, Chair. Thank you for asking me to give you evidence.

Chair: Thank you for coming. Thank you.