William Wragg MP
Chair, Public Administration and
Constitutional Affairs Committee
House of Commons
London
SW1A 0AA

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Dear Chair,

Evidence for your Inquiry into Greensill

During your committee's evidence session on 8 June on Greensill, you commented in relation to my late husband that it is difficult to understand his perspective on these issues, given that he is no longer here to speak for himself. This echoed your statement on the floor of the House on 14 April where you said that people should be mindful of 'scapegoating' a man who can no longer either 'contextualise or challenge' accusations made against him. The relevance of your statements became increasingly evident as the 8 June evidence session progressed, and a succession of witnesses consistently sought to evade accountability for their own actions by attributing responsibility for substantially all of the decisions taken to my late husband.

What follows, therefore, is my attempt to set out the facts from my late husband's perspective, although in doing so I would like to make clear that, unlike your witnesses, I do not benefit from having been provided with papers, emails or other records by the Boardman Inquiry.

Lord Maude, who was the Minister for the Cabinet Office throughout the period you have been discussing, and therefore the responsible minister both for the Cabinet Office's work on supply chain financing and for all the units to which Mr Greensill reported during his time in Government, was unable to remember several key decisions, events and meetings during his testimony to your committee. However, he did recall that he only agreed to Mr Greensill's original appointment in 2012 'to avoid a row' with my husband. I trust we can take this as his confirmation that, as the Minister responsible, he approved the appointment. As the Committee will appreciate, although my husband was hugely respected, officials operate under the authority of Ministers at all times. Flattering though it is, therefore, to believe things happened simply because my husband supported them, this is not how government worked then or now.

Lord Maude went on to claim that he did not understand why supply chain finance should be of any interest to government given it is 'the first principle of finance that

AAA governments can raise money more cheaply than anyone else'. The answer to his lack of understanding was provided by Mr Watmore – who worked for Lord Maude at the time – in his testimony, this being that supply chain financing was not being considered for its cost cutting potential – as Lord Maude incorrectly suggested – but rather as a way to make it easier for SMEs to work with government. Interestingly, Lord Maude himself referred to SCF's potential to do this in a speech he gave to the Procurex Conference on 14 March 2012 while he was Minister for the Cabinet Office, stating "we will also consider the role of structured finance products, such as Supply Chain Finance, which have the potential to allow tier 2 suppliers to access payments early". This was during the precise period about which he was questioned by your committee.

Significantly increasing SME's share of government business was, as Mr Watmore confirmed, a high political priority at the time, supported by the Prime Minister, by 'a lot of Cabinet Ministers' and by special advisers. This focus had emerged from the Breedon Review which reported in March 2012 ('Boosting finance options for business', 12/668). This recommended that the government 'Explore how it can use its power as the biggest purchaser in the UK to encourage its own suppliers to adopt supply chain finance or similar schemes to support their suppliers; and work with banks, industry associations and professional bodies ...to accelerate adoption of Supply Chain Finance.'

Given the outcome of this review, and the resulting political policy priority that it created, it is understandable that my late husband would have wanted the Civil Service to explore the scope for using supply chain financing within government. It was his job to find new ways of doing things to advance the government's policy agenda and he would have wanted to ensure that new ideas were properly considered. At the same time, he did not believe in 'silver bullets' and would only have supported the applications of this and any other new process if he believed it would be of genuine value.

In the case of supply chain financing – a tool widely and effectively used in the private sector then and now – the Government required expertise that was, at the time, not available in the public sector. When Mr Greensill was appointed to the Cabinet Office, he brought with him experience from his years working on supply chain financing at both Morgan Stanley and Citibank, although he was no longer connected to either bank. Your witnesses testified that at the same time there was a major push to reduce government spending on consultants and so it is likely that he was engaged as an unpaid adviser for this reason.

Given Mr Greensill's expertise, I am sure that if my late husband were still with us, he would have confirmed and explained in detailed terms his support for the appointment. None of those invited to testify to your committee has been willing to 'admit to' agreeing to that appointment.

The questioning and evidence from the 8th June hearing covers a very extended period of time and it is easy slip into viewing the actions and decisions of 2012 or 2014 through the lens of recent events – not the least being the collapse of Greensill Capital in 2021. I believe it is worth being clear that, almost a decade earlier in 2012, Greensill Capital was a tiny, Australian start-up company founded shortly before Mr Greensill's initial appointment. I have not heard any evidence to suggest that, at that time, it intended to do any work in the UK public sector, and it did not do so until 2018.

My late husband would have been concerned that Mr Greensill's appointments should have been carried out in accordance with the rules in place when they were made. Your witnesses have stated that the Head of Propriety in the Cabinet Office was involved in Mr Greensill's appointments, and the current Head of the Cabinet Office, Mr. Case, has submitted written evidence stating that appointment letters were signed. Beyond the initial 3-month advisory role, I understand that one-year appointments were signed in 2012 and 2013 followed by his appointment as a Crown Representative in 2014, a role Mr Greensill held until he left all government-related roles in 2015. I believe these letters contained provisions pertaining to potential conflicts of interest and the duties incumbent upon Mr.Greensill regarding his conduct, propriety and confidentiality.

In relation to all of this, I hope my late husband's decisions will be judged by the rules in place at the time (which, for example, did not include a requirement for an open competition for unpaid roles) and that the committee and this inquiry will also bear in mind that those involved could not have foreseen the distant future fate of Greensill Capital.

The Lex Greensill who was appointed in 2012 had none of the significance that recent events have given him. However, your witnesses' evidence seemed frequently to be influenced significantly by what has transpired since then and a strong desire to avoid being associated with the Mr. Greensill who has featured so prominently and negatively in the media in recent months. Their efforts to shift accountability onto my late husband was also evident in relation to Mr. Greensill's 2014 appointment as a Crown Representative. Mr. Crothers ran the appointment process, was responsible for it and admitted that Mr Greensill had impressive, relevant experience that meant he saw no reason to object to his appointment as a Crown Representative. But in the same way he did when answering questions about his later decision to join Greensill Capital on exiting the Civil Service, he felt the need to attribute his decision to recommend Mr. Greensill's appointment as Crown Representative to my late husband's endorsement. Mr Crothers' said that this appointment was then cleared by Lord Maude, something Mr Crothers' stated he confirmed by email to my late husband. This is another of the facts of which Lord Maude has no recollection.

Your committee has heard about the successful Pharmacy Early Payment Scheme (PEPS) that uses supply chain finance and remains operational today. This voluntary scheme allows community pharmacies – which are SMEs – to receive advance payments for prescriptions. This helps them, amongst other things, to pay their staff and their bills on time while awaiting the completion of NHS checks, avoiding the significantly higher costs of borrowing this working capital from banks. PEPs was signed off by the Treasury as being value for money and Mr Crothers confirmed in his testimony that it was seen by pharmacies as being 'a lifesaver'.

This scheme was launched at 10 Downing Street in October 2012 during an event that also included a commitment from leading British companies to promote the use of supply chain finance in their own supply chains to support SMEs. This wider application of supply chain finance to support SMEs in the private sector, which was also a Government priority following the Breedon report, and a focus of the work undertaken by the Civil Service, has been largely missed in the coverage of these events, which has instead focused on the eventual limited application of supply chain finance within the public sector. It is also interesting that Lord Maude attended this launch, although he does not remember doing so. I believe that, following this event, Downing Street recommended that Mr. Greensill should receive a business card, security clearance and other office arrangements, and this was signed-off by the then Prime Minister.

Finally, I think it important to note state that my late husband took no personal benefit of any sort in relation to Mr. Greensill's appointments within government or in relation to Greensill Capital. His only interest was in exploring the potential to use supply chain financing to further the government's policy aims in both the public and private sectors. Indeed, Sir John Manzoni confirmed to your committee that supply chain finance merited the creation of the specific framework for its application that was established under the auspices of the Crown Commercial Service.

I am also certain that even though he is not here, there is not the slightest doubt that my late husband always acted with complete integrity. I therefore hope that in considering the evidence it has received, the committee will reflect on the decisions that people actually took and the actions that followed, and judge accordingly attempts to side-step responsibility by attributing these to someone who dedicated his life to public service and who is sadly unable to appear before them.

Yours sincerely,

Suzanne Heywood

cc. Rt Hon Mel Stride, MP, Meg Hiller MP, Nigel Boardman