

# Ministers reflect

Steve Webb

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# Steve Webb

## Biographical details

### Electoral History

2010-2015: Member of Parliament for Thornbury and Yate

1997-2010: Member of Parliament for Northavon

### Parliamentary Career

2010-2015: Minister of State for Pensions

2009-2010 and 2001-2005: Shadow Secretary of State for Work and Pensions

2008-2009: Shadow Secretary of State for Energy and Climate Change

2007-2008: Shadow Secretary of State for Environment, Food and Rural Affairs

2005-2006: Shadow Secretary of State for Health

*Steve Webb was interviewed by Nicola Hughes and Peter Riddell on 9<sup>th</sup> June 2015 for the Institute for Government's Ministers Reflect Project*

**Nicola Hughes (NH): You were obviously a Minister of State at the Department for Work and Pensions for the full five-year term. It would be useful if you could tell us based on that experience, how you would describe the main roles of a minister.**

**Steve Webb (SW):** Okay. I think my experience was almost unique. So I'm not sure how far I can generalise, but I'll have a go. I think coming in at the point of a change of government after 13 years of somebody else, a lot of things are up for grabs. So it's a chance to change the whole direction of policy if you want to. I think I had a different experience to my predecessors. I had 10 predecessors in 13 years – so average tenure was a year and a quarter or something like that. And so for each of them it was as much getting your head round a brief and then they were off to the next thing. Of course, I didn't know on day one how long I was going to survive, and you don't, so you can't impose what we now know on how the world then seemed. I had no idea whether I would survive beyond the first reshuffle.

So what did I want to do? Someone sent me a message. Someone in the pensions world sent me a message and said, 'Do something big'. You know, don't micromanage, don't fiddle, don't be incremental, try and identify something big. And I won't say who, but someone on the Civil Service team had a saying: 'Make the main thing the main thing'. I had a slight tendency to get very excited about something I'd just read or had heard or whatever and wanted work done and he would just calmly say, 'Keep the main thing the main thing'.

So for me, it was identifying the big issues that needed addressing in the subject area. And some of them were things I had to initiate more or less from scratch. I kind of thought, 'Well, I'm now a minister, what do I actually do?' In one of my very first meetings the Civil Service produced a list of 20 things I could do. Obviously ideas that had been on the stocks but one of them was flat-rate state pension, something of that sort. My eye went down the list and immediately this one jumped out because it's the sort of thing that I was interested in. So the fact that it was on the list helped; obviously I subsequently did a lot of things that weren't on lists, but you know.

So I think for me more than many ministers – because I'm a bit of a policy geek – the policy side of things was very important. I was also overseeing operational stuff, but particularly at times of change. So, you know, the Pensions Service simply quietly get on with paying 13 million pensions a week or whatever, and early on, the senior management would come in once a fortnight or once a month with their Key Performance Indicators and how many phone calls had been answered within how many percent of time and I kind of said, 'Well, this is important, but you're doing that, and it seems to be going pretty well. I'm not convinced I need 45 minutes every month to just be told how, you know... if you've got a problem, or if I think there could be a problem, let's talk, but you know...' So I tried to trust the frontline operational people more but keep a watching brief.

Obviously, there's the parliamentary side of things. And it is very much you're the department's man in Parliament. So legislation needs taking through and you're obviously the one who is going to have to do it. So there is the link with Parliament but very much you live in the department. Parliament isn't exactly an irritation but you spend very little time in it. You go and vote, you do oral questions, you take legislation through and that's basically it... select committee appearances and so on.

You are particularly aware of the media side of things. You know, because I was the 'P' of DWP [Department for Work and Pensions], and my Secretary of State was far more interested in the 'W', that gave me far more chance to do media. And for me media is very important, not just for vanity, though that I'm sure played a part, but to lay the ground for reform. In 2010 it was obvious to me we needed a new state pension, but it wasn't in anybody's manifesto. So I had to do the rounds of media, newspapers, conferences, sowing the seeds, making it apparent, and by the time these things happen everyone says, 'Well yes, of course', and that's, you know...

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So lots of those roles, obviously I haven't talked about the coalition dimension and being, you know, not just the Pensions Minister but the Lib Dem in the department, which was a unique situation really. So I had to kind of keep a watching brief. And in a way, the fiscal context helped, because within weeks we had the emergency budget. So Iain Duncan Smith [the Work and Pensions Secretary] was absolutely insistent, and rightly so, that all the ministers sat round the table with the list of horrible things to do, and we all said what we couldn't live with, and we all signed up to it. And that bonded us, funnily enough, in a bizarre sort of way. And then you had the first proper comprehensive spending review and we did the whole same thing again. And so I did have to know what the cuts to social housing benefit were going to be and all of that. So I had a broader remit and at the first reshuffle I acquired responsibility for the Child Support Agency, which was a great joy. And I had to oversee some reforms there, which was more operational. So there was an awful lot. I mean I won't go into detail but you were closing a million cases and you had to decide what the best sequence in which to do that was – how to make the reforms work and do the least contentious ones first. So, that was quite hands-on operational, in a way that the pensions stuff was much more strategic policy. And of course the key thing about pensions is most of pensions isn't done by government, other than state pensions, you know it's done by a private industry. So in that sense you were kind of a regulator of a private industry. Whereas with the state pension, pension credit benefits, you were much more overseeing provision.

**Peter Riddell (PR): Let's roll back a second on this. When you were appointed a minister, had you had any thought or experience of what being a minister would be like, even though you knew about the brief?**

**SW:** I hadn't, you know. I nearly stood down in 2010 partly because I just assumed that there'd just be a Conservative government majority and not a Labour one. You know, I'd done opposition for 13 years. That has a part to play, but you know... So I had never anticipated being a minister and I had very little idea of what ministers do.

**PR: And what was the learning experience like in that respect?**

**SW:** I often joked about being Minister for Fish, or something. If I'd had to learn about fish and being a minister, that would have been one task too many. I didn't know everything about pensions by any means, and when you do a subject you quickly discover that within the department there is somebody who knows more about everything than you do, every bit of the brief, and rightly so.

So the learning experience was partly just the volume, because as a Lib Dem particularly, I'd always seen being a constituency MP as a full-time job. I suddenly acquired another one, where the department were fairly grudging about the fact that I had the first one to do at all. So I would routinely get to five or six o'clock and start the day's work as far as the constituency was concerned. So the volume, the decision making; the fact that you know, quite a lot was delegated to me as a Minister of State in a specialist area, and so you know, sometimes I would write 'yes' on a bit of paper and things would happen, which was a bit of a revelation.

Trying to work out how media and communications work was a life's work and I never really got on top of it. Having been used to being a freelancer, you'd have lunch with journalists and you'd try and say something interesting and so on, and suddenly the control. Fortunately I managed to break free by year five I think, but early on, you know, I'd been used to speaking off the cuff and all the rest of it, and now here we were with these tedious hand-out speeches which I quickly dispensed of. I mean I had a speechwriter on day one – that was a shock; didn't have one on day two. So you know, the control...

**PR: What about the support you were offered and was available? In a sense you'd operated not quite as a one-person business but not far off. You had your constituency support and all that, but how difficult was it moving into a very big organization? What support was offered to you?**

**SW:** When I asked the private office what they were there for, in the nicest possible way, the memorable phrase was, 'We're the roadies, you're the talent'. You know, it's to enable you – they are there to enable you to do your job and now that I'm stripped of all of that, I slightly appreciate it ever so slightly more.

So there's just the practicalities of squeezing as much as you can out of every day by freeing you up from day-to-day stuff, knowing where things are, who's going to be at events, briefing, all of that. I think having... you know in every organisation there is someone who's been there for 50 years who remembers it the first time. So having access to people who really knew, and knew why things had been done the way they'd been done, without breaching protocols was a good thing.

Early on I was very unimpressed by the media and comms side of things. I had to work quite hard to sort of improve that. I thought that was very poor to begin with and massively overstuffed. And I suppose also the legal side of things – although I have been a legislator, I'm not a lawyer, and you just have no idea how laws get written. So the fact that you hear a Queen's Speech and you don't realise first of all there's been a bidding process to get into it and that parliamentary counsel is a scarce resource and you're bidding for that and that actually, getting consent to have the time of parliamentary counsel to start writing the law is kind of an achievement. And then there's the lead time. I mean I think the lead times on everything was a revelation to me. I mean the state pension reform took four years, and weren't done for another two, because you had to win so many internal arguments and green papers and white papers and all the rest of it, so the length of time it took to get stuff done was certainly news to me.

**PR: Were those the most surprising things on coming into office or were there other things which particularly surprised you?**

**SW:** Um... I mean the dominance of the Treasury should have been obvious, but particularly in an area like mine was particularly obvious... Because I hadn't anything to compare it with really, it wasn't like I had a set idea of what it would be like. I just had an idea really, if I'm honest.

**NH: And you talk about all the different roles you were playing and trying to squeeze lots out of the day. Thinking about the day to day, how did you actually spend most of your time? What was the most time consuming thing?**

**SW:** So I had an office with a big meeting table and I would spend half the day I think sitting around this table – 45 minutes with these people and 30 minutes with these people, back-to-back meetings and all of that. I mean it was different at different points in the Parliament. So in the early days there was a lot of policy formulation and I was probably slightly self-indulgent but you know, we'd sit round the table and there'd be some arcane feature of the new state pension, and we'd have to decide what do we do transitionally for widows or something like that. And we'd have a great hour and a whiteboard. I love doing that – far too much probably.

You'd have a whole cycle of regular meetings. You know, catch up with your directors and the media people and meetings with the Secretary of State, ministerial meetings and so on. I mean, the funniest thing is we'd have a weekly ministerial meeting and there would be the Secretary of State, Conservative, there would be two Parliamentary Ministers, Conservative and the Minister in the Lords – that's four. Several of those have Parliamentary Private Secretaries, you know, MPs, that's about seven. You'd have the Tory whips, you'd have the Tory whip in the Lords. And it wouldn't be unusual when they ushered the civil servants out for the political bit of the meeting for it to be me and twelve Tories. Even when I had half a spad [special adviser] it would be the two of us and about 15 Tories because mysteriously they seemed to grow at the same time.

At one level that made you feel incredibly isolated and so on, but funnily enough, I think the Civil Service were quite startled that because of the Quad, and because I was deemed to be access to the Quad in the department, that I had kind of leverage and influence beyond my rank. So in a strange sort of way I was in a far more powerful position as a Lib Dem in the Coalition in the department than I would have been if I'd been a Conservative doing exactly the same job.

**PR: You were talking about back-to-back meetings. Did you have time to think?**

**SW:** Well I used to get in about 7.30 and I used to have a kind of quiet hour of reading stuff over breakfast and so on. And in the end they had to put the Civil Service on an early rota every day just to make sure there was always... because somebody would wander by and say, 'But Minister, you're in your

office and there's nobody... this can't be right', kind of thing. 'No, it's alright, it's fine'. So, you know, you would do it early in the morning, basically, because beyond that there was no space to think.

**PR: Was that enough time? You mentioned it'd be five or six in the afternoon before you started your constituency business and that had preoccupied you for 13 years. On the allocation of time, how did that change and how would you alter that to be more effective?**

**SW:** Yeah. I mean I suppose what I also did was I tried to expose myself to stimulus. So to try and avoid the received wisdom, the departmental position and so on, I would actively seek out contrary views. So on one occasion I invited a couple of slightly maverick thinkers from the pensions world in and sat them opposite 10 or 12 bright civil servants and got them to say something provocative. It was a complete failure, hopeless, utterly, they just didn't know how to respond.

So I tried – as well as thinking deep thoughts for about 45 minutes over breakfast – tried to get out a lot and be meeting new people, getting lots of stimulus and input. And that was the best way I could find. I mentioned that pensions is a world essentially where you're regulating a market in a private industry, which is impossible to do if you don't know what's going on in a private industry. But how do you find out? So I mean, these days I rely on Twitter very heavily which is exceptionally useful to keep up to date. But the civil service risks not knowing. So I would have officials go to a conference and on one occasion I had to physically break up two of them who were standing talking to each other. I said, 'Go and talk to those people!'

And so I think that culture improved. I did joke that once they'd had a DWP Civil Service away day in a bunker, which just seemed to say it all really. So being exposed to outside influences, I think. How would I make the best use of it? I mean, just far less of the routine catch-up meetings and so on; it's important but you know, you could have a whole day. Again my diary folk were very clever. They reckoned by Thursday I was knackered, so Thursday would be full of the routine catch-up meetings: your monthly meeting with X and your fortnightly meeting with Y and so on. And it was just a bit... having meetings because one was due.

**PR: Did you spend enough time in the Commons?**

**SW:** Something has to give, to be honest. And there's no point me sitting listening to transport debates or something like that. I mean just no point at all. I probably could have gone in a bit more, like Treasury questions or something, but you just...

**PR: I was thinking more keeping in touch with your colleagues.**

**SW:** Yeah. Because the Lib Dems are a smaller group, that was more possible. So I would always attend the weekly Parliamentary meeting, and you know, 60 of us can fit in a room, so you would. And I would have a coffee in the tea room and stuff like that. But I think non-ministerial colleagues certainly felt cut off and I'm sure that was true. And some of my colleagues had you know, surgeries, which I just tended to think just come and have a chat really.

**PR: What about in relation to the civil service? How responsive were they and how understanding were they of your particular position? You know, being a Lib Dem in the coalition? How long did it take them to adjust to that?**

**SW:** In general I think the Civil Service were very good, very supportive; they liked having someone who didn't just know a certain amount but actually had a purpose. My role as was was very often seen as a stepping stone to a proper job, you know, 'Oh God, I've got pensions' kind of thing, 'but at least I can be Chief Secretary to the Treasury' sort of thing. Whereas I didn't see it in that way. And it must be pretty soul destroying when you have a minister who just doesn't really want to be there, whereas I obviously certainly did want to be there.

In terms of the Lib Dem-ness of it, I don't think they changed very much because of that. I mean occasionally it would be apparent that to get something done in Pensions we needed the Treasury. So I

would ring Danny [Alexander, then Chief Secretary], and there was a bit of a kind of, 'Oh, you've got the phone number of the Chief Secretary of the Treasury' kind of thing. Well 'of course I have'.

So there was a bit of that, and occasionally, without going into too much detail, the Secretary of State would want something which parts of the Treasury weren't necessarily very keen on so, you know. But I don't think the Civil Service behaved very differently. I suppose what they perhaps tried to do is work out whether there was going to be a problem because it was a Lib Dem idea.

**NH: Okay. And thinking about how you made decisions and reacted to various crises and things that tended to hit you –**

**SW:** We didn't have crises!

**NH: [laughter] I was wondering if you had an example of a time when an unexpected event or something happened and how you dealt with that.**

**SW:** Um, it would tend to be media-driven most of the time. We didn't have many operational crises that I can think of in the bits that I was responsible for. But you'd put something out; so we'd put an announcement out and there were a couple of times I can think of where we'd announce something and we just hadn't thought through what we were doing.

There was one very early decision that we took about state pension ages, which we would have done differently if we'd been properly briefed, and we weren't. So you know, most of the time I had very good Civil Service support, very good people, but that was very poor. So we had to make a difficult decision; we were given a briefing as to the implications of different choices. We made a choice, and the implications of what we were doing suddenly, about two or three months later, it became clear that they were very different from what we thought. And after the event, it was like 'Well yes, we thought that was obvious,' and I said, 'Well where did it say what we were doing?' and it was like 'Well...!' And so that's a decision that we got wrong, and in the end I had to go to Number 10, sit around opposite the Chancellor and the Prime Minister trying to get billions of pounds back. So this was a measure to save 30 billion quid over how many years, and we wanted 10% of that back to soften the blow, and we got £1 billion back in the end, and a billion quid is a serious amount of money.

So basically we made a bad decision. We realised too late. It had just gone too far by then. And of course, the thing that I think people don't realise is even when the Government is changing its mind; until it has changed its mind, the Government's position is the Government's position. And that was one of the things I found hardest as a minister. You could talk to somebody and think, 'Of course you're right, I know you're right, and I know we're going to have to change this', but until it has been cleared, signed off and all the rest of it, you can't half make a decision. Normal human beings would say, 'Yeah, okay I'll go away and think about that', but of course in Government you can't say that, apparently.

**NH: And when you were making decisions, how much of that was involving your ministerial colleagues and your Secretary of State? How much free rein did you have?**

**SW:** I had more free rein than many would have had, partly because of the ring-fenced nature of the role. I interacted with other ministers quite a lot – for example, at weekly ministers meetings, on the 'bench' in the Commons, over the 'water-cooler' etc., -- but we didn't interact much when it came to policy as they were doing say employment or disability and I was doing pensions.

But early on basically I had to earn his [Iain Duncan Smith's] trust. So on day one or very early on, we did a joint thing and that went well and gradually as I made smaller judgement calls and the world didn't fall in, and actually one or two things went quite well, it was like 'Oh, okay, we trust this guy'. And I think as well, we got on well on a personal level. You know, we weren't mates as it were but we could work constructively. So I think I had to earn that – there's this phrase, 'earned autonomy' and there's an element of that. I mean when you're dealing with billions of quid you're never autonomous, the Treasury are there, but I got progressively more autonomy I would say.

**PR: You mention the Treasury several times. How does the Treasury operate? I mean you said it was a great surprise when you became minister. How did it work and did you feel you were always supplicant to the Treasury?**

**SW:** There are a number of ways, I mean, pensions is an odd thing in that responsibility for it is split. So I was responsible for... if you've got a pension, a company pension fund, I was responsible for that. If you had a pension with an insurance company, the Treasury were responsible for that, sort of. I mean, you know, because its financial services rather company pensions. So lots of decisions had to be jointly made. That was not a bad thing, and so I tried to meet... but again, I mean David Gauke's [Financial Secretary to the Treasury] been ever present, but the person doing pensions at the Treasury was Mark Hoban, was Sajid Javid, you know, there was a lot of turnover.

Clearly, you can't be at the DWP trying to make billions of pounds of savings without engaging the Treasury all the time. So I wanted to do something tiny, weeny on pensions that would involve spending probably a million pounds, I think, which when it comes to pensions as you can imagine is a rounding error, it's not even a rounding error. And you know, I couldn't do it, I couldn't get it done. I could have saved them £50 million here and £70 million there, but to actually want to spend a million pounds on it, no, you can't do it. So it was a blocking, I mean the biggest frustration I think is because the budget is so sort of hallowed, tax is so hallowed.

You know, pension tax relief, you might imagine they'd have some engagement with the Pensions Minister, but they'd make a big change to pension tax relief and not tell me. Now, I did know what was happening in the 2014 budget when the pension reforms happened and that was a good thing. But in 2012 I think it was when tax relief changed for 2012, I heard it the same time everybody else did. And that's ridiculous, you know, my vanity aside, that's just a stupid way to run government. But it's the Treasury, you know. It's tax.

**PR: And that was nothing to do with you being a Lib Dem?**

**SW:** No, no.

**PR: Related to that, how did the Government work collectively? You mentioned the Quad. Did the cabinet committee system work properly?**

**SW:** The cabinet committee system worked largely on paper... Clearance and all the rest of it. I wasn't a regular. I mean I was on the excruciating Reducing Regulation Committee which did have teeth actually, and will have more teeth I think in this Parliament. I mean I won't diverge too much on that but certainly that process of... As Lib Dems we wanted to do lots and lots of good, good regulation, and it was still counted as a regulatory bill and we'd say, 'Yes, but...' I'll give you an example: the charge cap on pension schemes so you can't fleece consumers, you can only take the certain amount out of their pension. But that reduces the profits for pension companies so that's a burden on business. So we had to have an offsetting deregulatory measure on business to pay for the fact that we'd hit their profits by making them not rip off their consumers. Anyway, that is an aside. So that was funnily enough a cabinet committee with teeth. But again that was as much... that wasn't the meetings, the meetings very rarely changed anything, they were largely stitched up beforehand, I think. But I wasn't a regular attender at cabinet committee meetings.

**NH: What was your preferred style for reaching policy decisions?**

**SW:** Yeah, personally, first of all, I liked people at all ranks in the Civil Service to be in the room if they've got bright ideas. People would say, 'Oh, so-and-so should be there because they're a Grade 5', or whatever it was and I was oblivious to all of this. I just wanted good people, you know. So I tried to encourage a culture where people could tell me I was wrong.

The submissions, I mean I absolutely wanted them evidence-based, and ideally, I mean, recommendations are fine, but I didn't just want to be a rubber stamp. So for me, a submission that formed the basis of a discussion at a meeting was the ideal. So if I give you an example – it's a small one

– but millions and millions of people are going to have pensions in the workplace because of something we did, but those people change jobs lots. They work for Tesco six months and build up a piddly little pension pot. Then they go and work for Safeways or whoever. And so you've got all these scattered pension pots and we had a big debate about how to get them all in one place. And there were two different ways of doing it and I didn't much care which way we did it. And they did quite a lot of analysis and it was clear that one was better than the other so that's the one we did. And again there wasn't much... again, perhaps pension is a bit different. There wasn't some great ideological divide as to which, it was just what works as it were.

And so for me, I almost without exception tried to go into consultations with as open a mind as I could possibly manage. I mean there was one exception to that where I'd rather not have consulted at all, and so we had to put up a dummy option just to satisfy the Treasury. But in general, I tried to consult with a genuinely open mind. Though of course what you realise is government doesn't stop while consultations are happening, which is again kind of obvious. So you sort of think oh well, the deadline for the end of the consultation is this, looking from the outside, but what you don't realise is government's probably had to make a decision before the end of the consultation. So if you want to influence... I mean, too many people feed their consultation responses in on the deadline day; frankly the die is very often cast by then.

**PR: You mentioned the success of the new state pension. What factors contributed to the success? You mentioned the gestation period of four years. Can you go into a bit on more on that about conception, execution? Also how much in your policymaking was there problems with implementation? So lead us through it.**

**SW:** Okay. So the fact that it was on this Civil Service list in week one really helped. It meant that they had done some thinking about it. There was a sense that there was a problem to be solved. I think the second thing that helped was –

**PR: Was it in the Programme for Government?**

**SW:** No.

**PR: There was nothing in the Programme for Government?**

**SW:** No. It would have made life an awful lot easier. The second thing that helped – and I, we, wrote the narrative ex-post but it was there as we were going as well – was that the Secretary of State was interested in making work pay and I was interested in making savings pay. So there was a slight sense of people who, 'Do the right thing, getting rewarded for it'. And the reason I wanted to reform the state pension was because I thought it was ineffective at attacking poverty and gave women poor outcomes. But those weren't necessarily arguments that were going to hold much sway across the Coalition, so I needed complementary language – not an inconsistent language but complementary language of emphasis – to say, 'Actually, one of the reasons we need to do this is we're about to put millions of people into savings and the people who've saved are going to get penalised because we're going to means-test them at the end, and we can't do that, can we?'

And now... so the initial prize was the green paper. This was the sort of dummy consultation, you know, flat-rate pensions against another alternative, and the Treasury were insistent that the other alternative was a kind of faster version of the status quo if that's not a contradiction in terms. And that was the real prize, to get the green paper in and Iain Duncan Smith was very wise and said to me, 'Don't worry about legislation and all the rest of it, just win each battle. Just get in there because once there's a little bit of momentum behind it, people will expect things to happen. Just concentrate on the next hurdle all the time'. The same with Universal Credit, it was, 'Can we have the one payment, can we have the Bill' etc.

So the green paper, and the consultation response on the green paper, was three-quarters or four-fifths in favour of the correct answer in my view. So then some more serious numbers could be done. And the Treasury... Interestingly, one thing I did do is I got Rupert Harrison [Chief of Staff to the Chancellor of the Exchequer] across, and just knowing he was ex-IFS [Institute for Fiscal Studies], thought rather than mediate through lots of other people, I'll talk to him directly and I'll just kind of sell him in language that

he would understand why I'm so keen on this. And I think subsequent to that the word came back that, 'The institutional Treasury was not opposed to what we wanted to do, but there was no money, obviously'. And so the constant binding constraint we had was whatever we came up with had to be net-cost-nil or better.

And the biggest reason that was a problem was you could save a fortune in 20, 30 years, but day one, if you're going to create winners, you've got to find losers to offset them, and then you have to have all sorts of transitional protection. So part of the reason why the actual implementation has been complicated is we had no money to spend. You know, a bit of money to grease the wheels, but you know. So for as long as we were able to not spend any money doing good reform, and you know, the consultation response was pretty positive...

Something else I did, not wholly planned, was brief the daily papers. So I had lunch with the Mail and the Times, I think. And I said, 'Oh, by the way, we're just looking at this flat-rate pension idea, probably be 140 quid a week', and they nearly dropped their soup spoons. And we then had to desperately try and get them to sit on it, because if it had gone straight out then it would have been stamped on. But then a few weeks or a few months later, they ran a front page, you know, 'Government looking at £140-a-week pension' and that got it obviously on the radar of the Prime Minister and people like that. And although I got into a bit of trouble, actually people then started talking about it – 'Flat-rate pension, why?' And I was talking about it in conferences. So it was all about climate of opinion and briefing people and making the case for the problem.

So green paper; we then had to do a white paper with some serious costings and prove that the numbers all added up. So it was a classic green paper, white paper, draft bill, I mean we had to have a draft bill for goodness sake, shocking! And because I think a lot of people in the pensions industry wanted something of that sort, you know, end of contracting out which has just been a nightmare for everyone. And they were worried that people would be put into pensions, they would be means tested at the end and someone would cry 'mis-selling'. So actually the commercial... if the Chancellor or the Prime Minister went to a City event and talked to an insurance company, they would actually say nice things about this.

And Oliver Letwin [then Minister for Government Policy] was another key. So Oliver obviously loves ideas, so we went and had a session with Oliver, and we got the white chart out and all the rest of it. And actually at that point we were being told we couldn't do it until 2020, because we've got a male state pension age here, women's state pension age there, and we wouldn't get to equality until 2020. And the argument was you couldn't do a reform to the state pension when people are getting the state pension at different ages, and indeed the fact that we did has caused us problems, but you know... And so Oliver's comment when he heard all of this was, 'Well why wait until 2020?' So Oliver was key. I think talking to Rupert Harrison early was key because he could see that this wasn't just DWP that the Treasury seemed to look down on. This was Steve Webb, you know that it was serious. And then you know, we had to use the Quad to get it in the agenda. So in a sense the Lib Dems used Lib Dem capital. We had to swap it for something we didn't much like, I suspect.

**PR: Can we explore that point? To what extent did you have to go to Nick [Clegg] and Danny [Alexander] to get support as opposed to the conventional routes – getting the Treasury on board, getting Oliver on board – which you would have done whatever your party label was? To what extent was it useful to invoke Nick and Danny?**

**SW:** Oh, it was essential. I mean when they were trading in the Quad and so on, it was essential that they owned what this was, they knew why it was important, they felt it could be a win for us and electorally beneficial and all the rest of it. So I had to persuade Danny and Nick. So again, I was talking to Danny's special adviser and Nick's people and so on. And Nick obviously instinctively was receptive because it was me, but knew that all colleagues had good ideas and had to decide what to prioritise and so on.

**NH: Related to that, do you have any reflections on the policy process within government – both within the department and in terms of negotiating with the Treasury and others?**

**SW:** In a way, it was... because we'd been given a spending envelope, you know, 'You've got to do as much good as you can without spending any money' kind of thing, then we could tweak the detail, because it's a complicated reform – there's a thousand different levers you could pull – to try and maximize the things we were trying to achieve and prioritise. You know, so you could do it this way which gives more to women, but it's not so good for saving incentives and all of that. And in a sense, as long as we came up with a package that fitted the envelope, people were relatively relaxed about the detail.

One of the comments I've made recently is what we didn't think about enough was the communications of it. So it was always the flat-rate, everyone gets £140, £150. For transitional reasons there's a whole set of people who don't get the flat amount. I mean, my kids who are teenagers will get the flat amount because they start under the new system. But people who've had 40 years in the old system don't go straight into it because we don't have any money to spend. So I was guilty I think of selling it... I described it in a very simple language, and actually if when we'd been thinking about the policy, we'd been thinking about how we explain it, I wouldn't have been quite as black and white as I was, from which we then had to row back. It wasn't that we were trying to deceive people, but it is just what pensions are like – as soon as you go into a tier of detail below the headline, you've lost everybody.

**PR: Linked to that is an interesting issue. This is a long-term reform – as you say your teenage children will be the beneficiaries of it. It is very opposite to a lot else in government. Frequently there is criticism of government for not tackling long-term problems. What are your views?**

**SW:** I suppose if you are only doing long-term stuff it's difficult. But if it's part of the mix – so, for example, if you think of the budget setting people free with their pension pot, that was very quick and very popular. So you could do that against a backdrop. So, for example, the state pension change has actually enabled the budget stuff, so you can do long-term stuff if it's part of the mix. But you can't only do long-term stuff.

**PR: What did you find most frustrating about being a minister?**

**SW:** Gosh, certainly finding things out after the event that you should have known about. I mean like pension tax relief changes or something like that. Kind of juvenile stuff like we made an announcement and the Treasury didn't feel that we properly told them about it. So they said, 'Well, although you saved the taxpayer money, you can't score on it, we're not going to credit you as a department as having saved this amount of money just because you didn't tell us about it, we're not going to count it'. So that kind of petty juvenile stuff.

What else? It was the perfect job as far as I was concerned. I struggle to find many things that... you know, it was ridiculous hours and all the rest of it, and hard to do the constituency job properly, and all that sort of stuff. But by and large, it's an extraordinary thing to be able to do.

**PR: How do you define an effective minister? Not just your own reflections but what you saw around you too.**

**SW:** I think perhaps number one would be purposeful; you know, there for a reason, trying to achieve something. Not just on route to something else, not just managerial, but actually having a purpose. I think for me, an effective minister has dialogue; is not a dictator, is able to hear challenging voices, move in response to them because a lot of this is in my sphere is very technical stuff and the world changes and you just make better decisions I think if you expose yourself to a broader range of voices.

**PR: Was there resistance in the Civil Service to you doing that?**

**SW:** There may have been resistance that I didn't see... No, I think they kind of got it. I think funnily enough, the phrase 'open policy-making' became one used in the department. I'm not sure if it was you guys that it came from. But I kind of like to feel that I tried to embody that before it was fashionable.

**PR: What about looking around at your colleagues. What were the characteristics of being effective?**

**SW:** Well, certainly continuity helped no question about that. I do think focus, because there's a thousand things that will drag you aside and things that you can fill your day with quite easily, and I think being focused and remorseless and keep pushing is the single biggest thing I would say.

**NH: Was there anyone you saw as a particular role model for that or even got advice from? Was there anyone that you looked up to, even from previous governments?**

**SW:** Not from previous governments because you just had no idea what they were doing. They would just stand up and make announcements and you never stopped to think how it had happened or why or whatever. I mean we were pretty atomized. Although the Lib Dem ministers would meet once a week, it was seldom comparing good practice. It was mainly lamenting the fact that if you were Parliamentary Under-Secretary you got given all the dross. So it's not that there weren't lots of good people being very effective, but you were making it up to some extent.

**PR: You mention continuity. You did it for five years. There are different arguments. One, occasionally you need freshness. If you'd have found yourself in a coalition again would you have liked to stay in post? After all, IDS [Iain Duncan Smith] is still there.**

**SW:** He is indeed, yes, yes. I mean I would, though I would have certainly been open to something else. I mean if somebody forced me to run a department I might not have said no. And a fresh challenge would have been good. But I did a conference this morning and I went through everything that still needed doing and said the in-tray wasn't quite empty.

**PR: Knowing about the subject area first – how important is that, particularly in terms of the type of thing you were doing?**

**SW:** It's less important if you're going to get a run at it. You know, if you're only going to get 13 months and you spend six of them working out what a pension is, you're in trouble. So I think if you're going to get a run at it, you can pick things up. But I could occasionally say, 'That was tried before'. It's possible I overestimate the importance of that...

**PR: We have seen the bringing in of specialists from outside – what in Gordon Brown's days became known as the 'GOATS' [Government of All Talents]. This has happened with your successor [Ros Altmann]. What was unusual about you was that you were an MP.**

**SW:** Yes.

**PR: Did you reach any conclusions about the use of specialists in government, whether they're MPs or otherwise in the case of Ros.**

**SW:** Leaving Ros aside, for whom I have the highest regard as you know, I think being a specialist per se can be very mixed. I mean having some sense of the constraints of government helps before you go in. I think if you go in just thinking 'I know the answers and can decree them' then you get very frustrated very quickly.

I think for me, in a sense because it was all bonus, it was all windfall doing the job at all, so being able to achieve anything was like 'woah'. So I didn't go in thinking, 'I've spent my life knowing what the answers are and I've always expected I'd get the chance to do it and this is it'. It just wasn't that way.

**PR: And what advice would you give a minister entering government for the first time, given your experience? And would you have approached your role differently?**

**SW:** By and large I wouldn't have approached my role significantly differently. As I say we got some things wrong, clearly. But the private office role was very significant for me because I hadn't a clue how government and the Civil Service worked. So having a sort of experienced hand in the private office who if I'd ruffled feathers could quietly nip downstairs and smooth them, or knew who in another department was the right person to talk to. And I used to joke, because occasionally something happens and you get cross and you think, 'I'm going to storm off and complain to somebody', and my office was four or five doors down from the Secretary of State's, and I would kind of storm in that direction – not to complain at Iain but complain to Iain's people about something that had happened. And it would be like this invisible elastic and my Private Secretary would just stand his ground. Whereas nine times out of 10 he'd be at my side, on an occasion like that he'd stand his ground until the elastic pinged me back. He'd just be like 'calm down'. So having good people round you is essential, especially if you don't know how government works.

But my strongest advice would be as soon as you possibly can, to identify what the real priorities are and stick to them. I mean, alright, the world changes and all the rest of it, but however long you're in this job, what would you like to be able to look back on and say you did. And you can over time, you can organise your diary, you can organise your media engagements, you can organise your time in Parliament, your written statements, your consultations, to make it clear what you care about. And people will get that signal, and the officials will get that signal, and the department, you know.

**NH: Just to come back on the point about good people, you got half a spad halfway through the Parliament. How did that change the role? Was that helpful?**

**SW:** It was helpful. I mean mainly that role enabled me to keep a better eye on the non-pensions stuff. So there was always this dreaded phrase, 'fiscal events' and Party Conference was always the other nightmare, you know, the Chancellor would want to say something, you know, bashing people, but let's not talk about that. And there would always be a lot of detailed, 'Can we... instead of not paying people money for three days, why not seven days like they do in Europe' or something. And you just need someone keeping a constant eye on all of that, because obviously within government and particularly in a technical area, there's a lot of decisions being made all the time, that certainly don't need primary legislation and sometimes don't need secondary either, and if you're not on top of that, and keeping an eye on it, it just goes through.

**PR: One related thing: turnover of civil servants. You must have been in post longer than anyone in your private office and virtually all your policy officials.**

**SW:** My Private Secretary was there before I arrived and was still there after I had gone, but yeah apart from that.

**PR: That's unusual, very unusual.**

**SW:** It is. And there was quite a big turnover. I mean bear in mind it was at a time of very severe pruning. So when I arrived I had a DG [Director General] on Pensions. There is no DG on Pensions in government now. But yes there's a lot of turnover at those kind of levels, which helped funnily enough, certainly the first turnover. Not that the people I had inherited weren't good, but, you know, inevitably they had very strong agendas from the previous government. So whilst I had no real say in appointing the new people, they clearly were coming in to a ship that was moving already, and so in a way it was kind of, 'Well how can we help you reach your destination' rather than 'Well, I've got my...' because they come from other departments often.

**NH: Is there anything else that you wanted to say that we haven't asked you about?**

**SW:** Only to say the kind of thing which perhaps a Lib Dem would say more! If you're Labour or Conservative, you go into politics assuming that at some point it'll be your turn, whereas I never did. Whereas for me, being a minister was all gain in a way – a chance I never thought I'd have. And although I've been critical of odd occasions with the Civil Service and so on, by and large I had very good committed and capable people and wouldn't achieve what I achieved without them. And again, with IDS

really, things worked out far better than one might have hoped. And I think with a different Secretary of State, I'd be telling a different story and in fact wouldn't have survived five years.

**PR: How was it for you when lots of other people in the party were having a go at IDS on UC [Universal Credit] and things? It must have put you in quite a difficult position.**

**SW:** Yeah, I mean, because we'd been scarred by the NHS a bit, because in a sense what we had was Lib Dem NHS ministers explaining why we should support this, and then we as a party ended up amending it and so on. So there was an understandable 'Oh they've gone native'. So the fact that I was seen as a bit of a leftie rather than not helped – 'Hang on, Steve's probably gone native, but actually, the fact that even Steve is saying this might...' But you could only use that credibility very sparingly because you didn't have a lot of it.

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