

Ministers reflect

Patricia Hewitt

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Patricia Hewitt – biographical details

Electoral History

1997-2010: Member of Parliament for Leicester West

Parliamentary Career

2005-2007: Secretary of State for Health

2001-2005: Secretary of State for Trade and Industry and Minister for Women and E-Minister in the Cabinet

1999-2001: Minister of State for Small Business and E-Commerce

1998-1999: Economic Secretary to the Treasury

Patricia Hewitt was interviewed by Peter Riddell and Nicola Hughes on 11th July 2016 for the Institute for Government's Ministers Reflect Project.

Peter Riddell (PR): Perhaps in the Neil [Kinnock, former Labour Leader] period, was there any thought when you worked for Neil of preparing shadow people for government?

Patricia Hewitt (PH): Not much, because it was in the run up to '97 that we had Templeton [College, Oxford] do the Shadow Cabinet training. What I do recall, with '92, because everybody – not just us – thought we might form a government, is that Charles Clarke [Chief of Staff for Neil Kinnock, later a Cabinet minister] did preparatory work with the Cabinet Secretary and senior officials, I'm sure we had the Shadow Cabinet talking to permanent secretaries. So we were doing that stuff, but we didn't really think about preparing people for government – to be honest, I think we were just all too wrapped up in the trenches of trying to win the election.

PR: Let's fast forward to Templeton and all that. You were then a consultant [at Andersen Consulting] and also a prospective parliamentary candidate. So what was the background to that?

PH: There'd been a number of conversations, and I can't quite recall where they were initiated, but there'd been a number of conversations about the need to prepare the Shadow Cabinet for government, because it really was obvious we were going to win this time! I was at Andersen Consulting [now Accenture]. I vaguely recall the Fabians [Fabian Society] had talked about it, probably the Leader's office, there had been various conversations, and then possibly Jonathan Powell [Tony Blair's Chief of Staff] – somebody – said 'We are going to do this' and they did a kind of mini tender, and Andersen Consulting had a senior partner with a lot of government experience, Keith Ruddle, who was also on the Faculty at Templeton. The government practice at Accenture were really keen of course to do the Shadow Cabinet work, partly because they wanted to get to know the people, but also because they had a great deal of experience to contribute, because they'd been doing so much, both consultancy and big projects for government. Keith really was the main organiser of it. I was there for the two days at Templeton and it was very interesting, but what was depressing was most of the Shadow Cabinet really didn't feel they needed any training or development.

In particular, one of the best sessions we set up was a couple of very senior private sector guys talking about managing large-scale change. And I remember a couple of our Shadow Cabinet people saying, 'What's this got to do with us?' [laughter] And I just thought, 'Oh dear, this isn't really very good!' And there was another session where we took them through how long it would take to get from policy decision to implementation – and they simply couldn't believe it, it was kind of, 'This is nonsense, we're going to be able to do it faster.' Keith and the Andersen team were just very carefully taking them through [the process]: consultation, policy decision, brief Parliamentary Counsel, get the bill into Parliament, then you've got secondary legislation and somewhere along the line probably a bit more consultation and then you've got to establish the new agency, you know, and and and... frankly, you're lucky if you haven't hit another election by the time you've done all of that! And of course it's true. But they didn't really like it.

Nicola Hughes (NH): Where do you think that ambivalence comes from? Was it to do with personalities or do you think it's the culture of politics?

PH: A lot of it was kind of, 'Hang on, we're ministers. We're going to be ministers, we're going to be making decisions, implementation is somebody else's problem.' Of course because almost none of us had been in government – Roy [Hattersley, then Deputy Leader] was the only one wasn't he, at that point? – anyway, pretty much nobody had been in government, so they had bought into the idea of the 'wonderful Civil Service'. So they just thought all of that would be taken care of, and if they said 'Let it be thus', it

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would indeed be thus. So they had absolutely no idea, and I think there wasn't at that point an understanding that the really big problems – obesity or family breakdown or children's wellbeing – could only be tackled by creating very large scale behavioural change and social change, and that was not about legislation. So generally they were very much in an old policy mind-set, you know, you agonised away, you did your deals, you came up with the policy, you became a minister and that was that. And the most you would have to do was put a bill through.

PR: And of course there was no Blair, Brown or [John] Prescott [Deputy Prime Minister 1997-2007] involved?

PH: You're right, because nobody was going to let him subject himself to that.

PR: OK, moving on to when you get in the House [of Commons], you become a Treasury minister under Gordon Brown as Chancellor – but what was the induction like then?

PH: Induction? [Laughter] I turn up at Number 10 – I mean, that in itself was extraordinary, because I was getting phone calls at about six in the morning congratulating me, long before – anyway, I turned up at Number 10, Tony is sitting on the balcony, 'Gordon and I have decided that you are to go to Treasury.' 'Fantastic, thank you very much.' So I came out, I said to people, 'Well, what do I do now?', and Alastair [Campbell, then Downing Street Press Secretary] said, 'Well, I think you go along to the Treasury', so I thought, 'Alright, that seems perfectly sensible', so I walked along to the Treasury followed by a camera crew. Walked up to the reception, still followed by the camera crew, and said, 'Hello, I'm your new Economic Secretary.' So I then had to escape from the camera crew! [laughter]

Anyway, meanwhile, Helen Liddell was having a farewell party in my about-to-be office, so they had to clear all that out... [laughter] Anyway, they got me upstairs. So I met my private office, asked for a computer – in fact, I said 'What I'd really like is a laptop, a large screen and a dock-in unit', which is what I'd had at Andersen, to which my Private Secretary said, 'We've never had a minister with a computer before, what's a dock-in unit?'

So no, there really wasn't any induction, I mean, somewhere in that first week I went along and saw Gordon. I can't really recall much about the conversation. Where he was very good was preparing for [parliamentary] questions. So it wasn't induction as such, but we would all be there, there would be various special advisers wafting around, and that was one of the ways in which you got a really clear sense of what it was Gordon wanted. And then Andrew [Turnbull, then Permanent Secretary] came along to see me in the first few days, and that was very interesting. So I got, in a sense, a good induction from him, because basically he said, 'In the old days you'd have had television screens, we had television screens in all the offices showing us what was happening to sterling, what was happening to the markets', you know, because Treasury was running monetary policy. He said, 'We've out-sourced that now, it's all gone to the Bank of England, so we don't do any of that, but we can now think strategically.' So I thought 'OK, so Treasury has now got time to do lots of interesting things, including putting their fingers into every other department's pies', which was about right. [laughter] So then, let me see, who were the special advisers?

PR: The two Eds [Ed Balls and Ed Miliband] basically.

PH: It was the two Eds, but it also... do you remember, Gordon had his Council of Economic Advisers? And I'd done a piece of work for them, as a backbencher, around tax credits, so Paul [Gregg], who was in the Council for Economic Advisers, [and] various people came along to see me, to discuss taking that forward. Gordon would have conversations with me about particular things, you know something like what became the Climate Change Levy or sorting out the petrol... do you remember the lorry drivers' fuel duty?

PR: In 2000, yes.

PH: Yes. So because I was minister for energy taxes and fuel duties, we worked very closely on handling that dispute. We would have very focused conversations about what he wanted, around a particular issue, but in terms of induction to be a minister – no. Later on, Jack Straw took the initiative in getting the Cabinet Office to organise sessions for junior ministers, for instance on how to deal with a crisis, where he himself talked very frankly about the disaster that had happened at the Passport Office with a new IT system coming into effect at the height of the holiday season. Those sessions were really useful, both because of their content and because it was a chance to get together informally with so many other colleagues.

NH: What about the next re-shuffle then? You moved to DTI [Department of Trade and Industry] next – again, did you know that appointment was coming?

PH: e-commerce? No, no I didn't, and Andrew Turnbull was absolutely furious. Basically he said, 'We've just got you up to speed, just got you nicely trained, you're a really good Treasury minister, and what happens? This is typical, this is so frivolous!' That was the flavour of it. You know, you're being whisked away to something else.

One of the things I learnt at [the] Treasury which I think is vital for a new minister is 'Always be really clear about why you are doing something.' I learnt the lesson with the Mint. Gordon wanted me to privatise the Mint because he was having a big sell-off of government assets in order to reduce the inherited debt, and he needed the Treasury to lead by example, and we didn't own that much, but we did own the Royal Mint. So I had my instructions to privatise it, fine. Then I had a couple of bright, incredibly young officials who came along with their senior official to present me with the work they had done. So they took me through this beautiful piece of analysis, and I'm a policy wonk, so I thought, 'Oh, this is all very nice, lovely piece of work – what fun to be in your 20s and be a Treasury official thinking all this stuff up!' So we got to the end of their presentation and I said to them, 'OK, what's the parliamentary statement going to look like? What's the press release? What we need is the one sentence and the one paragraph which says "We are privatising the Royal Mint because..." and that's the ground we stand on, and that shapes everything.' So I said, 'OK, we are privatising the Royal Mint because...?', because I'd had all this detail, but no overall rationale, and one of them said, 'Because it's a manufacturing company and the Government shouldn't own manufacturing companies.' [laughter] And I said 'Well, that one really doesn't cut it', so we went right back to the beginning, at which point it became clear that the most likely buyer for the Royal Mint was a German company, possibly even the German Mint – and that the sale would take place in the run-up to a possible referendum on the Euro. [laughter] So that was clearly impossible. So I said, 'OK, we're not going to privatise it, we'll corporatize it', because they had a lousy corporate governance, so we sorted all that out. Of course I then had a terrible moment with Gordon – actually it was kind of a long distance row with Gordon, because what came back was he was furious because he wanted me to privatise it. And I said, 'Well, that's fine, I'll go and talk to him about it', but I don't think he wanted to talk about it. But that business of knowing the ground you're standing on, and being really clear about it – and it's more subtle than just writing the press release, it's far more important than just writing the press release – that was one of the big things that I took away from Treasury.

So then – no, I didn't know I was going to be moved, but Tony, [who] of course didn't really do digital, had nonetheless got the fact that e-commerce was big and there was something going on there and we had to be in the lead of it, and because I was the only minister, and virtually the only Labour MP, who'd ever been in the private sector – and of course Accenture was at the forefront of digital – and so he had this very clever idea of appointing an e-commerce minister. Basically I was the minister for small business and telecommunications and various interesting things. So that was really wonderful, great fun.

NH: You raised a point there about having been in the private sector previously. How well did that prepare you for being a minister, in that role in particular?

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PH: Well in the land of the blind, you know, the one eyed woman rules! I'd had three years at Accenture, but it was and is an extraordinary company, because it works in pretty much every country in the world and every sector of the economy, public and private. When I was there, I used to feel I was being incredibly well paid to be in an extraordinary global university. For instance, I was working with somebody who'd been in the team at CERN [the European Organisation for Nuclear Research] that had created the internet. Accenture at that point had the largest ever order that was placed for Lotus Notes, so I remember going to Chicago, which was headquarters and training centre and all of that, and they displayed to us basically what the internet could do, and this was pre the days of Google and search engines and all of that, it was very much Internet 1.0. It was absolutely extraordinary – they were showing us how you could put into the Accenture system a query about who in the company knew about X or had ever worked on Y, what team had ever done this or what expertise, you know, what documents did we have on such and such a thing. And you'd put it into your system and when you came back to work in the morning, the system and teams in time zones all around the world – but a lot of it done just through the software – had come up with the answer for you, and it was probably waiting neatly filed on your computer when you switched it on in the morning. This was all before the days of smartphones and mobile devices, or even Google. It was Internet 1.0 and a real reminder of how far the digital revolution has come in just two decades. So I did have an affinity for business, and of course IPPR had been important as well, because we'd done a lot of the work with John Smith [Leader of the Labour Party 1992-94] – introducing him to the City, involving business leaders in policy discussions, understanding that re-nationalisation was not a good idea, but that much more effective regulation was needed and so on. Fundamentally, I'd been part of the shift in thinking away from 'public good, private bad' towards a recognition that a healthy society and strong economy need both public and private working properly. So I was pretty business-friendly, but it was not a long period of experience, it was just more than anyone else had.

PR: What about the other side of it? You've mentioned the terribly bright but rather unworldly officials, what was your experience of the civil servants you worked with, both at the Treasury and DTI?

PH: Indeed. Treasury were really bright, and unexpected. I mean, one of the first officials I met was a wonderful guy who was doing the work on Sure Start – Norman [Glass]. Amazing guy who knew all about child development, and he led the intellectual work that became the Sure Start policy, and I was then the Treasury minister on that group. And I really didn't expect to find any of this in the Treasury, so you had that.

On the other hand, there was a kind of institutional arrogance, which was mildly irritating and I could see was going to cause all kinds of problems around government. And there were various people who just, you know, were unbelievably bright, but they had no social skills or polish at all. I remember on an early overseas trip I had a Treasury official with me, and then there was a Foreign Office official, and they were both the same age, same generation, and it was just chalk and cheese. Both very bright, but, you know, the Foreign Office guy was kind of smooth and had impeccable social skills, and the other one was kind of geeky. So the Treasury guys, they were very good, but they were quite poor at forming partnerships with other departments.

DTI had some really good people, but goodness me it was a mixed bag, and it was in many ways quite poor when I went there as e-Commerce Minister. The Permanent Secretary, Michael Scholar, came to see me on day one, and basically he said, 'Very interesting department this, it's been put together over many decades. There used to be a Department of Telecommunications and there used to be a Post Office Department and an Energy Department and a this that and the other department, and as all that stuff was privatised or disappeared, it was all merged into what became the DTI.' And he said, 'It's very interesting, they still really operate in silos', and I thought, 'Oh, OK, we've got a failed M&A [mergers and acquisitions] here', which was exactly the problem. And I did think, you know, 'Why hasn't this been

tackled?’ So what did I find? I found some really good people, a lot of very technical knowledge, some excellent work being done in regulation.

I also found – as so many ministers did – that the department was very poor at working with other departments. When I became e-Commerce Minister, I was told, ‘We are going to have a White Paper on telecoms’, and I said ‘OK’, and then ‘DCMS [Department for Culture, Media and Sport] are going to do a Green Paper on broadcasting’ and I said ‘Oh, that won’t do, the whole point of digital is that telecommunications and broadcasting are converging so we need a single approach.’ So then the two permanent secretaries had a bit of an exchange of correspondence about which department would be in the lead – ‘You can send your officials over to us’ and ‘No, no, we are the lead, so you can send yours.’ I was shown the correspondence, so I thought ‘Time to get cross.’ And I said ‘I’m not having this., They can have a portacabin in St James’s Park if they can’t agree where to sit, because we are going to have one team, and it will report simultaneously to two junior ministers and two secretaries of state, and that’s how we are going to run it.’ And we did, and it was the first time two Departments had worked in this way to create a single White Paper and a single policy. That was what gave us Ofcom. So being able to grip the machinery is really important here, but also it comes back to the earlier point that it’s no good being a minister and thinking you can make change happen if you don’t understand implementation and therefore organisation. You have to figure out which bits are working and which bits aren’t working, and who’s good and you can rely on and who isn’t.

PR: That’s quite an interesting point, lengths of time. As you say, Andrew got annoyed because you got moved after a year at the Treasury. You had two years e-commerce, then you had four years as Secretary of State for Trade and Industry.

PH: Yes, six years in all at what is now BIS [Department for Business, Innovation & Skills].

PR: Yes, but what difference did that make, having that length of time? While all the time there was churn beneath you, junior ministers changing all the time.

PH: It was absolutely invaluable, because I had spent two years at DTI, doing really interesting work, but also getting to know the department and seeing what the problems were. And obviously I’d been part of Stephen’s [Byers] ministerial team, and he was a good secretary of state who built a close relationship with his junior ministers. He had team meetings, he would talk one-to-one, he took time and trouble with his junior ministers, which they don’t all do, and that was nice. I did know that there was every likelihood I would become Secretary of State – that became clear during the election campaign, I think, or just before. So when I went back to the department as Secretary of State, I was really clear that I just wanted to grip that department and re-organise it, because it just wasn’t working. And of course by then we had a new Permanent Secretary, because they’d put one in during the election campaign, Robin Young. So we meet on day one, have a nice chat, and he says, ‘I’ve been thinking about this, and I think we need a review of the department’, and I said, ‘I completely agree, I’ve drafted some terms of reference’, which was really a bit too hands-on for a minister, but nonetheless! So we sorted out a lot of things, and created things like the Technology Strategy Board, which still exists as Innovate UK, it was a really good piece of institutional design. But I’d also had a very good idea of which senior officials were really good, which I was able to share with Robin in a completely proper fashion. [laughter] And he then reached his own conclusions.

But it just made such a difference, because then when I went to [the Department of] Health, I’d never been a health minister before, I wasn’t a health specialist, although I knew a bit from IPPR days. I didn’t have a specialist adviser, although Liz Kendall [now MP for Leicester West] who came with me from DTI was excellent. I had to figure out who to bring in as a special adviser. That was difficult because I had two excellent candidates with senior NHS experience and was trying to work out who I could really trust to advise me on them. Actually, either one would have been completely fine, but it took me a couple of months to bring him in, which was a problem, and I should have just made that decision faster. And

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then it took several months to realise we had the wrong top team in the department. They didn't know where the money had gone, I mean it was just a shambles. What I also learnt in that process was that the brilliant people at the Treasury, who'd been crawling over my £5 billion budget at DTI – most of which was ring-fenced to science – had waved their hands at the £100 billion that had been given to Health and the NHS and had no idea what was happening to the money, and hadn't bothered to actually take any notice of it.

PR: What about the political teams? Did you have any say who was appointed your Minister of State and Under-Secretary?

PH: Not much. When I went to Health, I gave Jonathan [Powell] or Sally [Morgan, then Director of Government Relations] my list of who I would like as my junior ministers. A couple of days later, Tony rang me and said, 'Oh, I've got a really good team for you', reads me out a list of names – I don't think any of them were people I had asked for. Which was fine, you know, he had other things for them to do – and they were all women. I said, 'Tony, you've given me an all-women team.' He said, 'Yes, I thought you'd be pleased', and I said, 'Tony, I don't want health stereotyped as only about women.' He said, 'Oh! I thought you were a feminist, I am going to tell John Prescott on you.' [laughter] I told him there's a lot of evidence that mixed teams work better and said, 'Can I have Liam Byrne?' and he said, 'Who? Never heard of him.' So I got Liam, who was completely brilliant, but I only had him for a year because then Tony realised how brilliant he was and sent him off to the Home Office! [laughter]

NH: In becoming a secretary of state, did that feel like a different role from being minister of state? What was that move like?

PH: Yes, it's a huge step up, because the buck stops with you, you are responsible for the whole department. You're responsible for making sure that your junior ministers do as well as they possibly can. You've got a team, you've got to figure out the whole strategy, it's very different.

PR: Two related things there, one is relations with the Treasury and two with Number 10. Given the wars that were developing in that period, and got worse and worse in the run up to 2007, how did that work out for you?

PH: Well, I was very clear. When I was at DTI as a junior minister, it became obvious that the department had a real lack of confidence, coupled with resentment against the Treasury. And I just thought 'Look, it is what it is, the Treasury is the senior department, you're just stuck with that fact in our system of government, they're the macro department, we're the micro department', and I coined the phrase that 'We have to be the supply-side partners to the Treasury.' And once Tony appointed me, that's what I said to all my officials, I said, 'We are going to work with the Treasury. They may be difficult, but we are going to work with them.' And I said the same to my special advisers. And of course we were going to work with Number 10, I mean, that went without saying. So for anything really significant, we would have both Geoffrey Norris [adviser to Tony Blair] and Shriti Vadera [adviser to Gordon Brown], and probably the senior officials from Treasury as well. But if it was a political meeting, it was Shriti, Geoffrey and my special advisers. They knew to keep in touch with them, so we were managing that relationship all the way through. And it actually worked very well, and then culminated in Rover [car company that went into administration], where the whole team – special advisers and officials – all worked very closely together and, of course, I was dealing directly with both Tony and Gordon.

PR: Because that was when you were in the middle of an election.

PH: We were indeed in the middle of an election campaign, but we'd prepared for it months earlier when we could see the firm was getting into difficulty

PR: That's interesting, the contrast – with DTI you had lots of challenges, but only the occasional really big public thing. With Health it's constant – so how did that work out?

PH: Well, that was extraordinary. I was appointed to Health, and I thought 'Wonderful, we've basically sorted the hospitals out, waiting times are falling, that's done and dusted, John Reid's [Health Secretary 2003-05] sorted all that, I can concentrate on public health' – which is what I was really interested in. So I go over to Health and I took Liz Kendall with me, and also had Paul Richards as a second special adviser doing media stuff – within a week or two, they came in and they said, 'We cannot get any work done, it is completely impossible'. Liz said 'Over at DTI, we would talk to Geoffrey once a week and make sure everything was on track and that was fine' – but now, she said, 'They're ringing us, not just every day, it's half a dozen times every day!' They said, 'We get that when you're going to have a session with Tony there has to be a pre-meeting, that's fine, but then there's a pre-meeting for the pre-meeting and a pre... they're not letting us get any work done!' It was just madness, absolute madness. So we had to calm that down, and it was complicated by the fact [that] Tony was doing stock-takes every month, and obviously Health was one of his four top priorities, so the stock-takes were very useful. But he'd been persuaded, much against his will, by the Cabinet Secretary, to have Gordon at the stock-takes. I think we had one of those, and he just said, 'I'm not doing this again.' [laughter] So we had the stock-takes, but without Gordon.

PR: Gordon would have been muttering throughout.

PH: Muttering away, or being semi-detached.

NH: What do you think, in any of the jobs, was your greatest achievement in government?

PH: The one that had the biggest impact on people's lives was the smoking ban, which took up relatively little of my time. I mean we had a difficult two weeks because John Reid unfortunately, who was a good friend from our time in Neil's office, was so worried, as was Tony, about the nanny state accusation, and he was so worried about the white working class male vote, he'd come up with this incredibly convoluted manifesto pledge that smoking would be banned in enclosed indoor public spaces, with an exception for places that served alcohol, but didn't serve food. And Tessa [Jowell] and I looked at it, because she was at Culture [Media and Sport], but had been the Minister for Public Health earlier on, arguing very strongly for the smoking ban, and basically her officials and my officials couldn't find a statutory definition, a nice regulatory category for this exemption. And anyway, the proposed exemption was nonsense. But John wouldn't let go of it, which was difficult, it was very difficult. I then tried to come up with a transitional compromise that would then get us to completing [the legislation]. Anyway, we had about two weeks of arguments inside government while we tried to sort this out, and then we just ended up with a free vote. And that was fine, that went through.

PR: That's the end of the process, what do you think enabled you to get you into that stage? For something which ten years before would have been completely impossible, for all the reasons you said?

PH: Basically, huge public pressure. I think I told that story in Charles Clarke's book on the 'Too Difficult' Box. I think [it's in] my chapter in there. We had ASH – Action on Smoking and Health – and we had the doctors who had been campaigning for years. So when I went along as the new Health Secretary, to the BMA [British Medical Association] conference, they were just so cross that I wasn't going to do a complete ban, it was all they could talk about. And on top of that, a number of other countries and areas had already introduced a smoking ban in enclosed public places and won great public support. And so public opinion was just building up, and actually the Labour party had got itself well behind public opinion.

NH: On the other hand, what was the thing you found most frustrating about being a minister?

PH: Well, the most painful thing of course was Iraq. We've just had [the] Chilcot [Inquiry]. But that was *sui generis*, and wasn't frustrating as such, it was just unbelievably difficult and painful.

What was frustrating was the wars between Tony and Gordon. The fact that we could not pull together as a government, that Cabinet couldn't function properly. Philip Bobbitt [American academic and public servant] wrote a very good piece, I thought, about the Chilcot report, arguing that he'd missed several of the big things that were going on, the conflict at the top of government being one of the biggest. So there wasn't the common purpose across the top of government that you have to have to be really successful. Tony was clear, and increasingly clear, about what he wanted, but so much was being undermined. So that was very frustrating, and the other thing that was very, very frustrating was the lack of some really important capabilities in the two departments that I ran. I mean, that was very shocking.

PR: What particular capabilities?

PH: Well, writing a white paper, which is – one would have thought – a core competence of the Civil Service. And I'm not the only minister, as you probably know, to have expressed this view. But what I found over and over again, and I found with speeches as well, was that you would get a list of facts, but no real attempt to translate that into an argument, which is what you need for a speech or an article, let alone a white paper. You have to set out your goals and explain the context and the trade-offs and you've got to have a narrative, an argument that drives all the way through. For instance, with the Energy White Paper I did, officials did some seriously good research for that, gave me lots of wonderful briefings, organised very good consultation, there was lots of material, but no argument, no narrative. It was just plonk, plonk, plonk. And in the end, I cleared the decks one weekend and I wrote the summary and the introduction, because that's what I used to do at IPPR and for the [Labour] Policy Review. But other Ministers said they had the same experience.

At the Department of Health, we introduced 'Our Health, Our Care, Our Say', which was the big consultation that is still being drawn on even today. That was great, the officials loved all that, they were creative and it was really exciting. But there were fundamental skills lacking too. With the exception of Richard Douglas, the excellent finance director who at that point wasn't at the most senior level, the top team couldn't do the numbers, they didn't have a grip on the finances and they didn't know that the NHS had over-spent in 2004/05. It was months before they found out – I mean, months after the closing of the financial year, before they discovered! By which time of course the NHS was well on its way to a second over-spend because we'd got four or five months into the new financial year. It was unbelievable.

NH: Did you therefore have to use your special advisers to make up for some of that...?

PH: Absolutely. There was a point where I would just lie awake in the middle of the night thinking, 'We've got my special advisers, my private secretary and about two officials, and we are holding this whole thing together.' But we did hold it together. We had great support from David Bennett [then Head of the Policy Unit at Number 10]. Norman Warner, my junior minister, and I were bringing the top officials together every week and, initially, even more often to get it sorted out. My special advisers were all over it. We brought in turn-around teams for the most troubled NHS trusts. We introduced public, quarterly reporting on what the NHS had spent and what it had achieved – that was an entirely new idea to the department! And we gradually created a much fairer, more efficient NHS financial system. But it was absolutely not what I thought I'd be doing when Tony appointed me as Health Secretary.

PR: What about the interest groups, particularly in relation to Health? In DTI you were doing different ones, depending on the subject, but in Health you weren't, there were

massive blocks, the BMA, etcetera, and big interest groups which were never satisfied, people who booed you and so on. How was that?

PH: Well, the ones I found most frustrating at Health, sadly, were the trade unions. And actually, I'd had a really good relationship with the unions at DTI, and we'd done some very good work together on flexible working and other aspects of diversity. Then on Rover, I worked extremely closely and positively with Tony Woodley [then general secretary of the Transport and General Workers' Union (T&G)] and Derek Simpson [general secretary of Britain's General Union (GMB)]. They would say, 'If we just had this kind of relationship at Number 10, we'd be perfectly happy.' [laughter] Because of course they didn't. But at the Department of Health I really did try, particularly with Dave Prentis [General Secretary of UNISON]. It was such a pity. We were at loggerheads of course on the policy, because basically he did believe the NHS should be entirely public sector owned, run, managed and funded. And I didn't – funded yes, free at the point of need of course, but with the private and not-for-profit sector also playing an important role - as they always have done. And we just got into arguments. I didn't handle it well. I like arguing – very dangerous – so we would get into arguments rather than having constructive conversations.

I think the critical point for a new minister is working out right at the beginning who you need good relationships with. When I was appointed to Health it was actually Harriet [Harman, then Minister of State for Constitutional Affairs], who'd been Shadow Health Minister for years and whose father was a doctor and really knows the sector, she rang me and said, 'What you've got to do is talk to half a dozen key people over the weekend, get your office to dig out their mobiles', she said, 'The [NHS] Confederation, the BMA, whoever.' So over the weekend, while I was in the garden getting a break after the election campaign, I talked to Gill Morgan [then Chief Executive] at the Confederation, I talked to James Johnson [then Chairman of Council] at the BMA and several others, and it was so useful. They'd never had a secretary of state phone them over the weekend the minute she was appointed. Then I said to my department, 'I want a relationship analysis, which tells me "These are the people I need to see every month, and these are the people I need to see every three months or six months, and those are the people I just see as and when."' And they didn't have it, you know, they had to go away and figure it out, and actually we missed a really important individual sadly, who was one of my parliamentary colleagues, which was frustrating and would have been rather helpful over the smoking ban as it turned out.

But I've always found that a useful way to work. I use a time management tool, which is really about priorities and goals, where you do a two-by-two matrix – one axis is Urgent/Not Urgent, the other is Important/Not Important. Most of us, and certainly most Ministers, live in quadrant A – Urgent and Important – which is 'It's the Prime Minister on the phone' or 'The Chancellor on the phone' or a media crisis. But quadrant B, which is 'Important but not Urgent' is where you really need to focus, and that includes building the relationships you need and the capabilities you need, that will then see you through the crises.

NH: And your private office, did they appreciate having someone that took such an active approach to time management?

PH: I think so. I hope so! By and large I had really good private offices, and really good private secretaries who were also extraordinarily supportive of my family as well. I still see some of them in different contexts.

PR: One question which has come up in some interviews is when people talk about their private offices – how important were the permanent secretaries, compared with the private secretary?

PH: It's a different relationship. Both are incredibly important. But your private office is the thing that you rely on every minute of the day. They're running your life, and so you need to be very clear about

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what you do want in your life and what you don't want. But for actually having a department that is functioning and doing what it's meant to do, you've got to have an excellent Permanent Secretary top team.

PR: Just coming to Parliament, we've got some very differing and contrasting views about how much Parliament mattered, as opposed to getting absorbed into the department.

PH: It's a really interesting contrast with Australia, which I know well. Australian ministers live in Parliament, partly because questions to ministers, all ministers, take place every day the Parliament is sitting. So ministers are just locked up in the House for most of the afternoon. They don't even have an office in their department; their office is in the House. So they are much more detached from the department and the relationship is completely different from here. So for me, I would say Parliament mattered, but Parliament was also a massive problem. It was a massive problem, particularly when I was Health Secretary, because Andrew Lansley [then Shadow Health Secretary] was always tabling an urgent question, or some debate, there was a vote of no confidence, there was a this, that or the other, at least once a week, there was something which just destroyed the entire day because, you know, if I was being called over then there had to be a speech – and even if people gave me drafts, I basically had to write the speech. So that was really problematical, just because there was never enough time to do everything. And Andrew, though I liked him, he would sort of throw the kitchen sink at it. You know, I'd spend the morning thinking, 'Oh dear, we are really vulnerable on this point and we have to work out exactly how to present the case in the strongest possible way.' Andrew would then stand up to make his speech, and within ten minutes he'd have thrown 31 accusations at me and scribes would have put their pens down and everyone would be getting really bored, and I would think, 'That's alright, we're off the hook again.' But it still took most of the day. And of course it's the Opposition's job to harass ministers!

But there were other occasions when the relationship with Parliament was very positive. When I was Economic Secretary and outsourcing National Savings to Siemens – I think it was the biggest outsourcing contract at the time – and we worked out every constituency MP with a possible interest in National Savings, and we got them all in and consulted them and kept them involved throughout.

And when I was Health Secretary, Alan Milburn or maybe John had been doing advice surgeries for MPs as Health Secretary, and I thought it was a completely brilliant idea, and we started doing them. It didn't matter what party, anyone could come along who had a problem, and it was very useful because I was getting all kinds of intelligence that my officials either didn't have or didn't share with me. The MPs were coming along and saying, 'This is what I've heard, my local UNISON [representative] came and saw me', or 'I met some patients' families or some nurses and this is what's happening in the local hospital', and I would go back and say to the officials, 'Have you heard about this?', then down the machine it would go and back up the machine it would come but we would be on top of it. I created a similar system with Gill Morgan at the Confederation. She would bring together key people in local hospitals and primary care trusts who would talk very openly. And I got the department to set up a private email account for me, that came straight through to my desktop, so that people could let me know directly – or ring my special advisers – if something was going wrong.

NH: Finally then, you've mentioned a couple of ones already, but what would be your top tips? What would be the advice you would give to a new minister?

PH: Really understand what your Prime Minister wants and expects, and then stay very close to [the] Prime Minister or Number 10 and [the] Chancellor and his or her special advisers, because you're going to need that to make things happen. Then, more broadly, figure out what are your top priority relationships. That is absolutely critical, not only in the sector that you're responsible for, but also in Parliament and in the NGOs and so on. And make sure your time is allocated accordingly, so that you're not ringing the key person when there's a massive crisis, or they just denounced your policy. You need to get to know them beforehand, and then you can work out how you're going to handle the fact that you've

got a policy disagreement, because there are ways of having a perfectly adult conversation about it, it doesn't have to get personal and destroy a whole load of other things. So that's critical.

Make sure you've got the right team in place. You may or may not get a choice of junior ministers but my experience of that was you were allowed one discard. And of course in the Tony years you always had to have a Brownie on your ministerial team so that Gordon had his eyes and ears in every department. I was simply not prepared to work with one of the Brownies I was given, so I said 'No, thank you' and got given another one who was much nicer, and that was fine. But, whoever is in your team, you need to work with your ministers, and make sure they understand what's expected of them and have the support they need. I think there were occasions when I didn't do enough of that. You have to make sure you've got a private office you can rely on. And a permanent secretary you can rely on, and if you can't, that gets very difficult and you have to handle it, but it can be done. So those are all critical.

Be really clear about what you're there for. You may only be there for a year, so you have to use it as effectively as you can. Although that's also a conversation you can have with the PM [Prime Minister] or people around him, and I made it really clear that I wanted to stay at Trade and Industry. I managed to duck reshuffles when I was Trade and Industry Secretary, I just knew how fed up the business community was with [reshuffles].

PR: I think it's very interesting, because given that experience of turnover in the department when you arrived and other things, actually you survived that period, not in a negative way, but in a way that Tony could say 'Oh right, Patricia, she'd be perfect to put in there' when there's massive turnover in other departments. It's quite interesting that, the contrast if you look at the charts, is frightening.

PH: I know, yes. It's really shocking. And Tony reshuffled people far too often, as we know. It became clear at one point that he had me in mind for Education or Health, before 2005. And at that point, I simply did not want to move. Apart from anything else, I had children in London schools – no way was I going to touch Education, even though I'd have loved it. But the main reason was the very positive one, I just knew DTI needed somebody for an entire Parliamentary term. I'd been there before, I'd been the politician responsible for the Labour Party business unit, building relationships in the run-up to the election, I had solid foundations that I wanted to build over several years.

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