

Ministers reflect

Alistair Darling

July 2016



Alistair Darling – biographical details

Electoral History

2015-present: Labour Member of the House of Lords

2005-2015: Member of Parliament for Edinburgh South West

1987-2005: Member of Parliament for Edinburgh Central

Parliamentary Career

May-Oct 2010: Shadow Chancellor of the Exchequer

2007-2010: Chancellor of the Exchequer

2006-2007: Secretary of State for Trade and Industry

2003-2006: Secretary of State for Scotland

2002-2006: Secretary of State for Transport

2001-2002: Secretary of State for Work and Pensions

1998-2001: Secretary of State for Social Security

1997-1998: Chief Secretary to the Treasury

1996-1997: Shadow Chief Secretary to the Treasury

1992-1996: Shadow Spokesperson (Treasury)

1988-1992: Shadow Spokesperson (Home Affairs)

Alistair Darling was interviewed by Nicola Hughes and Peter Riddell on 20th July 2016 for the Institute for Government's Ministers Reflect Project.

Peter Riddell (PR): Could we start actually pre '97. What preparations did you make for being a minister? Not what you were doing in the Treasury with Gordon and the team, but what preparations for you learning how to be a minister? You had ten years in opposition...

Alistair Darling (AD): I think looking back the most useful training you have is being a backbencher, in terms of being in the House of Commons. I appreciated when I was a minister, especially when in times of crisis - whether it was the 10p tax rise or whether it was the 75 pence pension or the banking crisis - that the House of Commons still does matter. How you perform there, how you behave, how you react to your own backbenchers who are also in opposition matters an awful lot. The first ten years in Parliament between '87 and '97 were a huge training ground. So that, I think, is actually more important than anything else, frankly.

Just before the 1997 elections, all the frontbench were sent on a weekend seminar at Oxford University to train to be a minister and it was interesting. But there were two problems with it. One is it didn't seem real because most of us thought 'Well, we've been out of power so long, we won't count our chickens' and secondly they took you through mock situations, but they were mock situations and everybody knew they were mock situations. So it was nice to do I suppose, but the fact is I don't think it's ever been repeated, which probably tells you the value of it. I don't quite take the John Smith [Labour Leader 1992-94] view that you can't go on the frontbench in your first parliament, because obviously I was on the frontbench after my first year. But just being in the House of Commons and understanding how it works is actually very, very important as a minister.

PR: Now, when you became Chief Secretary was there any induction offered by the Treasury at all?

AD: Well, not induction on how to be a minister. One of the things that I quite liked about it is that you are a backbencher one day and then you go to Downing Street and you arrive and you're a minister, in my case a Cabinet minister. What the Civil Service is very good at is explaining what's in your in-tray, as it were - what are the things you've got to deal with? Because with a lot of things, the business of government just goes on. Then you get into 'Here are the things you've said in your manifesto you want to do' and 'How do you want to go about this?' and 'Here are the options.' Every job I've done I've always had that. Although clearly, later on when I went to the Department for Transport for example, it was blindingly obvious what the problem was: the trains weren't running and the system was pretty chaotic. So yes, I think that the briefing you get from civil servants is very good, but it is not enough on its own. The key thing of your administration is that you've got to be able to take decisions, but you've also got to have a clear idea of what you want to do. My experience is that if the machine knows what you want to do, then it reacts very effectively. If you don't know what you're going to do, then you'll end up going round in circles.

Nicola Hughes (NH): You've obviously been in a few different departments in your time - how did you find the departments compared?

AD: Well, they're all different because they've got their own ethos, they have their own language. The Treasury is very, very good. They get some of the best civil servants. I think the Treasury sometimes can be guilty of looking down on the other departments in Whitehall. In fact, they are equally good and they certainly know their subjects very well. I was never in a bad department - the quality of civil servants in this country is very good. Within any department there are some civil servants that are better than others, just like there are some ministers that are better than others. I've always found the departments

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have been very, very good, you know, they soon pick up if there's no relationship between you and a particular official. And it's the job of the permanent secretary to make sure that that gets resolved. One of the things I've noticed – I'm an outsider now – but in the last Parliament they seemed to be going through permanent secretaries at a remarkable rate. I mean, football managers have got a greater security of tenure than permanent secretaries, which I think is very damaging.

PR: That's a very interesting point, because one of the things that comes across from discussions has been how important the private office is, and that the permanent secretary comes into the discussion quite rarely. So you had lots of departments, and clearly at the end Nick Macpherson [then Permanent Secretary of HM Treasury] really did matter, specifically as you were post Northern Rock and all that, so how much did the – pre-Treasury – did the permanent secretary impinge on your life?

AD: Well, there's two things. The permanent secretary is very important because he or she sets the tone for the entire department. The permanent secretary should be just that, someone who will say 'This is what you want to do, we can do this, and here are the obstacles you have to negotiate' and so on. Now, I think there's a difference between the secretary of state or chancellor and junior ministers who don't have the same access to the permanent secretary. And incidentally, only the brightest of junior ministers wake up to the fact they don't see everything and a lot of them spend a lot of time railing against the civil servants, but actually the signal comes from the secretary of state as to what the ministers are seeing, what they don't need to see and so on.

So, I think the relationship with the permanent secretary is important and when I went to Transport, for example, one of the conditions on which I went was that I got a new permanent secretary, because the regime before had been so chaotic and dysfunctional that the only way you can sort these problems out was having someone to sort the Civil Service side of things out, especially in a department where so much was really delivered by third parties rather than directly. The other thing a permanent secretary can do for you, as I said, is help if there are difficulties in the department with a particular individual. In my case, I went to the DSS [Department of Social Security] in 1998 and there were ambitious plans to replace the IT system. With me as a non-IT specialist, instinctively hostile towards these grandiose plans, the guy in charge couldn't explain to me what he was trying to do. So the permanent secretary is good at sorting that sort of thing out.

But the second element you mentioned was private office, which is critical because your private office, they are civil servants, obviously, and they're career civil servants, but they're the interface, they have to explain to the department what the minister meant when he got a note overnight in his box and put 'rubbish' across the top. It didn't mean that he was dismissive of the several months that you put into doing this, he just had difficulty with the conclusion that you reached. It is very, very important and remember, these are people you work with every day, so you have to get on with them. I've kept in touch with a lot of my private office, even today nearly 20 years after we first went into government. They're perfectly professional, they do not discuss what they're doing now other than in the most general terms. But they should be the best you've got in the department and frankly no one should reach the top of the Civil Service without having been in private office.

NH: You mentioned junior ministers before and I was interested – as a secretary of state, how did you run the junior ministerial team? Did you see them as a team like that, did you delegate to them?

AD: Oh yes, you have to, because you know you can't run everything. And I suppose all ministers, you know, secretaries of state will tell you this, when you administer your team there's some that you asked for, who you wanted, and there's some that you were prevailed upon to take. I was fortunate, in most cases it was the ones I wanted. You couldn't run a department without delegating – you know, I've seen secretaries of state trying to revisit what the junior ministers have done, or even worse, going through

their correspondence. I'm afraid that for a junior minister, one of your duties is answering endless letters and so on. But you can't work other than as a team, especially in Transport, for example, when we were sorting the railways out, I needed ministers who could do the donkey work. I had to say 'Well, this is what we need to do' - they had to go and fight in the trenches because these rail operators needed that.

Equally, if you take the Treasury, there is so much the Treasury does that you need to be very confident that you have ministers who know what they're doing and are happy. Instinctively, I don't spend ages having team meetings and things, because you can end up just gossiping rather than doing anything else. But everybody has to feel they're part of the same endeavour.

PR: Did you meet all your ministers and special advisers once a week, say?

AD: Yes, I always had a weekly meeting, which for the most part we kept to. But most of the discussions you tend to have one-to-one when you're discussing a particular issue. For example, in the financial crisis most of the discussions were between me and Gordon, rather than me and the Treasury ministers, and obviously they knew what was going on, but they didn't know everything. Yvette Cooper who was then the Chief Secretary knew a lot more than the other ministers, but in terms of the very detailed discussions and the critical decisions as to basically bet the entire state on propping up the banking system, that was a decision that could only be taken at a prime ministerial level, rather than as a junior minister. But again there, someone like Paul Myners [former banker, then Financial Services Secretary] did a lot of the hand-to-hand fighting with the banks and it was helpful because he understood the language and could speak to them in a language they understood, he could say 'This is the end of the road for you guys...'

PR: We did speak to Paul as part of the series. Very interesting. What about special advisers, how useful were they? You saw the operation both ways...

AD: Yeah. I think it's interesting how people use special advisers. In Gordon's time in the Treasury they were almost more like junior ministers than they were special advisers. I used mine differently. In terms of the financial services, Geoffrey Spence helped me, because he had some experience in that. You know, a special adviser can do all sorts of informal sounding out, as well as discussing with civil servants how you might react to things. I had Sam White, and Torsten Bell brought different skills to bear.

But one of the things I was very clear about is that I don't think you can run a department without engaging the Civil Service and them feeling that you are engaged. It took ages, when I went to the Treasury in 2007, to persuade them that I was interested in what they had to think. It was just the cultural change, if you like, it was just a different way of doing things. But I think where special advisers get into trouble and, you know, our government was no different from the one that went before, or the one that came afterwards and actually it's still going on now, is where basically they're not specially advising you about policy, but they're basically briefing on your behalf and against people who are perceived to be enemies and that, I think, is questionable, if public funds ought to be used for that.

PR: And the briefing might tend to be on your side...

AD: On your side, yes. You know, the amount of time that I spent putting out fires when fires never needed to be lit in the first place, it is debilitating. This idea that you can only communicate with your colleagues by doing it through the newspapers, it's just... I think most special advisers didn't get up to that, but there was enough of them who did get up to it to give the whole thing a bad name. But, you know, today in 2016 there are more special advisers than ever before and it's disappeared because of everything else that's got going on. I thought Cameron's pay-off to these people - I mean, they are being paid way more than any other civil servant, some of them are being paid a lot more than ministers. They're always going to be there, but each prime minister promises they're going to sort it out and they never do.

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NH: Moving on to your being Chancellor, what do you think makes an effective chancellor as opposed to an effective minister in general?

AD: The first thing you need to remember is it's a very political job. That doesn't mean you're spending lots of time on manoeuvres or anything like that, but I mean the Budget Statement, for example, isn't just like a company annual report or announcing your housekeeping measures for the next year, it is a political statement of what the government is about. I mean, in terms of what are your priorities in education or relieving poverty – in my case an awful lot of it was spent dealing with the consequences of a catastrophic failure of the banking system.

Because you're a very senior minister, you have to be aware that there are consequences to anything you say or do: you can make a speech and you can watch the FTSE move or Sterling move as a result of what you're saying. I've watched it happen – well, my private office watched it for me and then showed me a recording of it. You also have to have a very good understanding of what the government's about, what your colleagues are thinking. So it isn't an administrative job, it is highly political. And that's why the relationship between the Prime Minister and the Chancellor is so important, because if they're not at one everybody will find out very quickly.

PR: Was it an advantage having been Chief Secretary – albeit nine years earlier and even though for just a year – when you moved into the Treasury?

AD: Yeah, because I understood the department, a lot of the officials were still about. There was enough of them there who still remembered that I'd been there nine years earlier. So yeah, it was a huge advantage. I mean, the only thing they changed was the building, so we moved from the front to the back.

But I always say that when you go into a department, it takes you about a year to understand it. And then if you want to do anything, it takes you a year to get that established and then probably a year to get the legislation or make the changes. And then if you're really lucky, as I was in two departments, you get an extra year to make sure no one starts undoing it again. Departments are different, but yes. Also, understanding how government accounting and public accounting works is terribly important. And understanding what leeway you've got and what leeway you don't have.

PR: You mentioned the length of time you spent doing jobs: in the ten years before you became Chancellor, you did four jobs. That turnover – I mean, there's a real argument about how long you spend in a job to make an impact?

AD: I don't think you can make much of an impact inside three years. I mean, we had far too many home secretaries... And it will be interesting to see, for someone to look back and look at the period of rapid turnovers of home secretaries and Theresa May's tenure, she's just ended. I think six years is probably too long. I thought four years was as long as you need to stay, because then you need fresh impetus. You're not a career specialist – it's not like being a managing director of a company or something, you are first and foremost part of the government that wants to change things or do things, and so I think you can become a bit departmentalised, if you like. But in a year you can do very, very little other than hold the fort, frankly.

PR: Yeah. What are the other disadvantages of staying too long?

AD: I suppose because you've seen things before, someone comes along with an idea and it looks very like the one you got rid of two years ago, so it can be resisted - even though actually if you looked at it again, there might be some merit in it. The advantage of a new minister coming in, a new secretary of state, is that you can look at something afresh and you've got about a month to disown your predecessor's policy, if he or she was in your own party, because you can say 'We looked at it again', etcetera, etcetera. So I think that's the principal one – and also the fact you just don't have that fire any

more that comes with getting a new job. You know, in Transport and [the Department of] Social Security, there were big, general, philosophical views I suppose, but a lot of it is getting the detail right and you don't fully understand that for a while, usually. Also the relationships you need take time, especially with people outside of government, you know, government could do so much, but a lot of the people who do things, or implement them, are not yours. And it does help if you've got a relationship so you can speak to someone on the phone and not have to spend half the call saying who you are.

NH: So we usually ask people about how they handle crises and you obviously had a pretty big one to deal with in the financial crash. What lessons would you take from that as a minister, how you handle big external crises?

AD: Well, the blindingly obvious one was 'Try and make sure they don't happen in the first place', but if you're stuck with one the thing is to understand as quickly as you can what are the key things you need to sort, because you'll not sort everything. Within any crisis – whether it's a banking crash, or the trains not running on time – there's big things you need to sort. For example, in the banks the most obvious one was they had to be recapitalised. Unless we got through that and had a plan and, critically, executed the plan in terms of the announcement and appearing confident and so on, the rest of it would just fall away. But then there's 101 things that have to be done alongside that. Not just in terms of, you know, how do you stabilise the system and how do you make sure your colleagues in different parts of the world understand what you're doing, but also the fallout of it. How do you react to that?

This is where I always thought my legal training was quite useful, you learn to focus on the things that matter and then let the other things look after themselves. Although I suppose the key thing, you know, what's different from if you're running a company or something, is that media does matter. How you project yourself, the fact you've got to exude confidence. We got into real trouble over Northern Rock, because it looked like we'd lost control, 'the runaway bank' and so on, whereas we didn't have that problem a year later. I said in my book that I thought that Northern Rock was an extremely well disguised blessing, in that if we had not been through Northern Rock, I wonder whether or not we'd have done what we did for the banks later on. Because what I found difficult to understand with Northern Rock is that when you said 'The Bank of England is standing behind this bank', in the olden days people would say 'Well, that's good, we're happy now' – in fact, it created a panic. And combined with that was 24-hour television, means you get the same picture being shown over and over again which gives the impression that things are getting worse.

PR: Of basically the same branch...

AD: The same branch, same people, yeah.

PR: There were only a tiny number of branches where there were queues.

AD: Well, there were and one of them happened to be near West London, where the BBC and Sky were. And they were good-natured – people said 'Oh, I'm just queuing up because I saw them on the television.' There was another run on a Northern Rock bank in November, but two things were different. One is the instructions were 'If people want their money out, don't argue, pay it' and secondly, 'Get them off the street', even if they're all standing in the staff room at the back, so that it can't be seen. It was pouring with rain as well, which meant nobody was inclined to come out and join in! [laughter] So it happens.

Northern Rock taught me lots of things. One is media management, just how, if you let things get out of control, you're ruined. In this case RBS was the biggest bank in the world at the time, if that had shut it would have brought down the entire banking system with it. And you think about it: no money, no food, no petrol, not just here, across Europe, America – so the stakes were pretty high! That's why both

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Gordon and I were absolutely convinced that we would do whatever it took and we had to throw absolutely everything at it, because that's the only way you'd get a firewall and stop it going on. So crisis management is something that's important because you never know as a minister, in most departments you can get something going terribly, terribly wrong and if you don't handle it...

Going back to the railway example, I can't understand why the government isn't sorting out the Southern Railways problem. I'm not saying the railways aren't important everywhere, but if they happen to be in the London Evening Standard's readership area, common sense tells you that makes it a national problem rather than, you know, poor Yorkshire trains or the northern trains or whatever. So you've got to deal with these things, you can't let them run.

NH: Another one that you mentioned in your book was the HMRC [HM Revenue and Customs] data loss and that's another interesting one in terms of the accountability between civil servants and how much ministers can oversee the administrative and detailed side of things.

AD: Yeah, I think there are two things there. Firstly, on the accountability front, HMRC is structured, quite properly, so that it has got a board that runs it to keep ministers away from collecting people's taxes. The only time you see anything is if someone writes to you and then you can quite properly say 'what's gone wrong here?' However, what you might call the 'despatch box risk' doesn't go away from you: there's no way you can manage to lose the personal details of half the population, and say 'Well, actually it's this organisation down here that's done it, it's nothing to do with us.' I suppose at HMRC there are some very, very good people, but the fact they didn't tell ministers for three weeks that this had gone missing tells you an awful lot – their instinct was to try and sort things out and they had very little comprehension of how the public were going to take this. And the time I was told to the time I had to announce it to the House of Commons was about four of five days, because you had to tell the banks to start flagging up these accounts, you had to speak to the Information Commissioner, all sorts of people. HMRC is one of these non-departmental bodies, but it's still ministers who have to answer for it.

The second thing which, coming back to your earlier question about my [House of] Commons experience, is that frankly the reception I got was infinitely better than it might have been, because basically people thought I was straightforward. I remember somebody said 'Do you need to tell them everything that's happened?' and I said – well, look, you know, the old cover up cry, you just need to say everything. I said 'This is so horrific, frankly, that if you chuck in another two things for good measure it won't make any difference.' So it was interesting that, although there was the ritual anger, if you like, from the backbenchers, people I think understood what had happened. Although there was universal amazement that anyone would be allowed to post all this information in an unregistered packet and on two CDs that you could have bought in the supermarket. Incidentally, I don't think they ever left that building. I think they would have surfaced long before now.

PR: They're behind a radiator somewhere.

AD: Or more likely crushed up in a skip in the back.

PR: So just going back on the point of learning – because you worked in several departments and as Nicola pointed out you've had a number of crises to deal with, how was the learning experience? How well did government learn from errors?

AD: Obviously I'm 62 now, so I'm prejudiced – but with the best will in the world, a 20-year-old doesn't know everything that someone a bit older can do. So experience helps. One example actually just struck me the other day, in the light of the Chilcot Inquiry, where you would have thought post-conflict resolution would have been very much in the government's mind and I heard everybody say when Chilcot came out that 'we'll learn from this' and all the rest of it, except that we haven't. Because in

between Iraq and Chilcot reporting we had Libya, where we did exactly the same thing. You had a bombing campaign, the regime was toppled and guess what - there wasn't a ready formed parliamentary democracy ready to take its place. And Libya is now, you know, ISIS are right along the North African or the Mediterranean coast. So there's an example of where we patently have not learnt very much. Now I know there's other, bigger things at play in these things. In terms of day-to-day government and domestic policy, I think each time lessons are learned, but then as time goes on people forget. Going back to the railways, the government has in front of it a proposal to, frankly, make Network Rail more like Railtrack as far as I can see and there's nobody around now who remembers any of that fiasco. It will be interesting to see whether they do it or not.

PR: Is that human nature, inevitably, that because of people turn-over, civil servants and ministers, you're going to get failures repeated?

AD: I think so. You remember, in the late 1990s there was a spate of very bad rail crashes? And there hadn't been many for years and because of that the department, at a senior level, didn't have the skill-set of how you deal with what is an extremely sensitive situation, obviously for those who have been killed or injured, for anyone who is immediately involved as well as the wider issues. I think the last serious rail crash was when I was Secretary of State, when a guy drove out in front of a train and derailed it, in Buckinghamshire I think, so there hasn't been one [since]. But the loss of institutional knowledge is quite a big thing. One of the points I was going to make to you, which I think is worth reflecting on, is that obviously you don't need more civil servants than you need, but if you start losing people who know about things you lose that sort of knowledge. Like I mentioned in the Northern Rock experience or in the railways, the fact was that in the railways there was nobody around who understood that the reason the trains are late in the autumn is because they skid on leaves. Railtrack was full of people who understood how to sell sweeties and jewellery in railway forecourts. I think government needs to be wary of that.

You know, Sir Humphrey is much maligned and there's lots of Sir Humphreyisms around, but it's also quite useful to have somebody experienced. The longest serving adviser at the moment is the Queen – you know the chancellor has to go and speak to her the night before the Budget, I think there's been about 12 or 13 chancellors she's seen. I was reflecting on the fact she's probably heard all this before and thinks 'Yes, that's fine!' And similarly with prime ministers, heard of all these bold plans to make the world a better place; 'Wait for the next one and see what he does, what he's got to say.'

PR: Well, also your learning experience as you went from department to department – you go to Social Security after a year and then you had to clear up after the rows there and then you go on to Transport, Scotland, DTI [Department of Trade and Industry] and so on... at each stage did you approach the new job differently because you had that initial experience? You started at the Treasury, did some of the biggest spending departments, then back to the Treasury. Did you approach them differently given the experience you had?

AD: Well, I suppose in terms of psychology, the chief secretary is about stopping people spending money basically. If you go to the other extreme, Transport, unless you spend some money then you'll have no end of problems. I think it's an intellectual challenge, going to the Transport department saying 'No, you shouldn't be spending money on this, that and the next thing' or 'You could be sceptical about various projects' and so on. I suppose my changes, if you like, both in Social Security and in Transport, I went there at a time of upheaval or crisis, so that kept you going for a bit. Whereas if you went to the DTI, it was more of a holding operation because it was obvious that Tony was going to go within the year and so it was a different operation. Although it was interesting, actually, to look at the department that once had been running half of British industry and now it was an amalgam of things. At this latest reshuffle, it's another.

PR: More like the department you were running, minus trade?

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AD: Yeah, that's basically what it is. I thought energy was of sufficient importance to be a department in its own right and it's still important, because I don't think the current market is working particularly well. But when I went to the Treasury, I did this interview with Lionel Barber who was the FT [Financial Times] editor at the time, and he said, "This is the first place you've gone to where there's nothing wrong!" [laughter] and then it was a bit like today – clear blue sky, not a cloud on the horizon – but within a year it wasn't...

PR: Well, even shorter than that.

AD: Well yeah, actually it was Northern Rock and then within a year this hurricane to end all hurricanes.

NH: Can we touch on Budgets? The Budgets you did as Chancellor were in quite an atypical period, but you'd obviously been involved with them previously as Secretary of State. What was your reflection on the tax and financial policy making process and financial planning?

AD: I think the way I look at it is that although I did three Budgets I effectively did six, because if you look at my Autumn Statements or Pre-Budget Reports, they had more change in them than the Budgets did, simply because of the circumstances. In each case, my opportunity for changing the tax system or anything else in the long term was very much curtailed, because what I was most concerned with was trying to manage a crisis and all my Budgets were like that. Although actually, I think by the time we got to the autumn 2009, what we were then working on was a plan to boost the economy in the short term and then reduce the deficit, which strangely enough is what [George] Osborne ended up doing. It's not too different actually, although to be blunt about it, I think that the Labour Party, which was already under stress at that time, would have had a hell of a job trying to implement any of it. But, you know, we'll never know. Someone like Nigel Lawson [Chancellor 1983-89] will tell you at great length how each Budget was a carefully crafted piece of work which led to the next Budget and so on, although my recollection is it didn't quite end up that way. Most of my stuff was reacting to other things rather than setting out new things, if you like.

NH: You were Chancellor in this great time of crisis but you also had all the regular business of being Chancellor, a constituency MP and your duties in the House. How did you balance all of your roles?

AD: Well, you have to. I think one of the strengths of our system is that MPs have constituencies, which means that every week you are meeting people who are at the receiving end of your policy, if you like. I've always valued simply walking around, and I still do that – obviously now it's great, it's not my fault anymore! But you know going into Tesco's or walking up the street, people will come up to you, you can watch their eye contact and so on. I did quite a bit of it during the last European referendum, which was when I began to think everything was not the way pollsters were telling us, even in Edinburgh which voted three quarters to stay. But I think the constituency surgeries matter - you know it's not always representative because people only come and see you when they've got a problem - but I think having a constituency is important, especially as Chancellor. When I met my counterparts, which I had to do pretty regularly, about half of them are not ministers: they're appointed and they've come from outside institutions, Goldman Sachs must be the biggest contributor to these people and they allocate them, and they become finance ministers. I remember one guy, it was a gathering and I think it was in Sweden, and he said 'How can you make decisions if you have to take the voters into account?' and I said 'Well, how can you take decisions if you don't?' So I think that is very, very important.

The other thing that's terribly important is that you maintain your private life, in the sense that you see your friends and don't lose your friends because there you're meeting people who are not coming to complain or make observations, they're not your political colleagues, but they're people who know you.

It not only helps you relax, but, you know, it helps you put a different perspective on life and I think that's terribly important.

PR: It helps, I suppose, living in Edinburgh and having an Edinburgh constituency in that respect...

AD: Yes. Home is home. And obviously for most of my ministerial career, [my wife] Maggie was in Edinburgh with the children. So that's where our friends were, if you like. So I think keeping your feet on the ground that way is very, very important.

PR: Going back to something you said right at the beginning, the Commons. You're a minister for 13 years, in the Cabinet all the time, in high-level posts – how conscious were you of the need to be in touch with the Commons and your fellow MPs?

AD: Well, I think firstly when you tend to go to the Commons, it tends to be at Question Time or doing statements or second readings or whatever and you vote... I think the most important thing is you make yourself available to your own colleagues and one of the best places to do that is the tea rooms. I mean the tea rooms nowadays I'm afraid are mostly at Portcullis House, but in the tea rooms you'll find anyone in there, in my experience. It's quite a thing. In the lobbies you do meet your colleagues; it takes about 20 minutes to vote and as you know the lobbies are more like rooms, so we mill around. You talk to people and they can come up to you and they don't have to make an appointment, they don't, say, make an arrangement or anything, but they can come up to you, it doesn't matter whether they're old or young, whatever, and they can say 'What you're doing is bad!' or 'Why aren't you doing this?' or 'People are telling me it's different to what you say' – and that is absolutely invaluable. Also you get a sense of people's mood, just because of the way they react towards you. Are they happy, are they not happy? Reflecting – here we are in the summer of 2016 – one of the reasons that I never met Jeremy Corbyn is because he never came into the lobby with us! [laughter] I have met most of my colleagues, I tended to have met them in the lobby rather than anywhere else. Do you remember John Moore, who was Health Secretary? A classic case of a rising star, Mrs Thatcher's favourite minister, he had a touch of the matinee idol looks about him. What killed him in the end was his own colleagues. Partly because they were going to cut him down to size, partly because I think he didn't have a great relationship with an awful lot of them.

You never, ever put down one of your own colleagues in the House of Commons, even if you think they're a complete clown, you just don't do it. It's acceptable to do it to the opposition or whatever, but you don't do that. I'm not dewy-eyed about it, I'm not what you might call 'a House of Commons man', but it makes a hell of a difference. It's interesting, I've only been in the [House of] Lords since Christmas and am not there that much, but their lobbies are very small. When you vote it's like being in the school lunch queues, you don't get to speak to anybody. But also they don't hang around, the lobby is the place you would meet them, but there isn't the equivalent of the tea room and therefore – apart from the fact that it's almost double the numbers, there's a hell of a lot of people in the House of Lords – it's much more difficult to know who they all are. A lot of them you know because they've been around for a long time...

PR: They're former colleagues from government.

AD: Yeah.

NH: Related to that, how did you find cross-government working? A lot of the people we've spoken to felt that some of the more formal structures weren't actually that useful – so Cabinet committees and things – for agreeing cross-departmental plans and things like that?

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AD: Well, the answer is they could have been. Again, I said in the book that our problem was the Labour Party was pretty dysfunctional in the 1980s – shows how history can repeat itself very quickly! And basically Tony and Gordon brought order to the system, but the order meant that they made the decisions. I think as time went on a lot of our decisions could have benefited from a bit of collegiate discussion. Like, you know, student fees would have been much better if we'd had that agreement where we all felt responsible for the policy rather than say 'Well, it's not mine.' It was announced in the middle of one Cabinet sub-committee meeting, I remember. So I think formal meetings could have been a lot better.

However, as in everything else in life, there is no substitute for sitting down over a cup of tea or a drink and discussing something. But you then need to have some formal proceedings to make it happen. You and I could agree something, you know, 'It would be a good idea if we did this or that', but then I always made a comment that when you speak to your private office and say 'I spoke to so and so last night, this is what we're going to do', they would then phone up their counterpart and usually they'd say 'Oh, yes', on occasions they'd say 'He hasn't said anything to me about that!' [laughter] And then you could make it happen. So you actually need both. You cannot run anything, in my experience, if you stick to formal meetings. I saw something recently that the Treasury Select Committee want Mark Carney [Governor of the Bank of England] to publish minutes of his private meetings with [George] Osborne. Now I know what's going to happen in the future, they just won't have private meetings and they'll have to bump into each other in the corridor, which is mad. We're grown-ups for God's sake! What you need to record is the decisions. Not that the government observed 'It was a very nice day for this time of year' and, you know, 'What did you do at the weekend?'

PR: Couple of final things. One is, you mentioned Paul Myners – how useful were outsiders brought in as ministers – the Goats [Government of all the talents]?

AD: Well I think the record there is mixed. Paul's background was in finance, it was extremely useful to have somebody who could give you a second opinion as to whether any of this was going to work. He could speak to the bankers themselves and, you know, on the night that we did the recapitalisation, I had numerous meetings with the CEOs and the chairmen of the biggest banks, and at about nine o'clock, because they were being a bit difficult about it, I said 'I'm going to bed at 11 o'clock and I've got to get up to do the Today Programme at seven and I'm not doing it half asleep.' Now to them, where they live in a culture where nothing gets decided until the middle of the night – in my view because it's more dramatic rather than for any practical reason - they hung about. But having someone like Paul to say 'When he says he's going to bed, he means it', so by 11 o'clock they basically agreed it and they hung around for about half an hour afterwards apparently on the off-chance I reappeared. Then they all went home. But having somebody who could talk to them in a language they understood, and equally having someone that I could rely on, because he was one of my ministers, was extremely helpful. One of the interesting things that Paul said to me was that he was surprised at how much a minister needs to know. He said it's far more than if you are running a business. The minutiae. I said to him 'You've got to watch when you're at the despatch box that somebody doesn't stand up and ask you how much is a pint of milk.' Because if you can't answer that, no matter how many wonderful things you've done in government, that's the only thing people will remember. And similarly in all the recapitalisation, he said 'Why are you having to do all the detail?', 'Because,' I said, 'someone will stand up and say "What is that, why are you buying preference shares as opposed to ordinary shares? Why have you taken this percentage or that percentage" and you have to be able to answer it.' And not just in the Commons – a programme like the Today Programme, probably more than any other programme, really matters because it sets the tone for the day. And Mrs [Andrea] Leadsom was a case in point. If you screw up on a programme like that, you are absolutely stuffed. Or if you take a non-political one, what was that short-lived Director General of the BBC? You know the guy I mean, John Humphrys [presenter] did an interview with him...

PR: Yes, yes. George Entwistle.

AD: That's right, yes. I heard the Today Programme when I was on my way to the Scottish referendum meeting, and I listened to it and John Humphrys is very quiet and restrained, and I remember saying to the guy in the car with me, I said 'He's finished.' And by the time we came back at lunchtime, he'd gone.

But it's actually something we touched on earlier, part of being a minister – to take Paul for example – is actually how you project yourself, what impression do you give? Do you sound calm and measured, even if inside you may think 'Goodness, I'm flying by the seat of my pants here'? How you come across is terribly important. No doubt you can think of umpteen examples of ministers who have done a really bad Today Programme and the grim reaper is at the door within hours.

NH: Looking back over the 13 years, government changed quite a bit, I imagine, over that time. How would you improve government? Are there any things you think would make it more effective?

AD: I think it's difficult, but I think the prime minister of the day has to make sure that it operates in as collegiate a way as possible, which means you do have to believe in the competency in your colleagues. Also, I think it's difficult because of the nature of the beast, to try and stamp out sort of internecine warfare as quickly as you can. But the key thing is, you've got to have some idea why you're there in the first place. You're not there just to hold the fort for a period. Obviously this government, as in last week's new one, is going to get defined by how it deals or doesn't deal with Brexit. The last government allowed itself to be defined in terms of eradicating the deficit, and one of the problems with that was that it's patently obvious it was never going to be achieved by 2020. It's been kicked into the long grass now. I think because of that, Cameron's problem is he's going to be defined as the man who lost on Europe. Because gay marriage and all that sort of stuff, the public know about it, I think the majority approve of it, but they don't see it as a government thing, actually. They don't think 'Thank goodness for David Cameron', they think 'Well, yeah, that's one of the things we do now.' And that's another thing to bear in mind, that for most people, as Brexit demonstrates currently, there's a huge disconnect in the relationship between what happens to them and decisions you take, except the one thing that they do know about - that's your fault.

NH: What's the thing that you're proudest of? Your greatest achievement?

AD: I think – I've always given the same answer to this, you know – someone else can write the obituary, not me. I mean there are a lot of the things, railways for example, Crossrail is an example of where it's now just about to be opened, I signed that off. There's a lot of things like that, but frankly in the great scheme of things, I think our government, the '97 to 2010 one, under both Prime Ministers, I think Britain was a happier and more content place when we left than when we entered it, although it is not now. One thing we did not discuss, because it wasn't ministerial, that I'm glad I did, in retrospect, is campaigning in the Scottish referendum. Because there was every chance the UK would have broken up then. My regret is twofold, one is the aftermath – apart from the Tories benefitting from that, they then sought to inadvertently to undo the whole thing. The Brexit thing has destabilised us again and also from my party's point of view, having spent three years tiptoeing around whether or not to do any campaigning or not, they then allowed our opposition to part us. So it's a very big political regret. But the referendum itself, if there was another referendum tomorrow morning, Scotland would still vote to stay in the UK because it doesn't want to join the Euro.

PR: Any advice for a new minister?

AD: I think quite simply: be very clear what you're there for. If you're a secretary of state that's very important, but it doesn't matter where you are as a minister, why are you there? It's not just to sign the letters or to do adjournment debates when five people and a dog are sitting in the House of Commons. You're there as a politician, you're not there as an administrator.

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2 Carlton Gardens
London SW1Y 5AA

Tel: +44 (0) 20 7747 0400

Fax: +44 (0) 20 7766 0700

Email: enquiries@instituteforgovernment.org.uk

www.instituteforgovernment.org.uk

@instituteforgov

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