

Ministers Reflect Baroness Fairhead



12 February 2021

Biographical details

Parliamentary history

Since 2017: Conservative member of the House of Lords

Government career

2017–19: Minister of state for trade and export promotion, Department for International Trade

Baroness Fairhead was interviewed by Tim Durrant and Dr Nicola Blacklaws on 12 February 2021 for the Institute for Government’s Ministers Reflect project.

Baroness Fairhead reflects on the differences between government and the private sector, working across departmental boundaries and representing the UK overseas. She also talks about getting up to speeds with the complexities of the House of Lords.

Tim Durrant (TD): You entered government in September 2017 as minister of state for trade and export promotion. What were the initial conversations that you had like?

Baroness Fairhead (BF): I got a phone call when I was in a tent in the northern Serengeti – this is the honest truth – from Sir Jeremy Heywood [cabinet secretary, 2012–18], before he became a lord. He said that he’d been asked to approach me by the prime minister, and would I become minister for trade? I was going out on a walkabout safari, so I said “I am literally walking out of my tent.” Anyway, we ended up having a conversation, and my basic issue as a businessperson coming in was that I’d set myself a very clear target that I would be in the private sector and then I would do a few years in the public sector when I was still in my 50s and young enough to have lots of energy, and then go back to the private sector. I’d done two and a half years at the BBC. I said to him “Look, I’m not doing this long-term, I’ll only do it for a set amount of time.” He said the average for this sort of role was 18 months, so I said “Fine, we’ll go for 18 months. I will only do it if there is a very specific task that needs to be done” – it was probably the businessperson in me – “that you really want doing that I can help with because I don’t want to just be a minister who comes in, gads around the world for a few years and then leaves.”

So, we crafted a role. We really needed to get the export strategy sorted out, for the country and for businesses, so we agreed that would be what it was. I also said that what I didn’t want to do was to have my time dissipated, so I came in with some very clear ground rules. I basically had three jobs. I had the departmental job, which was getting the export strategy done. I had my role in the Lords, which was representing the government and taking legislation through, and we took through the initial Trade Bill. And then there was a significant promotion and representation role.

When times are different, sometimes that representation role has been 99% of it. I know [Stephen Green \(Lord Green of Hurstpierpoint\)](#) [minister of state for trade and investment, 2011–13] well, and he had almost no involvement in the House of Lords of any significance, and no Lords statutes to take through. I obviously was there at a different time for the government, and the ability to travel was quite constrained. But I said very clearly a third, a third, a third, I can’t be 100% on any of them. That was the basis I went in with Jeremy. I then spoke to Theresa May, and we agreed that that was the basis on which I’d do it. What was strange to me – but you just have to accept this is

how government works – is that I didn't speak to the person whose department I was going to be working in. For a businessperson, the idea of joining a team and not meeting the man or woman that's going to be your boss is unusual. But it didn't happen. It was Jeremy, Theresa, then I came in, and then, on the first day I joined, I met the secretary of state [Liam Fox]. I'd never met him before. I found that strange, but that's how the conversation went.

TD: This idea of negotiating your role is very interesting, because most ministers walk into a room in Downing Street and are told "This is the role, take it or leave it." Why do you think you were able to have that in-depth discussion about what that role was going to be?

BF: I think there are some particular roles, and I don't think you can have many of them in government, where sensibly you can get people from the outside – be they from a healthcare background for an obvious role, or a business background for this sort of role – and what you're trying to do is blend public and private working together. For me, I agreed to do it on an unpaid basis, so it was definitely seen as this was me trying to give a bit back. This was not me saying I am launching myself into a political career.

It's a difference I saw with myself, who came in with a very clear target, a very clear understanding of where I could and couldn't play, and because I had been actually very lucky, in retrospect, to have been on the first set when they had the departmental boards. I came in and sat as a non-exec [non-executive director] on the Cabinet Office board in 2010, until I had to leave when I became chairman of the BBC. I did that on a part-time basis – I was still working as a full-time executive. It meant that I really understood a lot better how the system worked. So, for me, it was a relatively clear-sighted view of where my role would be. I saw the difference with MPs who have come into politics not just for their local constituency but to change significant policy, and the higher they get up in the ministerial ranks, the greater impact they can have. Therefore, there is a sensitivity there that they don't want to rock boats, whereas I could come in and I didn't owe anything, nobody owed me, and I didn't have to be careful about what I would prejudice my next role in government to be. I don't think it's common, but I think there are some roles. I've worked in Canada, where there is more acceptance that there is a flow between businesspeople and the private sector world and the public world. France is a classic example too; people move in and out. To be honest, I think we should try and do more of it, but we make it very hard on ourselves.

TD: You had some interaction with government before you became a minister, but you were appointed to the House of Lords at the time same time as becoming a minister. What was it like getting up to speed with the Lords works as well as how government works, at the same time?

BF: Hard, really hard. I've said to people, it was one of the most exhausting things I've ever done in my life. One of the most exhausting, one of the most frustrating and

ultimately the most fulfilling. The exhausting bit was, when I first started, there was a lot to grab hold of in the department. I arrived and was told that we had to have the export strategy in a very short period of time, and it had barely started. That was quite challenging. You had to meet everybody, understand how everything works.

The Lords, getting up to speed on that was probably one of the hardest things to do, one of the most difficult. Because it's a whole different manner, it's a whole different way of addressing, and initially when one comes in, some of the rules seem a bit unnecessary, but after you've been there you see why they work. As you know, it's a self-regulating chamber, and the self-regulation – when it's in session and actually in person, in chamber – is incredibly effective. So, if you misspeak, you're told so. For example, I think for my maiden speech, I had to both begin and end a debate and take all the questions. I was maybe the first one, but I did seven hours of being on the frontbench, taking all the questions, putting it into something cogent to reply back, making sure that all the wording was correct and all of the “My Lords” or “Your Lordship's House”.

Afterwards, I was told two things. One, don't have your badge so high up because it doesn't look like you belong there. The second was, “You said the word ‘you’ three times. Never say that again.” It brings you up short, but when you've been there you understand why being in the third person depersonalises it and gets the focus onto the issue rather than the individual. Which is a good thing. But it's hard. And as you're coming in as a minister where you know that if you misspeak on the floor, you're setting a government policy. That's not without some pressure.

Nicola Blacklaws (NB): You were chosen for this role because you had private sector expertise. How do you think your previous experiences prepared you for this role?

BF: Really well for this role, because it was trade and business. I came in and there was a lack of clarity in terms of what was the purpose was. It was a new department, so actually it was easier, too, in a way, because then you could create its purpose for my part. My basic line was, “Government doesn't trade, businesses trade, so our job is to help our businesses to trade more. It's not about us, it's about what can we do to help business?”. So, the whole focus became what do businesses want in making sure that you can get businesses from all around the country, all sorts of sizes – small, large – and find out what it was that they needed from government that only government could provide.

Once you've got that – what the purpose is – and you had that dialogue, it meant that... I've worked with small businesses, I've worked in large businesses. I spoke the language if you want to put it that bluntly... it meant that I was immediately at ease when I was talking to businesses, and the more I was in the department the more I was able to influence how the messages were received and create a strategy. So, for me, it was very clear. It also meant that there was a sense of trust from businesses to spend their time

with government because there were people there who understood the issues of, for example, not knowing who the distributor was.

We tried to keep it quite simple, so we ended up having four blocks, which were we had to encourage people to export more; we had to inform them about a whole bunch of things that we did to support that; we had to help finance them; and one of the big things that government can do – although it means different things for large and small business – is to connect. The power of government is to either nudge a contract over the line for one of our big multinationals or to do a focused trade mission where we'll have a ministerial visit, you bring companies in, say, artificial intelligence or augmented reality space, into a country. The amount of networking and connectivity that happens there allowed deals to be made. Literally you could see during my time there hundreds of millions of pounds worth of business got transacted. Now, I'm not saying I was the differentiating factor, but the government can help. It can't make it happen, but it can help the connections and all the prep work and, through UK Export Finance, can help finance too.

NB: You've spoken about your communication with external stakeholders. How did you communicate the three priorities you had set yourself at the beginning with your officials?

BF: Well, by saying them *[laughs]*. What was good at the DIT [Department for International Trade] was that there was a board that was held when Liam Fox was the secretary of state. They were held monthly and were taken actually very seriously. There was an audit committee chair, the whole thing was done as per a company board, that was a way for communicating what was happening right across the department. It was four non-execs, all the ministers, the two perm secs [permanent secretaries, the most senior official in a department] – because we had two – and some of the key DGs [directors general]. And we had presentation from the regions. That was a good communication board.

For me, I think the thing that you realise is critical when you come in, is your private office. If you get a team that's really strong, it's brilliant. I had this fabulous woman called Paige Hartley, who came in. You have to go through a little bit of a process of getting the team just as you want it. Paige and I had ended up having a team that was really committed to what we were doing. Civil servants often don't have commercial backgrounds, and for my role and for my private office – since it was the Department for International Trade – I needed people that were happy to travel, people that were interested in business. They didn't have to be specialists, but they had to be interested in business. And pretty high energy, because you find that businesses turn off if people don't. We ended up having Fran (Knight) and John (Gilbert), a really good, tight team. My diary secretary, Hannah (Vallance), was like a tornado, she could get anything done. It's things like that you don't think about from the outside. The private office is really important.

I discovered early on that sometimes if things were slow, it was because I had a different point of view to one of the other ministers. That was the thing that I found that some of the civil service didn't want to say "There's a conflict here." They would just say "Yes, yes, we'll do that" and then it didn't get done. And then you'd ask again. It was helping people understand because I was a different beast, my political career wasn't at stake if I disagreed with somebody. For me, it was just, "Put me together with them, let me know what the issues are, and we'll solve it and ultimately we'll work out the way we'll go forward." There is a little bit of risk aversion, is what I would say. I ended up saying to people "Look, if you tell me where the issue is, I won't go in like a bull in a china shop, but just tell me where the problems are, and if I can't solve them then we shouldn't keep pushing at this door." So, I communicated that. I also found that when communicating on other things which were much more difficult policy-wise, having one-on-ones with the secretary of state or his spads [special advisers] was often very useful. You find your way. I think every situation is different, but you find your way to know where the messages are. Because all of this is about communication.

NB: How much did you work with other relevant departments, like the Department for Business, Energy and Industrial Policy (BEIS)?

BF: I was purely Department for International Trade. Gerry Grimstone [Baron of Boscobel, minister of state for investment at BEIS since 2020] straddles both. He's at BEIS and DIT. But I did work with BEIS because I said "This is mad. We're both talking to the same businesses, we should be working together." It's quite difficult sometimes working across departments. My rule – again, it comes back to not being a political person – was if the department had helped, let's say I went to one of the big tech summits and one of the other departments had been significant, I would give full attribution and thank the department and not try and claim it was all DIT. But I think people need to get a little bit more used to attribution where due, rather than trying to harvest press goodwill. I just think it's about equity.

TD: Did it feel quite siloed?

BF: I think it's more siloed than it needs to be. Partly it's the way that it's set up, because you have your departmental objectives and the press office in each department is wanting to show what a good job their department did and what their ministers did. So, it's set up that way.

It's a terrible comparison because I have tried it many times in politics and it doesn't really work. Because it's too complicated to work. But if you go to a business, you have one CEO typically. They can sort out amongst everybody else, and usually, if it's a CEO, you've got your company and you can decide what products you're going to sell, who you're going to sell them to and who you're going to ignore because they're not your target, and you can drive it though. And if you have, as you do, conflict between subsidiary divisions, you can say "Look, what we really care about is the interest of the

company in achieving this, so if you don't stop (the behaviour), then you'll go (have to leave the company)." It's very hard to do that in government. Because the CEO can't be on top of everything, there are so, so, many stakeholders, and you can't ignore ANY stakeholder. The political career structure is such that you've got to be seen both publicly and internally doing a good job. I'm not trying to make out it's easy, it's not, there are good reasons why it happens, but I think a little bit more sense of joint mission amongst departments, and encouragement to do that and find ways of doing that, would be helpful.

TD: DIT was a relatively new department. What was it like coming in, not only to a new department but a new mission for the UK government after the Brexit referendum on leaving the EU? This was the first time we were doing trade deals in 40 years, what was it like coming into that environment and trying to build up the expertise?

BF: Two things. When I came in, it was already 18 months old. I think the first year had been pretty brutal. Because you have no people, and almost everybody who joins means that some department has lost them, and in a silo world, that's a problem. I think it was extraordinary that it was created and had impact, and actually if you talk to businesspeople, (although) I don't know what they say now, but they were then positive about the impact. One thing about me being clear about what I did, was what I didn't do. My job was export promotion and UK export finance. There was another minister responsible for trade deals and negotiating those trade deals, and Crawford Falconer was the perm sec responsible for that. The reality is, apart from on the outer edges, when I would say I was in a country and then speak to the governments there, I was not involved in the trade deals.

I would say that it allowed me some independence because my focus had to happen whether or not there was a Brexit deal, which also helped. It had to happen whatever trade deals we did. It didn't really matter what trade deals we did if we didn't have goods to export and people weren't minded to – it didn't matter. So, I wasn't hugely affected by the trade deals. I think, to be fair, it took a lot of attention from the secretary of state and from the ministers that were responsible for that. But actually, I thought that the process of building the team was a great example of the power of government. Because Crawford came in with 25 years' experience, he set up an organisation to train and help people understand negotiations and trade deals, and there were I don't know how many hundreds – probably in the thousands now – of people who've been trained up. So, to go from a standing start with maybe six or eight people with any expertise, I think that was one of the real legacies of the department and will become even more critical.

I've touched on something there which I think is important. In the third of my role which was about promoting the country overseas, the uplifting thing is just how much more impact – and this is what I would say to any businessperson thinking about this role – you can have. It is beyond anything you can get no matter how big your business.

I sat on the board of HSBC, I sit on the board of Oracle, and they can have real impact. But a government, you walk in with ‘UK government’ on your forehead, and the depth of conversations you can get into, the scale of what you can talk about, is vast. And the regard with which we are still held is hugely inspiring, actually.

TD: Did domestic Brexit discussions have a bearing on your conversations overseas?

BF: It varied by country quite dramatically. Typically, the further away from Europe you were, the less concerned people were. That was a generalisation. There were some countries who were excited that we might be leaving because they thought that would create a closer connection. There were other countries who were quite unhappy, notably in Europe but beyond too. I would say there was a general rule that the further away it was better. However, there were a couple of countries where you’d find there was a real fear about one of their major exports to us underneath one of the trade deals that we had, particularly for ‘everything but arms’-type agreements. There was concern, I’d say. With a couple of countries there was borderline genuine unhappiness. Particularly as we were seen as the gateway into Europe, that was a challenge. But America... you know, like a lot of countries, just thought that even if it was bumpy, they would be short-term bumps and would be resolved.

TD: Can you talk a bit about how the wider foreign policy affected this role? You were representing the UK government overseas, so were you talking to the Foreign Office (FCO) a lot? How did DIT work with the FCO? How did foreign policy consideration play into the decisions that you were making?

BF: Yes, we did, we had to, because I think if you’re in a foreign nation, you’ve got to be apprised of that. In any meeting I went to, the briefing packs I got were brilliant – that was the other thing I would say about the civil service. You also have to be very clear about what you want and the quality you want, and you have to read it, that helps. But we always got briefings from the ambassador. If there was anything really of major concern, there was a call-around to say “Be aware of this.” I got really well briefed by embassy staff every time I went to a country. There were times when I was there at the same time as the foreign secretary, and obviously we would talk and share notes. There was quite a lot of linkage all the way through on those trips with the Foreign Office, and if there were some important messages that needed giving, then that’s what you’d have to do. It was pretty joined up on that side.

NB: As you’ve explained, you agreed when you took the role that it was only for a finite period of time you were doing that, and you left government in 2019. Do you think that ministers should have more frank discussions similar to that, about the length of their term?

BF: It goes back to what I said at the beginning – that it was easy for me. If you’re an aspiring politician, it’s not easy for you. Because it depends on how you fit in the

cabinet, what the pressing needs are. The interesting thing, I thought, is I had agreed to do 18 months. I had reminded them of this before I stepped down, I had written a letter to the prime minister as requested, she drafted a reply and basically said just that. And then, the press office decided that they were going to release a press release saying that I'd left for personal reasons. Which they did. You can find that it can all be agreed but not made clear publicly... and so I said "Well, you can say that, but I'll just publish my letter and the prime minister's generous response." So, both of them are up on the web. Those are some of the niggles that you get. There was a press office obviously trying to do one thing, but to my mind that's just not how you should behave. And if you look on Wikipedia, as I haven't bothered to change it, it still says "for personal reasons", even though, if you read my letter and the PM's letter, it's pretty clear what happened. That's just a little, tiny insight into how things are managed and how difficult it would be for another politician to negotiate. I think, in fairness to the press office, they were probably trying to stop the idea that you can say "this is for a term". It hasn't been how government has worked, it gives a lot of flexibility to the prime minister not having terms and probably, on balance, that's the right thing.

NB: What achievement in office are you most proud of?

BF: There's an overarching one, which is getting clarity that we were about helping business – because we don't trade, businesses do. Then, very closely aligned to that was an export strategy which had complete support from the business community – small and large. Liam went on record saying it was the best piece of work he'd ever seen done in his whole time in government. What you do learn from government, though, is that it's about managing the press. It was launched initially in the middle of August, which is not the highest time for businesses, but we rolled it into September, and it was fine. But there is an issue that you can do work that everybody supports, but then there is a new government and there is a new focus. You look back, you hope that what you put in place will endure, but change of government, change of focus, change of minister – policies change. But I was really proud of that.

Actually, I was (also) really proud of the work I'd done in the Lords getting the Trade Bill to where it was. Because when I started it, I was told it's going to be impossible, this is just going to be brutal. And my sense was, "Right, I will go in and do what I can." I think people underestimate how impressive and important the House of Lords is. I really do. When I was a junior executive, I went on one of the Industry & Parliament Trust weeks – you'll know about them – and the Lords really impressed me. When I went into some of the committee meetings, the depth of understanding, the experience, and just the non-partisan approach to addressing an issue. So, I'd always had respect for the House of Lords. I'm not saying it couldn't do without reforms and I am not saying it's the most efficient place in the world, but there is real experience there. There are people who go into the detail and really care about what it will look like in the statute book, and have saved the government – not just this one, many governments – many, many, many

times in the past, doing something that they thought was right but actually would have been interpreted completely differently in the courts.

So, I spent a lot of time building relations right across the House. In my maiden speech, I said “I am not really a political person, I am going to work right the way across the House.” Because it was important that we got all views. So, I really worked that bill, and I really built a relationship where we would push to get to the best result we could on any particular element. Given the political context and given both sides weren’t going to agree on all things. But equally, I was doing trade, and most people don’t object to trade. But there were some really gnarly bits to get through, and it really is about building those trusted relationships. That was one thing. The Trade Bill team, led by a woman called Suzanne (Greaves), was stupendous. I mean, really. It was a tough bill, so we got a really crack team. The level of support that you get for taking important legislation through was out of this world. I think if I looked at it, I would say the relations in the House of Lords and getting the Trade Bill to third reading when no one said it was possible. If you look at the final sum up comments on both sides, it was very collaborative. And the export strategy and the focus on the department.

TD: What advice would you give to someone coming in from business, who’s been approached by government to request that help?

BF: I would say if they’re going into the Lords, take your time and invest heavily in building the relations, because when you get to the knotty issues, they are superb in helping work through and will work with you if you show them respect and are respectful of their experience and views. I would say it’s a brilliant role, because if you come in enjoying business, helping businesses and government work together, it can be an incredible privilege being right at that nexus. Bring your business skills but be cognisant that there are many, many more pressures on the politicians and civil servants than you probably ever encountered from the business world.

And I have to say, I was impressed with just how hard government ministers work. I mean, it’s just relentless. So, I would say try and stay clear and true on your objective but accept that it will take longer than you think humanly possible to go around particularly the final checks. Keep calm and just keep your eyes on ultimately what you’re trying to do. Make sure you get the team that you need for you and around you in the civil service, because if you get the right team, the civil service is great. I think the civil service is magnificent if you get the right team, clear the obstacles out of the way and have a clear goal. Absolutely superb. Work with them.

NB: Is there anything that we haven't asked you about that you think is important to add?

BF: The only thing I would say is that the relationships with businesses and government, like all relationships, needs to be built on continuity. That was one of the areas that is really hard in government and the way that governments are. There are two things actually. One is the difficulty on timing, prioritising, to get business and government aligned. For example, if you're in business you've probably got your year planned two years in advance – when your executive meetings are going to be, your boards, etc. When you're going to do that one-week trip when you could to X or Y country. In government, we tried at the Department of International Trade to give a six to nine month 'these are when we're thinking for these major trade visits'.

And I tried and failed to get other departments to do the same, because my sense was that for businesses – apart from the prime minister's visits or the foreign secretary's visits overseas – it was very hard to get clarity on timing. You really want to have missions which have significant business representation. There is a sort of political timing window and then there is the business one. That was one really tough one, but I still think that people could try and do more.

But the continuity aspect is one, too, where in many countries there will be much greater continuity of both civil service and linkages to that country. There are some things that we have done which I think worked well, but they had to be kept focused on the right things. So, the trade envoys, for example, it used to be bipartisan, cross-party from the Commons and the Lords, allocated for a significant period of time – 10 to 15 years – which is why peers tend to be slightly better because you can pretty much guarantee they will be there in 15 years' time and focused on a country where there is a real connection. And I found that a trade envoy programme, properly done, really helped create the sort of connective tissue. We need to do more like that, and we need to keep it pure to what it was. But I think that's a big challenge in those trade relations, just that continuity.

The other thing that I would hate not to mention is how impressed I was by the trade organisations and businesses in stepping up when approached for support or input. It was really powerful and so I think, again, we have a nation which wants to help and wants to be connected. Not in a self-serving way that it might help them win a contract, not like that, it's genuine, I think, they want to be part of the solution. I just wanted to recognise that.

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Institute for Government
2 Carlton Gardens, London SW1Y 5AA
United Kingdom

Tel: **+44 (0) 20 7747 0400**
Fax: **+44 (0) 20 7766 0700**