

Ministers reflect

Chris Huhne

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Biographical details

Electoral History

2005-2013: Member of Parliament for Eastleigh

Parliamentary Career

2010-2012: Secretary of State for Energy and Climate Change

2009-2010: Shadow Home Secretary

2008-2009: Shadow Secretary of State for Justice

2007-2009: Shadow Secretary of State for Home Affairs

2006-2007: Shadow Secretary of State for the Environment

2005-2006: Shadow Chief Secretary to the Treasury

Chris Huhne was interviewed by Peter Riddell and Jen Gold on 7th July 2015 for the Institute for Government's Ministers Reflect Project

Peter Riddell (PR): Let's go back to 2010. You came in straight in as Secretary of State, it's not unique after all...

Chris Huhne (CH): The Prime Minister, Chancellor of the Exchequer [had all come straight into senior roles]

PR: Yeah, exactly.

CH: Home Secretary.

PR: What was the experience of coming into government like?

CH: Well, the first thing... I mean it's a fairly awe-inspiring set of events because it all happened very quickly. The key thing is that you are suddenly inducted into the Cabinet and the Cabinet Room and the depths of Number 10 that you haven't been into and you find back ways in and your private secretaries have gone through all the stuff in terms of official secrets and everything else. So there's a lot of potential rigmarole.

But essentially, you realise fairly early on that this is just another organisation. It's doing slightly different things, it has a different role and remit but effectively it is an organisation that anybody who's worked in an organisation previously or been responsible for bits of an organisation will recognise.

The difficulty with government compared with most organisations is that the goals are not as well defined, even if you've been through a manifesto process and then a coalition agreement. There's an awful lot of room for arguing what's important and what isn't, and particularly some people may regard some bits of the manifesto or the coalition agreement as far more important than others. So there's plenty of room for ongoing disagreements about what the overarching key goals are. Whereas the general thing about most organisations outside of government is that, if they're any good, the goals tend to be fairly clearly defined and almost the first thing that you get a sense from walking into an organisation if it's effective is that somebody up there - whether it's the board or the chief executive - has defined what the organisation is trying to do and is doing it fairly quickly.

To some extent government, even if the government sets off with a very clear – and there are a few governments that have set off with a fairly clear defined set of goals – so much stuff tends to happen on the road that it's quite easy to get blown off course and have to spend a lot of time just fire-fighting and dealing with issues. That obviously happens in other organisations as well, but it's perhaps more difficult to handle in government.

So obvious differences in terms of some of those issues. Questions about how we were going to get on with our new colleagues around the Cabinet table in the Conservative Party. But, you know, generally from my point of view, a great sense of excitement about being able to get on with an agenda that I was very passionate about and wanted to implement.

PR: What about in relation to your department, was there any attempt at, say, induction?

CH: The very basics I can remember were sort of things like a chat with the Permanent Secretary and my Private Secretary and so forth. It might have been sensible to have literally a PowerPoint presentation at the beginning saying, you know, 'What does the department do'. I mean pretty much my first instinct in arriving, you [Peter Riddell] will recognise this having been an economic journalist, was to say 'Where do we spend the money?' I wanted to know what the budget was, what we were spending the money on. I hadn't realised how enormous a proportion of the budget was going on nuclear clean up...

PR: Yes. I was going to say...

CH: One of the first things I did was get on the train to Sellafield and find out what was going on, which I'm slightly surprised to say apparently my predecessor Ed Miliband had never done. I think the first thing to do is find out what's going with money.

The second thing is to understand a bit about the ethos of the department and that I did really by talking around to people and talking to leading figures in the department. And then it was fairly obvious that the way in which the department had been formed – because it was a fairly new department – from people who had been dealing with the environment at Defra [Department for the Environment, Food and Rural Affairs] and people who had been dealing with energy at BIS [Department for Business, Innovation and Skills]; they were two different cultures. One where, you know, I used to characterise, stereotype the sort of 'Suits and white shirts and conservative ties' and the other was sort of 'open-neck shirts'. And so there was a difference of culture there. But it was actually fairly well on the way to being melded quite successfully. I certainly saw it as very important to do that.

PR: How had your previous experience prepared you for it? You, in a sense, are slightly unusual, right across the board, in actually having run something. How did that affect how you approached the job?

CH: Well, I had sort of two experiences of running things. One was running a business in the City, so running a ratings agency which is basically a professional organisation of people who are qualified economists mainly, you know, PhD-level economists and finance people at sort of Masters and PhD level. And the other was running the business section of the Independent and the Independent on Sunday, which was about 48 journalists.

So two professional organisations, and in both cases, I mean I'd had no preparation for the management role of that. And most people in journalism don't get certainly demoted until it's very clear that they're totally incompetent at their job and then the editor tries to do something about it. But no preparation in terms of people management or anything else. But you either... you know, you're thrown in at the deep end and you either do it or you don't. And there's some disastrous stories. But one of the things I think that is similar is that a government department is very largely at the senior level... what ministers come across is a professional organisation full of highly intelligent, very motivated people. The Department of Energy and Climate Change [DECC] is absolutely great from that point of view because it is a missionary department, it's a department that rather like DfID [Department for International Development] maybe the FCO [Foreign & Commonwealth Office], has an enormous sense of what it's trying to do. And the importance of what it's trying to do and that is a clear and important bit of the motivation for a lot of people there and I think that makes it relatively easy.

But running a professional organisation is... you have to be very careful to make sure you're giving people enough responsibility. You can't bark orders at people and expect them to behave in a military style, or you're not going to have the commitment. So I suppose to that extent it was something that I was prepared for.

Obviously the Permanent Secretary is meant to do the heavy lifting. There were some specific management issues that needed to be guided through. But, in general, I suppose the theory is that the Permanent Secretary should do the management and the minister should be there to think about policy and presentation. Inevitably it's a bit mixed up.

The one time I absolutely required somebody's help, one of the policy people in DECC came to a meeting and said, 'Oh, you know, we're really rather good at policy in DECC. It's the delivery that's the problem'. I sort of said, 'This is totally ridiculous', because policy without delivery means nothing whatsoever. It's like having a good idea in business and not being able to execute it. If you can't deliver, it means nothing at all. That is actually, I think, trying to get... you know, my biggest regret really in my exit from government, when I did, was not being able to go through with the delivery side of it. We'd basically sorted out an awful lot of the policy and the legislation at the beginning part of the Government but it

would have been very nice to see whether I would have made any difference in terms of delivery.

PR: You hadn't been shadowing the area...

CH: Well, I had...

PR: ...but one week before.

CH: ...one week before no I was doing the Home Office. Before that, I'd been shadowing the area as Shadow Environment [Secretary] but it didn't include Energy.

PR: You were familiar with the area but what I meant was a slightly different point. In the sense of determining priorities: how quickly was it possible to define your priorities?

CH: Well, I think actually relatively quickly because the time when I was shadowing Environment was before the creation of DECC. And Environment at that time, Environment, Food and Rural Affairs, was responsible for climate change policy. I had been given a remit by the then new leader, Menzies Campbell, basically to get us through a policy on climate change. And we became the first British political party to actually have a worked through climate change programme which was called Zero Carbon Britain.

So I had to get my head around all of the issues that I was then going to have to tackle in DECC and I think that that was absolutely crucial because I think if you were to get thrown into any complex departmental area without having some previous period of absorbing the issues and understanding the issues, I think you were at an enormous disadvantage. You know, I look back at the way the Labour Party did it in their period of government, putting people into departments without any background knowledge, any sense of their own priorities – unbelievable.

Jen Gold (JG): So based on your experience then, how would you describe the main roles and duties of a minister?

CH: Well, I think you have to decide fairly early on what you think of the areas that your department is dealing with and what you think you're going to try and do which is going to make any sort of difference. So you have to prioritise down to really a very limited number of priorities. You have to keep all the other balls in the air while that's going on but you don't lose sight of the fact that that's going to be the thing which you think is going to define whether you've been able to make a difference.

The presentation of the department and what it does to the rest of the world is terribly important because, certainly in the case of DECC, it is a missionary department which is trying to change the world. It is trying to change the private sector in ways that will make it able to do what it does but without generating lots of carbon. And, therefore, trying to use all the levers at your disposal for persuasion right the way down to whatever else is at your disposal is very crucial. Obviously, delivering and not just internally on budget, but you know, keeping the Treasury off your back and making sure that once you've done a deal you deliver on it within government so that you're seen as credible and able to actually deliver.

Like anything else, in government success breeds success and the more you have some sense of momentum that you're delivering and that you're a competent person at delivering then the more likely it is that you're going to get given a chance to, A, do your own priorities and, B, actually be able to roll over objections. I think those would be the sort of principal things.

Obviously you have to make sure that the department is working, so you have to have confidence in your senior departmental staff and you have to make sure that the Permanent Secretary is actually dealing with any issues within the department and dealing with them effectively.

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We were immediately thrown into a very large public expenditure round, the Comprehensive Spending Review. So that took up an awful lot of time. And certainly when, you know, we had to discover the extent to which the department budget was spending money on nuclear clean up, as my Permanent Secretary, who had been ex-Treasury, said, 'Well, you know, the other departments may have bleeding stumps but we have radioactive bleeding stumps'. And that sort of helped in terms of some of the arguments. I hope it's going to help Amber Rudd [the Energy Secretary] this time round.

So those were the sort of, you know, the key things but the fundamental objective for the department really, is really moving towards a low-carbon economy and it is meant to be the key department doing that, pushing everybody else into doing it as well. So that's the ultimate test.

JG: You've already touched on this slightly in terms of how your time was spent. But just thinking of the day-to-day reality of being a minister, can you give us a sense of what a typical day was like?

CH: Well, I guess, I would usually start pretty early because, apart from anything else, I was determined to try not get too sedentary. So I would start exceptionally early, three days a week, going to the gym and then biking into work. And my Private Secretary managed to get me a shower and got that sorted out and I kept my suits at work so I could change. But getting a bit of exercise and making sure that you're fit, I think, is actually really an important part of the job because if you want to get on top of a ministerial job you actually need your health and you need to be able to run at a pace that is actually quite abnormal. So good health is actually really important.

I think beyond that, I would usually start off – in the first few weeks and maybe months, the first few weeks anyway – I would try to take papers back. The limit was what I could fit in my bike pannier. So the civil servants were not allowed... I mean it would simply get left on the desk, if it didn't fit into my bike pannier – that was it. So there was a sort of natural limit. And that acted as a good discipline. But then I would take papers back and work on them.

After a while, I began to think that was not a very effective use of my time and I probably should have done what I think Andrew Adonis [former Labour minister] did fairly early on and that was to turn around and say, 'No, you've got to make time to go through the papers in the day'. I did more of that. But I always ended up taking something home... I tried to find more time.

You know the key thing I think in being effective in almost any job, was something I found actually in one of my first management jobs which was when Andreas Whittam Smith made me Business Editor on the Sunday and the dailies, you know, get into a routine, and it's absolutely right – you need you need to make a routine for yourself so that you know when the key bits of the job are going to get dealt with.

But things always crop up. You know, there's a little crisis of one form or another, PR and so forth. In my case that was, you know, that happened as a bit of background rumbling noise through quite a large period of my time because of what was going on in the press with my ex-wife and so on. You have to learn how to be absolutely rational about your time and be effective with your time and looking back at it, adjust it. Most of a minister's day is inevitably spent in meetings, and I was no exception. So you also have to get a grip on your diary to make time for other things. But generally, the life of a minister is very varied and intense.

PR: How much time did you spend in Parliament?

CH: Well, as little time as I could possibly afford. I mean I spent a certain amount of time... I would always make time for seeing colleagues. I would be in the lobby, I would talk to colleagues and people would see me in the tearoom and I would also generally one evening a week go and have dinner in the dining room on the late votes evenings. So I was accessible to colleagues and I think that's very important. But in terms of actually spending time on the government benches, as little as possible. Very little happens in the Commons that is of any use if you're defining your job in the way I've defined my job which is to try and get the change DECC is committed to. Now, obviously if you're Leader of the House or you're a whip or whatever it's a different ball game.

I had a good Parliamentary Private Secretary and with the exception of being available to colleagues to be buttonholed, you know, I didn't think it was important for me to spend any more time than I had to actually on the government benches. I would generally turn up, if I could, for Prime Minister's Questions, although god knows why, given what a complete jamboree the thing is. But other than that I would do Ministerial Questions and that's it. The only exception to that is if there was a particular, you know, ally, a friend, who needed support and then I would go in and sit on the benches by them if they were going through some ordeal [something]... But in general the amount of time you actually spend in the Chamber, to my mind, is pretty wasted.

JG: In terms of balancing ministerial duties with your constituency role, how did you manage that?

CH: Very simple; the department didn't get me on Friday. So I said to the department straight out, I'm going down to the constituency on Friday and I will be doing my normal job as a constituency MP. [I said] that I was obviously accessible and if things were going on I'd take breaks from what I was doing and try and deal with stuff which usually led, you know, to all sorts of... I'd get rung up and then I would end up thinking I was sending somebody a text and end up tweeting it instead or something, all sorts of stuff which happened on a Friday because you were trying to deal with all these things. So that was not an unalloyed success.

But, given that I had a marginal seat, it was important to get re-elected and the reality is when I did stand down we held the seat in the by-election and held it quite comfortably. And when I left Parliament, I think I was one of the very few MPs in the Commons where every single councillor in the constituency was of their party. So there were no... you know, Eastleigh was a Liberal Democrat, one-party state, and I used to gently tease people by saying that, you know, if anybody else tried to win in Eastleigh we would crush them under the jackboot of Liberal democracy.

PR: A temporary jackboot.

CH: All jackboots need polishing.

JG: I wonder if you could talk us through an occasion when an unexpected event or crisis hit the department and how you dealt with it?

CH: Well, there were a couple of big departmental crises while I was the Secretary of State. One was, you know, one removed but it seemed like quite a crisis at the time which was BP's disaster in the Gulf of Mexico.

The Prime Minister was quite rightly concerned, given BP's fairly large share of several percent of most people's pension fund that we were on the case. That went on for quite a while. It involved parts of the department that were quite distinct generally from the climate change bit. But one of the things which obviously we had to do was the damage limitation for BP and generally try and calm things as much as we could in terms of the markets and the US response.

The second thing is that we had to reassure people that this was not going to happen in the North Sea and we had to reassure ourselves that it wasn't going to happen in the North Sea. So we needed to sort of go over all the regulatory regimes and make sure that was okay.

Then the third element of it was when the US actually recognised that we had a fairly good regulatory regime in the North Sea, it was helping them learn the lessons of how to get it better in the Gulf of Mexico which, I have to say, BP should never have been in a position where they were allowed to go and test the bottom of what they were allowed in regulatory terms to get away with. I think it would have been much better had they taken a more conventional view of a large oil company which is that wherever they were operating they needed to operate with pretty damn good standards because their own reputation and, indeed, as we know from what subsequently happened in terms of the legal settlement, their shareholders' interests were very much at stake. However, that was certainly one that involved a lot of meetings obviously with BP. I got on very well with Iain Conn [former BP executive], who's now

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emerged quite rightly as chief executive of Centrica. I think he's a very effective executive and did very well.

The other big one was Fukushima, the other big crisis, I guess. The immediate consequence of Fukushima was that an awful lot of people were running around saying, 'oh my god, what are we going to do in terms of our commitment to another generation of nuclear power? Does this completely mean that we have to rewrite the projections for low-carbon electricity?' The Prime Minister and the Tory side of the Coalition were particularly concerned about this because they had been committed to a nuclear option, as had the Labour Party.

I took a political judgement really on Fukushima which, well, two things: First of all, I wanted to make sure that there weren't any lessons to be learnt. I mean I suspected that since we were not, fortunately, living on a fault line and we're not subject to tsunamis that actually the number of direct lessons to be learned was fairly small but we went through that exercise very quickly internally. I thought it was very important to establish a group to do exactly that and to publically learn the lessons of Fukushima. And that was partly a political decision, it was basically a very formal decision to kick things over to a reviewing body which was unimpeachably independent and scientific so that when people said 'Isn't this a disaster for the British nuclear programme?', We could say, 'Well, we have to learn the lessons and actually see what's happening, if that's the case then we will take on board the recommendations'. But that was a defined period in which I very self-consciously thought the way of taking the heat out of this is actually to get it as rational and as objective as possible. And I think that that was absolutely the right decision.

The Germans, by contrast, you know, went into full panic mode. They ended up taking the most ridiculous decisions, to my mind, including closing down a large part of their existing nuclear fleet which would have been utterly disastrous, both in terms of the future of low-carbon electricity and in terms of their security supply in the short run. So that was a very, very self-conscious decision to buy time and to try and calm everyone down to a period when everybody would be a little more rational and a little less running around like headless chickens.

PR: On in a sense a related note, what do you feel was your greatest achievement in office and what factors contributed to the success?

CH: Are there ever great achievements in office? Don't all political careers end in disappointment? I don't know. To what extent do individuals make much difference in this sort of stuff? I don't know. I think that you're lucky enough to be put nominally in charge of an effort where, in the case of DECC, there was a very broad, three-party consensus in favour of what we were doing, at least at the beginning of the Parliament – rather less of a consensus at the end, although it came together again in the general election with the Prime Minister signing up to the Green Alliance pledges and so forth, which is great.

I think that the key objective that I had was to try and get energy saving put as a really crucial part of our effort in dealing with climate change and in dealing with energy policy. I think that the legislation that we got on the Statute Book, sadly for all sorts of reasons, including my own departure, I suspect the delivery on that was much, much less, and I don't blame my successor on that at all.

I think that there is an enormous difference for a department between having a minister who basically is able to walk and everybody knows that they're able to walk and everybody knows that they're perfectly capable of making a living and doing other things and a minister who is potentially a threat to their party leader. And that minister is much... inevitably going to carry greater weight in Whitehall. And I think the ability to follow through on all of the incentives on energy saving which we'd always said were necessary and to get the Treasury to sign up to those incentives was diminished after my departure and that was a problem. But the legislation is still there and it will be revived, I suspect, because the cheapest way of cutting carbon emissions in the energy sector oddly enough is not to need to generate energy in the first place. So if you can actually do some serious energy saving it's a very, very effective way of doing it.

PR: Well, one thing you touched on, what about relations with the Treasury? What did you learn about those during your period?

CH: Well, the main quote which I think one of my special advisers has given which was at some point during the slightly fraught relationship that we occasionally had with the Treasury, I was meant to have said, and I may have said, 'What are we going to do, we've got to negotiate with them now'. And I think I turned around and said, 'We don't negotiate with terrorists'. And I think partly because I had a fairly long career, as you did Peter, of studying the Treasury, I have enormous admiration for the Treasury but equally I know that it's not a perfect institution and that it has all sorts of cultural issues and cultural problems which I found at close hand quite interesting.

To give you one example, I can remember in a meeting about the Green Investment Bank [GIB] and whether or not it ought to have independent borrowing powers. And I was in a meeting with Caroline Spelman, Vince Cable – I think we were the only three Cabinet Ministers – some junior ministers and civil servants and a fairly young woman from the Treasury who, very determinedly, was lecturing us all about how we couldn't possibly give independent borrowing powers to the GIB because if this was to happen it would undermine the UK's credit rating and that it was absolutely ridiculous. So, you know, I gently... she didn't obviously know anything about my background, the fact that I had actually been in charge of Sovereign Ratings at one of the three rating agencies – or, indeed, had been also therefore in charge of rating institutions like the Green Investment Bank, so after letting her run for a while and without attempting to be too patronising, I did actually suggest that she could put this in writing and we could consider it further. And I tried to chase this through and I got my private office to chase this through. We never did get it put out in writing because, of course, it was absolute nonsense.

I mean the reality is that we're one of the only - I think we are the only - leading developed economy that does not have a freestanding investment bank with some public investment role which is off balance-sheet but which clearly usually has a credit rating very similar to that of their sovereign state. So, you know, this was simply the Treasury making it up as it went along to try and kill an idea that it never wanted. We had exactly, as any historian of the Treasury knows, we had exactly the same parallel argument during the 1930s over the predecessors of the 3i which was the Macmillan Gap bank that was set up to fund small business. The Treasury absolutely was hook, line, and sinker against this at the time because it was, you know, essentially going to undermine its monopoly on access to the capital markets and the public sector and it's an understandable position. But, of course, a position that it doesn't particularly like arguing to other departments if it can come up with some mumbo-jumbo about how impossible the thing is, maybe we understand the capital markets etc, etc.

So you rapidly, I think, with the Treasury, since there are so few people in government outside the Treasury who know anything about financial markets or know anything about the economy, sadly, the reality is that the Treasury usually manages to run people ragged. But the Treasury needs to be challenged far more often. It's a department that has massive problems; its staff turnover is enormous. You know, any professional organisation that has a staff turnover like the Treasury's should really be worried. I can't think of any other professional organisation I've ever dealt with that has those sorts of problems and, as a result of that staff turnover, there are people who arrive in responsible jobs who, frankly, don't know enough about the job they're meant to be doing. I think that's really regrettable.

So the relationship that I had with the Treasury in short order was one where I certainly was not awed by having to deal with them and I was perfectly capable of pushing back where necessary. When I left, and we got, I think, the best or second-best public expenditure settlement of any department in the CSR [Comprehensive Spending Review] after the protected departments, so all of that was pretty effective, not least, as I said, because of the 'radioactive bleeding stumps'. You know, one thing I wasn't going to allow was the Treasury to cut something that was going to potentially allow most of Northwest England to go up in a radioactive mushroom cloud. I don't regret that at all.

I thought what was interesting was that at the end of that period, some of my Lib Dem colleagues thought that I had been excessively robust in some of those negotiations and told the press that things were going to get much easier now that Chris Huhne was gone and, you know, we'd be able to sort things

out more easily... absolutely untrue. Actually, of course, what happened was we ended up with just as many rows but, you know, at least the row...I mean I can honestly say I never picked a fight except where I thought it was one that, A, I could win and, B, where I thought that it was an important fight to pick. I think that the Treasury generally needs more challenge not less in government.

PR: What about the private office?

CH: A brilliant private office. I inherited a private office from Ed Miliband, a marvellous Principal Private Secretary, Ashley, really fantastic, who actually had come from the energy side of BIS but was a perfect example of doing a sort of cultural crossover in that he biked into work and was passionate about climate change, you know, he was an absolutely fantastic Principal Private Secretary and it was a pretty good office. I mean, you know, like a lot of offices, it came under strain because of the public expenditure cuts, but I mean generally I couldn't complain.

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

CH: I don't think I found anything particularly frustrating. I think that that's not the mindset that you should approach being a minister with and it's not the mindset, frankly, you should approach anything with. I mean, if you have an objective, whatever your job whether you're a journalist trying to find out information, whether you're trying to run a professional organisation, whether you are a minister, if you tried the front door and it's locked then you go round the back door. Now if the back door is locked, you try the windows. And if the windows are locked, you climb on the roof and climb down the chimney. And you shouldn't be frustrated. Ultimately the test of somebody who is effective in any role is whether or not they have the ability to work their way round problems and if the mountain is totally immovable then you get a cart track that goes round it.

If you're a minister, you're always working in a world of second and third and the fourth best. We all know, because we've done our economics, that the best way of tackling climate change might be to have a perfectly functioning emissions trading scheme which gave us a price and then everybody would react to that price and the most rational allocation of resources would take place as a result of the price or a carbon tax or whatever. In the real world, we had an emissions trading scheme which collapsed in terms of the price because of the recession in Europe. Therefore there wasn't a strong signal coming out of the emissions trading scheme, therefore you were looking at subsidy arrangements like the ROC [Renewable Obligation Certificates] system, the contract for difference, electricity market reform. You were also looking at regulatory – third and fourth best. You were always thinking: there is the objective, how am I going to reach it given the obstacles which are in front of you? And actually that's not very different to what you should do in any problem-solving job, whether it's in the private sector or the public.

PR: What would be your definition of being an effective minister and how would you make your job more effective?

CH: I think that the most important thing – and this may come out partly from DECC being a fairly small and fairly junior Whitehall department dealing with an absolutely massive and existential potential threat – sometimes I would teasingly say I think we should merge with the Ministry of Defence and we should be called the Ministry of National Threats and then we could take over their budget! I think that the real problem with Whitehall is that it inherits an awful lot of structures which are not necessarily appropriate to what it actually needs to do. I'm reluctant to say that, therefore, we should tear everything up by the roots and start again because the very process of changing institutions is so painful for so many people that actually they then spend the entire time in which you are changing institutions worried about their position and in defensive mode. And that's actually worse than the problem.

So I'm actually quite conservative about changing boundaries and changing traditional departmental areas of responsibility, but I think that we could be much more effective at cross-departmental working. I think in the end that has to happen both at ministerial level where the Prime Minister, the Chancellor, and the key ministers want the same objective and are trying to deliver it and make departments work across boundaries. And it has to happen at senior Civil Service level, mirroring that so that it's followed

through and the permanent secretaries know that playing the game of one department fighting another department, as usual, is not going to be something which is career enhancing but which is actually something which the Prime Minister will see as being a problem and will be a black mark.

Where does natural conflict between departments help and where is it really unhelpful? There is simply, in the complexity of the modern world, there are masses and masses of objectives which inevitably straddle departments, where one department may be formally in the lead on climate change, but where vast numbers of other departments are involved. So on climate change, if you want to use any taxation, green taxes, you're immediately with the Treasury. If you are trying to be involved in international negotiations as you are because it's a global problem, you're immediately involved with the Foreign Office. If you are using regulation then you're immediately involved with BIS and with the Department of the Environment, Food and Rural Affairs. If you're trying to deal with transport, which inevitably you are because you're looking at different modes, you are involved with the Department of Transport. I can't think of another problem outside wartime which is genuinely so cross-departmental and where it is absolutely essential.

I mean [there are] some formal attempts in Whitehall terms to tackle that. So, for example, the Office of Low Emission Vehicles is a joint office of the Department of Transport and the Department of Energy and Climate Change but, you know, this is fairly exceptional and it's not great. Normally departments have one often very historic guiding role in principle, and they're not overly open to helping out other departments in meeting their particular objectives. That's where very strong political guidance comes in.

PR: Didn't you have a joint minister with BIS?

CH: That happened later. That happened under Ed Davey [Huhne's successor].

PR: You were there when they had a revamping of Non-Executive Directors on boards. Useful?

CH: It probably should have been more useful than it really was. I think it's rather more difficult to apply directly business expertise in the context of Whitehall than a lot of people in Whitehall would like to think, more than people in business would like to think, and that is because most businesses ultimately have, you know, one, two, three objectives. I mean if they've paid a very swanky PR agency they may get it up to six mission statements but a government, by definition, has far more objectives which it is constantly having to juggle. The nature of the beast and of the organisation is that government is about making those trade-offs and choices, whereas businesses don't have that problem. They have to make trade offs and choices between, say, investment decisions but there are very, very clear guidelines through discounted cash flow and so forth for doing that. A lot of the trade-offs that government has to make are not susceptible to those sort of, you know, putting in bidding on an Excel spreadsheet and pressing a button and hoping that the internal rate of return comes out to tell you which one you ought to do, sadly. So these things are, I think, much more difficult.

I think it is important for the Civil Service to be better at delivery. Once there has been a decision to do something then it needs to know how to be really effective at delivering it. Delivery is an absolutely integral part of effective policy. So to that extent the influence of business people helps. But I think a lot of the business people who were brought in didn't necessarily understand about the inevitable difference with government and the private sector and I think a lot of the business people brought in were often people who had been particularly effective at extracting rents from the public sector and this was merely a continuation of their past contact. It wasn't necessarily the expertise that one ideally wanted.

JG: In hindsight, would you have approached the role differently at all?

CH: Oh god. Well, with hindsight, I think ... probably not. I think the fundamentals of what I was doing in the department I wouldn't change. I think that the real issues...as I said, my great regret is not being around long enough to do the delivery because I think that would have been something where, given my background, because I actually had a bit more of a comparative advantage, and the fact that one of the things that has happened in the British political system, sadly, over the last 20 or 30 years is that the

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number of people at senior level in politics who are able to stand up to the Chancellor, the Prime Minister etc is fairly small compared with, if you read the memoirs of the '60s or even the '50s, you had people who had a much more substantial personal political base, either in a faction in their party or because they had a genuine following in their party. For whatever reason, it's harder to do that these days.

Prime ministerial government which is already a feature of commentary on the British political system really from the late '60s has become more acute and it's become more acute not because of the prime minister per se is more dominant but because the number of people who are potentially there by virtue of being a substantial force in their own party is less than it was. I think that's probably not great for the British political system, to be frank.

You know, by virtue of the fact that I ran Nick Clegg very close in the leadership election, and that, therefore, I made people nervous in the system. One thing I think a minister needs to ask themselves when they arrive in a department is what is the source of my power? Why is it that I'm going to be able to get something that I want? What is it that I have on people? And if you haven't got anything on people and you're basically a courtier, if you're basically there because you were an early supporter of David Cameron in his leadership race or you were PR man to Nick Clegg then your power is entirely dependent on your patron. And if your power is entirely dependent on your patron, you're not likely to say boo to a goose round the cabinet table.

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