

# Ministers Reflect

## David Gauke



5 March 2020

# Biographical details

## Parliamentary history

2005–2019: Conservative MP for South West Hertfordshire

## Government career

2018–19: Secretary of state for justice, lord chancellor

2017–18: Secretary of state for work and pensions

2016–17: Chief secretary to the Treasury

2014–16: Financial secretary to the Treasury

2010–14: Exchequer secretary to the Treasury

David Gauke was interviewed by Dr Catherine Haddon and Thomas Pope on 5 March 2020 for the Institute for Government's Ministers Reflect project.

David Gauke reflects on his time at the Treasury, including the benefit of being in office for an extended period. He also discusses pushing through reforms to the justice system and rebelling against the government in parliament.

**Catherine Haddon (CH):** Let's start by going back to when you first entered government as a minister. You became exchequer secretary to the Treasury in 2010 – how did you hear that you were getting the job?

**David Gauke (DG):** Well, it was after the formation of the coalition, and there had been quite a long time spent on putting the coalition together, and then nobody quite knew how all the appointments were going to be made. If memory serves, the coalition was formed on the Tuesday, and everybody went in on the Wednesday waiting for a phone call, and of course, if you're a Conservative frontbencher, you are conscious that room was going to have to be made for the Liberal Democrats, so not everyone was going to make it. I spent the Wednesday anxiously waiting for a phone call, and the tea room was a sight, because everyone was sitting there holding their phones and occasionally someone would charge out of the room which was a sign that something went through.

Waited through the Wednesday hearing nothing, I can remember a conversation in the evening, with my wife saying "oh, I haven't heard anything, shall I come home?" And she said "well, yeah, of course." "But I'll be out of contact because I'll be on the tube." And she said "well, do you really think that they're going to phone up and they can't get through so you don't get a job?" I said "I don't know, I can't be sure." So I went through the Wednesday, did go home, came in on the Thursday, got through most of the day and I remember, it must have been gone five o'clock or so and I was back in my office in parliament, in the Norman Shaw buildings. I think everything had been done, I'd done my thank you letters from the elections, there was nothing to do. I was just watching the cricket and then the phone call came through and said "would you like to speak to the prime minister?" And at that point, I was almost tempted to say "well, can he wait until the end of the over?" But no, so he phoned me up, and so I can picture myself at my desk in parliament and I said "congratulations prime minister" and he said "I am appointing you to the Treasury, can you go round to the Treasury entrance as soon as you can?" And I think he told me that Mark Hoban had also been appointed at the same time, so we went together. You very quickly get the phone call and brief conversation and then round to the Treasury where my private secretary was waiting for me.

**CH:** You had been shadowing the brief in opposition, do you think that prepared you well?

**DG:** It was enormously helpful, there's no doubt about it. Essentially it was the tax law, which is more technical than most. I'd done three or four finance bills, so I understood the parliamentary side of things. I knew quite a few of the interested parties, I knew quite a lot of the tax commentators and experts and what have you, so that gave me an

advantage. Although I wasn't a tax specialist, my wife is, and so I had some technical knowledge and knew a little bit about it and had some idea what I wanted to do when in office. It doesn't give you, by any means, the complete education, but it certainly helped in my case to have shadowed it for three years.

**CH: What were the things that you were wanting to do? What were your priorities?**

**DH:** My priorities were two things really; one was about our corporate tax system and making it more competitive. Without diving too much into the details, there were aspects of our corporate tax regime that were driving companies to move functions out of the UK and I wanted them to move functions in. I also wanted to find ways in which we could lower the corporation tax rate and reset our international reputation for corporate tax. The second point was, we were entering into a period of austerity and I was conscious that tax was going to have to play a part in that, but that wasn't just about tax rates, it was also about tax collection and cracking down on tax evasion and tax avoidance. I wanted us to have an ambitious program on that. Those two things were essentially my priorities I suppose. If I was to add a third, it was about the relationship with HMRC [Her Majesty's Revenue and Customs] and making sure that HMRC was able to modernise – there were some particular issues I was looking at in the way that PAYE [the pay as you earn tax system] operated, but, to some extent, HMRC had experienced a difficult few years and I wanted to ensure that it was able to work properly. So there was an operational side that I wanted to get my teeth into as well.

**CH: How much autonomy were you given on it? How regularly did the chancellor meet with you, talk to you about his view? How much were you able to craft your interpretation?**

**DG:** The chancellor gave me a lot of leeway on developing policies on issues like corporation tax rates, which are big issues for the budget and what have you. I'd worked with George [Osborne, chancellor of the exchequer 2010–16] for three years on the frontbench together, I knew where he stood on these issues, that he shared those objectives and wanted me to get on and do that and, thankfully, I think he had quite a lot of trust in me. When it came to, for example, the HMRC side of things, not just at the beginning but throughout, he'd rather let me get on with it. Indeed, it was a bit of frustration sometimes, from some senior HMRC officials, that they didn't really get to have a lot of time with George, but he basically said to me, "you know that's your department, you deal with that". I don't think we sat down and said "right, here are the three objectives" and he told me what to do or I told him what I was going to do, but, they essentially emerged as the obvious things to do and he was very supportive of that and he let me get on with it, and it meant I had his authority to pursue the things I was wanting to pursue.

**CH: You were also in government with the Liberal Democrats as a coalition. Were they much of an influence?**

**DH:** It worked quite well. They were not so interested in the corporate tax reforms, that wasn't very for them. But Danny Alexander [Liberal Democrat chief secretary to the Treasury 2010–15] – he and I had a very good relationship – was very, very supportive of all the measures that I was trying to deliver on tax evasion and tax avoidance, and that was helpful, because, although I was a Treasury minister and I was a junior minister, I was almost like a spending secretary of state. I had my own department that was spending four billion pounds a year more or less. I used to work quite closely with Danny, saying if we want to become really ambitious in terms of what we do to reduce the tax gap, this is where we can deploy resources that will have a really good return for the exchequer, this is an area where a bit more spending will make sense. Although Danny was very good at being a proper chief secretary and making sure that any proposals were properly scrutinised and so forth, he was broadly sympathetic to where I was trying to get to.

**Thomas Pope (TP): You held that post for a long time, four years. How do you think that helped?**

**DG:** In reality, it was six years, because although the title changed in 2014 and I was promoted to the minister of state level, as far as the tax side of things was concerned, there was complete continuity. I was doing exactly the same job. It helped enormously, in terms of knowing the people, knowing the subject matter, knowing the various issues and what the trade-offs were, and so on. Also, not only was I there for a long time, I always assumed I was going to be there for a long time. I was conscious the coalition could collapse at any point, but I wasn't particularly keen to move on. I always felt that if George wanted me to stay, he had sufficient influence to keep me there, and indeed there were occasions in subsequent re-shuffles where he basically said to me "do you want to stay in post? If you do, great and we'll keep you here."

It meant that I had a mindset in which I wasn't looking for easy, quick wins, because I wasn't going to be around in six months' time – I was thinking, how do we make this look good in three years' time? I'd like to think that I would have had the same mindset, if I thought there was every chance I was going to be moved on. I don't know that for sure, but there were certainly things I did, perhaps more on the operational side rather than the policy side, where if we're going to embark on something that's going to take three years, it will take three years. I don't mind, I'll still be here to claim the credit and see the benefit when that happens – so it definitely helped me, I think, in terms of having a degree of certainty.

Certainly as time went on, when I knew the subject matter well, it actually reduces your workload very considerably, because you can re-direct your efforts more efficiently as you're not having to get on top of a subject every time: "oh yeah, I remember this from three years ago", "oh we did this in the last finance bill didn't we, this is the tweak, oh

but didn't you say then that we were going to do this and this wasn't going to be a problem". You start immediately, and I was able to get through my red box [of ministerial papers] much more quickly because nearly everything was familiar, and that helped a great deal.

**TP: You worked on tax for a long time, which is a very controversial policy area, with a lot of interest groups. How did you find that impacted your ability to make good tax policy?**

**DG:** It's true that it's an issue that excites a huge amount of interest. It is also an area where there were lots of vested interests, so I was very conscious of that. A large part of the job is engaging with those who have an interest in this: understand their arguments, try to put that in context. I think, again, an advantage of being there for a long time – in the end I did nine years of tax in opposition and government – is that you start to recognise which arguments are more valid than others. You know when someone has a genuine case, or where there's a special pleading or where someone has benefited from an unfair advantage under the system and that they were just losing something. You just got to know these things better.

But it's a very politically exposed area, and it is also an area where not necessarily every instinct of public opinion is accurate or right, in my view. This is one where you have to tread quite carefully because there are so many conflicting objectives. To give you an example, everybody says "we will simplify the tax system" and though they'll say that in the abstract, the moment you try to simplify the tax system and you address an anomaly that favours somebody then that group will be up in arms and some of the very same people who say they'll simplify the tax system come along and say "well, we didn't mean by doing this, we didn't mean by you increasing taxes on these people". If you try and simplify the tax system, at the very least, you're going to have winners and losers and that's just an inevitable part of the process.

**CH: That winners and losers point always comes up in budgets in particular. What was your role in the run up to various budgets? Obviously there's one or two in particular that perhaps went a bit off course – how much were you involved?**

**DG:** I was always very heavily involved. I can't escape responsibility! I was always very heavily involved in the budget process. George gave me lots of responsibility if you like. In the end, he would make the decisions, but I'd have a big role in narrowing down the options or working up options – sometimes there were particular aspects which were entirely my creation, which I pushed through and got delivered. Particularly as time went on, George gave me more and more responsibility. I was nearly always in the room when the decisions were being made, at least the decisions at the Treasury were being made. Sometimes, you'd go in and there'd be a quad meeting [the senior decision-making body in the 2010–15 coalition government, comprising David Cameron, Nick Clegg, George Osborne and Danny Alexander] and a few proposals would drop out of the budget and what have you.

But looking back on it, it was a tremendous privilege, because particularly in those days, the budget was almost the big political event of the year, bar none. George was obviously hugely powerful within the government and there was I, first ministerial job, essentially influencing decisions, but in some cases making decisions, and that was a huge privilege. It also meant, that I was in the eye of the storm when, in 2012, a load of proposals which, I'll hold my hand up here, most of them I have advocated for... It was a budget that just went wrong and once you had one issue that the media focused on, then everyone was going "well, what could be the next story and what could be the next one" and you had a domino effect: one by one various measures, some of which that we implemented, the pasty tax we did do, but in a slightly changed form. I was stuck in the middle of that, and so normally you work very hard in the run up to a budget and then deliver the budget and then sort of get a bit of relaxation, but the period after that budget was one where I was doing more media than I'd ever done before and lots of engagement with MPs because you'd have to see off parliamentary rebellions, or concede, which is what we did on a number of occasions.

**TP: When Theresa May became prime minister in July 2016, you were promoted again in the Treasury to chief secretary. Did you still want to stay in the Treasury at that point?**

**DG:** Yes, I did. In fact, when I was promoted to chief secretary, Theresa said "I know you're very interested in tax so if you want to keep some involvement in the tax system then that's fine." But I'd had six fascinating, very interesting and exciting years at the Treasury and was very happy to continue there. It was great to be promoted to now attend the cabinet. There had been quite a lot of speculation that I might have got the chief secretary job after the 2015 general election and, to be honest, I wasn't that disappointed, because I was continuing to do the tax job that I found fascinating, but at that point it was right that I moved on. If I hadn't moved on then, as I could have – this is a risk for ministers if they stay in one post, that you become seen as a specialist and you can't be used more widely – so going on to be chief secretary was a fascinating new challenge.

**TP: How did the way that George Osborne worked and Philip Hammond worked differ?**

**DG:** They are very different in style. I was fortunate in that I had a great relationship with both George and Philip [chancellor of the exchequer 2016–19], and I'd worked closely with Philip when we were both in the shadow Treasury team some years before. I started off, and indeed continued on a good footing with Philip and I was, I think probably throughout, his closest ally in the cabinet. They were different styles in terms of – George liked quite big meetings, he was quite open, he didn't mind a meeting with lots of officials and hammering out the arguments, I don't think quite the full Ken Clarke [chancellor of the exchequer 1993–97] debating society style, but quite like that. Whereas I think Philip wanted ideas more developed if you like and quite well worked up before he'd want to engage too much in that.

Their personal styles, I hope as everybody would probably guess were a bit different, but I found both of them good to work for and both of them very much focused on what the right thing for the economy was. George was much more political and, of course, the obvious point is that you had a difference in the relationship between the prime minister and the chancellor: much, much closer with George and David, whereas, I suspect probably, particularly in the period I was working as chief secretary, the relationship between Number 10 and 11 was not good. I don't think because of me, but the relationship between Nick Timothy and Fiona Hill [Theresa May's senior advisers before the 2017 general election] with Philip was very difficult.

**TP: As well as tax, as chief secretary you also took on more responsibility for public spending. What were the changes that you and Philip Hammond wanted to institute in that area?**

**DG:** In truth, I had a relatively limited role on tax [as chief secretary], and Jane Ellison [financial secretary to the Treasury 2016–17] came to do the job on the tax side of things. In terms of spending, I think what we were trying to do was make sure that we didn't lose all fiscal discipline, that we didn't take away pressure on departments to obtain value for money and that we kept a tight control on public spending, because we were still going through a period of tight control. There was a greater awareness to do more on infrastructure, now a very topical issue once again, but we were prepared to go further in infrastructure and prepared to find ways in which we could spend more on infrastructure and work on that. Part of it was obviously dealing with Number 10, which was a different creature than it had been before, and more “well, we want to do this and we want to do that,” and trying to strike the right balance between delivering for the prime minister, but also doing so in such a way that didn't undermine some of the other things that the government wanted to do, in terms of fiscal discipline.

**CH: What were the challenges for somebody coming into the chief secretary role? It's an unusual role, quite different from just being a minister of state, because it's quite a powerful role – for many years it had been a full cabinet minister.**

**DG:** It is a really fascinating role. The first thing that must be said about it is the workload is very, very hard, much harder than my experience as a secretary of state. For my entire time in the government, I worked harder as chief secretary to the Treasury, because you just have to be on top of everything. In terms of those who had a privileged view on what was going on across government, across the piece, you know really there was the prime minister, the chancellor, the minister for the Cabinet Office and the chief secretary to the Treasury and nobody else would be as aware of the wider actions of government than those four.

It created a huge amount of work, it's actually quite a low-profile position, so you're not out there with the media very much, although I did a reasonable amount of media work at this point – but not one of my specific responsibilities. But you have to jump from



subject matter to subject matter, so in the course of a day you would be doing something on prison building, and then you'd be doing something on Universal Credit [the new benefits system introduced by the 2010–15 coalition government] and then you'd be doing something on nuclear submarines. It's an extraordinarily eclectic range of responsibilities, and you just have to get your mind into this topic and then that topic and then this topic. That is really challenging both just as stamina, physical stamina and also intellectual stamina. But it is a tremendous education. I did it for a year, and in many respects that's not nearly long enough – having said that, once you've done the job for a year, you are really well placed to move on to almost any other role in government, because it's given you that apprenticeship.

**CH: What about the role with the civil service in all of this? You had teams working with you on tax policy as well as the relationship with HMRC, but then as chief secretary, you're also engaging with the departmental spending teams – you must have seen quite a lot of the civil service. Did it vary across those different remits?**

**DG:** I thoroughly enjoyed working with the civil service throughout and I think rightly the Treasury civil servants have got this excellent reputation. In my experience, they were outstanding – whether that was looking at the tax side, or whether it was looking at the spending side. Sometimes you would find people who cropped up in both, so people who you'd worked with on pensions tax, you'd find that they've been in the spending team for the Ministry of Justice and stuff like that. They'd move around, but they grasped the issues and understand it and would be very, very good. My experience was that consistently, you had very, very able people who were able to adapt to their responsibilities and certainly I had a very good experience with the civil service.

**TP: What about the civil servants in your private office – as you moved around the Treasury, did they move with you?**

**DG:** No, I think the move from the exchequer secretary to financial secretary there was no change. I stayed in exactly the same office, with exactly the same team of private secretaries – I think I picked up an additional private secretary because I took over responsibility for European matters, but other than that there was complete continuity. But yes, when I moved from financial secretary to chief secretary, it was a new team of people. I know that there have been people who have brought some of their private secretaries with them, but because it was a very different job going from tax to spending, I moved into the chief secretary's team, which I think was the right thing to do.

**CH: Can we turn to the 2016 referendum briefly, because the Treasury played quite a high-profile role in the run up to it and then through the referendum campaign, not least through the economic assessments that it put out. Do you think it was the right approach, heavily focused on the economics of it, to use the Treasury in that way?**

**DG:** From those of us who are on the Remain side, we lost, and so, of course, one has to question whether things were done necessarily the right way. But I always think the main

argument that Remain had in that referendum, and the argument that was most likely to resonate with people was one of economic self-interest if you like – that leaving the EU would be harmful. If we go back to 2016, we'd have the experience of the Scottish referendum in 2014, and the general election in 2015, and arguments about economic costs, economic risks, had prevailed. I think it was a perfectly reasonable assumption to make, that those arguments were the ones that were most likely to succeed, and I think that even with the benefit of hindsight, those arguments were the ones most likely to succeed.

I think for the subsequent debate, the short-term predictions that the Treasury made not coming to fruition, have been ones that have made it harder for those of us who said, well, there's some real economic risks here, so that has made things harder. Of course, there were certain assumptions that were clear at the time, assuming no cut in interest rates and no Bank of England intervention and the immediate triggering of Article 50, and all sorts of things like that, that didn't come to pass, but that's rather been missed from the debate. I think the accusation of crying wolf can be made against those short-term Treasury projections. As far as the long-term projections are concerned, I think by and large the economic data suggests that they were true and from what we've seen so far, perfectly accurate and fair predictions.

**CH: How much of an adjustment was it in the aftermath of the result? The prime minister had said that no preparation for a Leave result should take place, but one can imagine the Treasury were at least starting to think about "well, what if?". Was it a big adjustment or did you have time?**

**DG:** On the point about no preparation, when you think about what preparations might involve and essentially the mandate from the referendum just told us we were going to leave, and as the subsequent debate has made very clear, leaving can come in all sorts of shapes and sizes, so it's hard to see that there was a way in which the civil service or government could prepare for departure other than drawing up a load of options, which would then have to be made by ministers and a new set of ministers at that. So, the idea that there could have been months and we could have done lots of things... they couldn't have been in negotiations with the EU, and there couldn't have been any decisions about the nature of our relationship, because that's very much for ministers, and ministers in a post-referendum environment. In that sense, I think it's a bogus criticism that somehow there should have been lots of preparation going on and that would have changed things.

But things fundamentally changed after 2016, for a whole host of reasons, partly we were now having to focus on Brexit, partly it was changes in personnel at Number 10 and Number 11, partly there was some damage done to the Treasury by the predictions, in terms of you had quite a lot of parliamentary hostility to the Treasury that was seen as the "heart of Remain" – as Jacob Rees-Mogg described it. You have the Treasury as being an unpopular department with a lot of the Conservative Party. So, all of those factors meant that it was a different world, but there was quite a lot of hostility directed at the

Treasury under George in those months leading up to the referendum, but the Treasury was at the centre of everything as the 'Imperial Treasury' as it were, and that changed once the referendum was all cleared.

**TP: After the June 2017 election you moved to the Department for Work and Pensions (DWP). You were there for about six months. What were the priorities when you first started in the department?**

**DG:** To some extent it was a pretty simple task with DWP at that time, which was about the implementation of Universal Credit. That was my overwhelming focus. There are other things we did: there was the disability work strategy and so on, but fundamentally it was trying to deliver Universal Credit. I wanted us to get a bit more on the front foot on that, in terms of the communication, but you had particular issues that were growing as it was being implemented more widely, there was an increasing perception this wasn't going as it should be going and there were issues that had to be addressed. My focus was on understanding what was happening with Universal Credit, what were the realities, what were the myths. I took a view that we were roughly on this right course, but we did need to make some tweaks and develop the thinking and trying to find a way through it. I'm looking at the six or seven months I was there, and in a way, there was a pretty obvious self-contained process that started with trying to understand what was going on, developing a set of changes, persuading the Treasury to implement those changes in the Budget of 2017, and then pretty well after that, moving on. So, it was a somewhat discreet and self-contained one. But my priority was trying to deliver Universal Credit as effectively as possible.

**TP: Was there much of a handover from your predecessor, and to what extent is what you were doing a continuation of what had come before?**

**DG:** There wasn't a massive handover with [Damian](#) [Green, secretary of state for work and pensions 2016-17], but it was all good terms and we had a conversation about what it was going to involve. Again, having been chief secretary to the Treasury, it was a relatively painless move from my perspective. I entered DWP knowing quite a lot about Universal Credit. I'd been heavily involved in aspects of Universal Credit when I was in the Treasury, right back at the beginning. So, the introduction of real-time information to the tax system, PAYE system, was something that I'd pushed and part of the reason for doing that was Universal Credit. I started off with a relatively high level of knowledge of what Universal Credit was, which helped me a great deal.

**TP: DWP had six years with [Iain Duncan-Smith](#) as secretary of state and since then has had quite fast turnover with you, [Stephen Crabb](#) and Damian Green serving as secretary of state all within the space of a year. How do you think the civil servants adjusted to that high ministerial turnover?**

**DG:** It's clearly not ideal to have that amount of turnover. I think you can make the argument and I've previously made the argument for continuity, though you can make

the argument that you can have somebody in post for too long, and they don't see that they're so committed to a particular project. This is the criticism often made of Iain: so committed to a particular project that you don't see the arguments against, even if those arguments might not be strong, you can't put yourself into the mind of the critic of it if you're so invested in the project. In that sense, a fresh pair of eyes was helpful, but you did have a certain amount of chopping and changing.

One thing I would say is that, at that stage in the evolution of Universal Credit, you had quite a lot of continuity on the official side. At the early stage, you had one secretary of state and one welfare minister all through, but you had the officials changing all the time. By the time I'd arrived, you had quite a long continuity there. The other thing I would say is that the minister of state who was dealing with Universal Credit was Damian Hinds, and he'd been there, I think from 2016, he'd been there from the change of government. He had a year there and he was excellent and a really outstanding minister of state and was completely on top of the subject matter and certainly of enormous help to me. Because of the continuity at the minister of state level, I don't think the civil servants found it too much of a break. I think I came in with a relatively high degree of knowledge about Universal Credit; you know, my arrival wasn't as disruptive as it might have been.

**CH: Universal Credit has a range of different issues that it's faced over the years, but one of them has been how much you spend on mitigating some of the effects of this – there's always going to be a tension between the Treasury and DWP, and certainly there was between George Osborne and Iain Duncan-Smith. Was it interesting to go from one side of the debate to the other? Did that change your perspective at all once you got in the department?**

**DG:** Yes, it does to some extent. It was even more striking, and we'll come to the MoJ [Ministry of Justice], but we had some extraordinary conversations where Liz Truss was the chief secretary and I was the secretary of state for justice and our roles had been reversed a few months previously, so again we did have conversations: "I know what your notes are saying and you know what my notes are saying" – so it does change it a bit. As a spending minister, by no means did I abandon my Treasury orthodoxy in terms of a belief that you have to pursue value for money determinedly, and that one should only be spending extra money if it's clear what you're seeking to achieve, what you're seeking to avoid perhaps, and that money is being spent wisely.

I have to say, that helps me enormously as a spending minister negotiating with the Treasury, because I think what the Treasury were hearing from me was I know what the Treasury looked for from a spending minister – so it's someone who takes their concerns seriously, is seeking value for money, is wanting to ensure that things are sustainable, is trying to spend money now in a way that's going to reduce spending pressures down the line. It wasn't a complete transformation; I knew what a model spending minister looked like from a Treasury perspective and if you are a model spending minister that is one way in which you can have quite a good constructive relationship with the Treasury. There are

other routes: you can play it out in public and you can try to whip up backbench discontent, but if you play it straight with the Treasury and say, “I’m not asking for this,” – with Universal Credit, there were some things that the department was saying, “well, we should be asking for this and we should be asking for that,” and I said “well no, I’m not convinced that we should yet”. In the end we did ask, but I think the Treasury could see that when I asked for it, it was because I was convinced that we really needed it, not because I was just doing what my departmental officials sort of expect their minister to do which is ask for as much as possible.

**CH: As secretary of state you were also now leading a ministerial team. What was the approach you took to managing the team, and engaging with them all?**

**DG:** I learnt quite a lot from George, which was to be very open with them, to set out what I was seeking to achieve to make sure that we had a shared understanding as to what their policy objectives or their ministerial objectives were, what they were up to. I think it is an advantage to have been a junior minister and to run a team, because you have seen it from their perspective: making sure that if they needed to see me and have time with me that they could do that. Also, that there’s a constructive relationship with the special advisers – that was really important, and a sense of listening to what they have to say, so I knew what they were thinking and wanting to do, and they knew what I did. I think communication is clear. As I said, I have a very good relationship with both George and Philip, but George in particular was enormously busy in his time as chancellor, so you didn’t get that much time with him, and you had to know from your experience what he would think and put yourself into his mind. I think I was good at doing that, but at DWP and MoJ, we were much more structured. Particularly at DWP, we had two team meetings a week and so there was the ability to do that.

**CH: A final question on DWP – is it a department where it really helps to have a good understanding of the operational detail, or can you manage a department like that when you’re a very strategic mind, which is just looking across the piece?**

**DG:** You have to get your head around the operational side of things – the big piece of work, in my time at DWP, was a mitigation strategy on Universal Credit, where we made some changes that made it more generous to the claimant. But having an understanding of the things that we could deliver quickly, with various options, the things that would create an administrative demand that could resolve the project toppling over in another area, and what was going to divert a lot of resources and so on. So, I think you do have to do that; Damian Hinds was extremely good at understanding the operational nuts and bolts of it. I don’t think you can be completely high level and so on. To strike the right balance, you also can’t micromanage and you can’t sit there and say “no, no, no, I want this to do that”, but you have to be able to provide scrutiny – sensible constructive scrutiny in what the officials are saying about the operational challenges, because at heart of a lot of the issues were purely operational.

**CH:** In early 2018, you moved to the Ministry of Justice, another department which had a lot of secretaries of state in quick succession. How much were you dealing with the problems they'd left before you went on to make your own mark?

**DG:** There was a bit of both. I knew from my time as chief secretary that MoJ had a very challenging spending settlement, and in spending terms, it's a pretty small department, but it was very high on the Treasury risk register when I was chief secretary. As a consequence of the tight spending settlement, there were all sorts of areas where there were vulnerabilities and things going wrong. There has, in some cases, been attempts to meet the budgetary requirements that resulted in risks and problems. We'd already, for example, started to reverse some of the cuts in prison officer numbers – that was something that happened when I was chief secretary.

It was a department under strain, and it was also a department where something can hit you out of nowhere, very, very quickly. On the other hand, it was also a department where I felt was able to set my own agenda, which were actually just changes in rhetoric to some extent but in making speeches and making arguments you could change the debates somewhat and I was given a lot of scope to do that, whether by accident or by design. It was very much a department where – and the subsequent changes remains to be seen – but it was very much a department where I could make a mark and move the public debate along.

**CH:** How much were these 'smart justice reforms' your own push? How much was it either coming from Number 10 or somewhere else? And what were their priorities on that agenda?

**DG:** I mean, it's very much my agenda. When I was appointed to the post – and I wasn't expecting to be appointed to the post, it came, very much it came out of the blue – Theresa didn't particularly say "I want you to move this in this direction." But, I think in part because of my Treasury background and my recognition of the pressures on the finances of the department, I looked at my predecessors, unfortunately there had been many, and the extent to which their reputation had been enhanced or otherwise by their time there. It was very clear to me that – this happened to coincide with my instincts – a more liberal approach was the way in which you can carry on in a way that's coherent with the budget that you've got, but also doesn't result in you taking quite a battering.

Very quickly, three priorities emerged for me. One, within the department internally, was about credibility with the Treasury, and we needed to be credible – if we'd said we don't have enough money we would have been believed. I could see that every year that MoJ was bailed out, and that was a structural problem and there just wasn't enough money in the budget, that we were going to have to build up some credibility with the Treasury to try and get those corrected. Second, was if you like being a defender of the rule of law and repairing the reputation with the judiciary, which had not necessarily gone that smoothly in the years before, slightly dependent upon who was lord chancellor, but I felt we

needed to repair the relationship with the judiciary. The third was about looking again about how our justice system works and whether what we do is sensible, effective: does it help reduce crime, are there better ways that we can do this?

I wanted to be led by the evidence. If the evidence said the most cost-effective way of dealing with crimes is to lock everybody up who committed any infringement then so be it, but that wasn't what the evidence pointed to. Arguably the biggest contribution that the MoJ could make to reduce a crime would be to reduce the reoffending rate, and the reoffending rate was worse for those, for example, that had a short custodial sentence as opposed to a community sentence. That was the starting point. The further I looked at this and the further I went in, the more and more convinced I was that we needed to move away from "prison is always the right answer." As a country we weren't prepared to spend enough money on prison to have effective, decent, humane prisons with a prison population of over 100,000, which was the direction that we were heading in. I wanted to see: "Can we do this better? Can we do this with a smaller prison population?" I looked at the international and historic numbers about the prison population and we were way out of line, so my focus was to try to at least stabilise the prison population. I didn't want to have an absolute target and say "well I'm going to get down from 83,000 to 60,000," but this constant ratchet affect, the prison population going up and up and up – I thought was unhealthy and unaffordable.

**CH: This was a time when Rory Stewart was prisons minister and famously set himself his own performance target. Did he discuss that with you before he announced it?**

**DG:** No, he didn't.... I don't think.

**CH: Had you recommended that he do that?**

**DG:** No, I wouldn't [laughter]. Rory [minister of state for prisons 2018–19] was a joy to work with. We didn't know each other particularly well and became very good friends in our 18 months or so together. He's been very generous in some of the comments he's said about me as his boss, but, no, I think we made a really good combination in fact. Coming back to the earlier question about being operationally focused, Rory was very, very focused on the operational nuts and bolts – you know literally, what do you do to make sure the prison is clean? How do you maintain discipline? How do you stop the drugs getting in? Not the political things, it's an operational managerial point. I think he provided a huge amount of energy and drive on that. When he announced... I think I was on holiday at the time when I learnt that he'd announced that he was going to, I think it was in August, I was in the Dordogne, and suddenly heard that Rory's announced he's going to resign. It all came up on Twitter and I thought what's going on here. Rory was always prone to doing eye-catching statements that attracted attention, but it helped I think probably in terms of injecting some energy into the process, got everybody very motivated.

**CH: How much did you have to convince your other cabinet colleagues of the value of your performance? Treatment of prisoners is very divisive issue and liberalisation of criminal justice is a very divisive issue in the Conservative Party.**

**DG:** That process went much better than I think I could have reasonably expected. I mean, it was quite striking when I was in a cabinet where I had four of my predecessors sitting round the table and it's fair to say three of them were very sympathetic. You had David Lidington, in the de facto deputy prime minister role, co-ordinating Whitehall and all of that, so he was very, very supportive of this. I was pursuing a strategy that wasn't very different from Michael Gove's approach, and Liz Truss, of course, was chief secretary to the Treasury and the Treasury were very supportive of anything that could keep control of the prison population and could see the fiscal case for it. That helped.

Coming back to Iain Duncan Smith, a figure on the right of the Conservative Party, but very interested in rehabilitation and out there making the argument. There was quite a lot of the, what could be described as the right of the Conservative Party, that were very, very sympathetic to what I was doing. I can remember a conversation, I think I had some drinks in my office and John Redwood and Bill Cash were there, both telling me, "we lock far too many people up, we put far too many people in prison, we really shouldn't be doing this, it's a complete waste of money," so that encouraged me early on. This isn't really a straightforward left-right issue, by any means, even within the Conservative Party.

**TP: One thing that happened while you were secretary of state at MoJ was the release of the report into the 2016 Birmingham prison riots. It was highly critical of the MoJ and prison outsourcing – how did you handle that criticism and the crisis?**

**DG:** The first time I went to Birmingham was in the April of the Easter recess in 2018, and I came away from there worried about it. The independent prison visitors [volunteers who assess prison standards] were in the meeting and after I'd had the spiel from the governor, they just said "look, there's this, this, this and this and you know this is in a hell of a state and this is what, this is the tidiest I've seen this prison for ages" and so on, and came away thinking "god, you know we've got a problem here". The meeting with the prison officers was deeply depressing, some of it was about all the things that they were warning me of, about the atmosphere, that there could be another riot. Part of it, I have to say, was their attitude – it didn't inspire a lot of confidence, it was a real blame culture and it was all everybody else's fault and so on.

It was clear that there were real problems with Birmingham, and then they escalated and there was a further prison inspection when the inspectors of the prison, I think, had their cars vandalised and stuff like that. We could see it was all coming to a head, and we essentially stepped in that summer. I think that was the point where Rory announced the 10 prison projects and that he was going to resign, that was all in the same period of time. It was clear that something had gone badly wrong with that prison, and that we were going to have to take action, if that meant stepping in and essentially nationalising it, then



that's what we would have to do, it was purely one of the practical ways in which we can address this.

**CH: Throughout all of this time, we haven't talked about it yet, but Brexit is going on. After the 2017 election, you were in a minority government at risk of falling at any time. You talked before about the continuity under the coalition years that you knew you'd be in the job for a period of time, was it a very different mindset during that time?**

**DG:** Yes, it was, and particularly as time went on. You had the referendum in 2016, but obviously Brexit was working away all the time that I was chief secretary. And at DWP and in the first few months of my time at MoJ, Brexit wasn't that big a part of my life. You were principally a departmental minister and you were getting on and doing that. In part, I was a more junior member of the cabinet at the beginning, but the cabinet didn't discuss it very often. Other than when the prime minister had a big speech to do, the rest of the time, we didn't really talk about Brexit very much at all. That came to an end in the summer of 2018, with Chequers [the meeting at which the cabinet agreed the UK's approach to the future relationship with the EU]. There were some people who were on the sub-cabinet or whatever the organisation was, the group of nine or 11, that were on the relevant Brexit committee, and I wasn't one of those, although I did have to come in for one or so meeting, but Brexit didn't really get too much in the way.

Once Chequers happened, it was pretty clear that you could see the battle lines within the cabinet, you could see different groups forming. I think the other side of the argument were quicker to form groups and organise and what have you, and over the course of that summer, in particular we started to sort of create our own versions of it. But there was a sense that the position of the government was very precarious. Theresa's position was always precarious after 2017 general election, but after Chequers failed and received the response that it did, and then when the deal was reached in November 2018, and Dominic Raab [then secretary of state for exiting the EU] and Esther McVey [then secretary of state for work and pensions] resigned, again the situation was really precarious and we went through the period of time of heavy defeats on the meaningful vote.

Every move that Theresa made, she was sort of standing on a rock in the middle of a minefield and she knew she couldn't keep standing on the rock for much longer. Every step she could take had enormous peril, and at that point, apart from the fact that Brexit was consuming more and more time, for all of us, certainly most of my time and intellectual energy was going into the Brexit debate, rather than departmental business. Since this could come to an end quite quickly, it changed my thinking: it probably made me bolder in terms of the justice agenda that I was pursuing – I was probably prepared to take greater risks, prepared to go further faster, just because of the sense that I could be removed at any day now, if I want to make a difference here, I need to make a difference quickly. I knew there were no quick wins as it were, it was always long-term, but if I want to make an argument that we're going to change the direction we want to

go in on justice, I need to be out there, making those arguments as quickly as possible. So that was a change of environment.

**CH: Did your views on Brexit evolve during that period?**

**DG:** I suppose they did. The thing through most of this period that it was always my view was that I didn't want a hard Brexit, and I certainly didn't want a no-deal Brexit. I think it was probably more as we got into early 2019 where the risks of a no-deal Brexit were becoming very apparent, that I increasingly concluded that I would do everything I could to stop that from happening, and so that built up. I obviously voted and campaigned for Remain, I was always of the view that leaving the European Union was a mistake for the country, but ignoring the EU referendum was a mistake for the country and which was the least worst mistake, so I was in favour of always trying to find a compromise. I was supportive of what Theresa was trying to do, but as time went on, I could see the risks of a very hard Brexit, and in particular a no-deal Brexit, that I felt was completely irresponsible. I was going to dig in on that and there was a strengthening of my feeling that we were not going to be pushed into pursuing a policy which I thought would be devastating for the country.

**CH: Finally on that, that later period was a very busy time particularly in parliament. What was the work-life balance like, what kind of toll does it take on you as a minister?**

**DG:** What increasingly happened in the 2018–2019 winter was that so much time would be taken up on the phone at weekends. As chief secretary, in the run up to a budget, I would be working full days, starting on the box at eight o'clock in the morning on a Saturday and stopping for meals but finishing it at 10pm. On a Sunday, I'd probably finish by 7:30am when the box would be collected. It was a full-on, long working day for the weekends, for a few weeks, in the run up to budget.

Over that winter period, it wasn't "on Friday, I've got to get through this paperwork", but it was "I need to speak to so and so, I need to speak to so." And you know, the conference calls, I think there was, over a period of months, there wouldn't have been a weekend where I wouldn't have had a long conversation with Greg [Clark, then secretary of state for business, energy and industrial strategy] and Amber Rudd [secretary of state for work and pensions 2018–19] and usually Philip [Hammond] and sometimes others as well, and just constantly thinking about it. You'd be at home and there were certain things that you could avoid, but Sunday mornings, for me, have generally always been about watching the kids play sport and taking them to football or rugby. There's only been a handful of those I haven't been able to do for work business. Over a period of seven weeks, by Sunday, well, I'd be on the touch line, but I'd be on the phone talking to colleagues.

**CH:** I don't know what food you based your group around, because there was obviously the Pizza Club [of Leave-supporting ministers who reportedly met to plan their approach over pizza] as well. Was Theresa May engaging with you? You've painted this picture of her in the middle of this minefield, but was she actually seeking out help to navigate her way through?

**DG:** Not a huge amount from cabinet ministers, I think. We did have meetings with her, and conference calls and so on. But she wasn't hugely keen to find herself constantly sat in a room with five cabinet ministers on one side of the argument, saying you need to do this and then ending that meeting and having a meeting with five cabinet ministers from the other side, saying you need to do that. I think I can understand her reluctance to do that. There were certain times where we demand meetings and sitting in a room to speak and get that. I think it would be fair to say our experience of her, and I think the other side would have made the same point, was that it's very hard to really know where she was. I think, particularly as we got through February and March last year, there were decisions that we made that perhaps if we had just been more confident as to where she was going to end up, there were things that I and others did that maybe we wouldn't have done if we'd been fully confident in which direction she was going to jump.

**CH:** Do you think in the end she had no option but to resign when she did? Or could she have stayed on longer?

**DG:** I think the point where she resigned, her job had been made impossible. There were too many of my former colleagues who were after her blood. And for some time, she'd been in this position where she was on the rock in the minefield and then she decided to get off the rock and make a run for it, and unfortunately the inevitable happened. It just felt that it was somehow always going to happen.

**TP:** Fast forward a few months and Boris Johnson takes over and you leave government. What was your thought process at that point?

**DG:** I think my position on Brexit was very clear and very public, and I'd been an enthusiastic supporter of Rory [Stewart] as a leadership candidate, and I'd not been so enthusiastic about Boris Johnson, and hadn't tried to conceal that – I didn't think that his policies were the best approach for the country. There was no great difficulty in this. I've absolutely no doubt that I would have been sacked if I'd sought to stay on, but I had no desire to stay on. I could see what the requirement was, the price that had to be paid for staying as a minister and it was not a price that I was remotely willing to pay, so, yes, it was in some respects a very easy decision, to resign.

I obviously loved being a minister. I loved the role of justice and felt I was doing something very useful there and had an agenda and was pursuing it. That was something that was in a way hard to give up, but I did in a curious way feel I had an unusual privilege as a minister of having quite a good death in terms of I knew when I was going, I was kind of prepared for it, I was able to do a farewell tour! Every year there's a speech to the judges,

that the lord chancellor has to make, and I put a lot of myself into that speech and set out what I really believed, and I think everybody in the room knew that was a farewell, that was a swan song, that was I think appreciated and definitely a highlight for me. I was able to throw a party for some of the people I'd worked with over the previous nine years. On the morning I left, I was able to do, which is very unusual, a farewell to the officials. It was a whole department gathering, because I'd announced beforehand that I was going to resign. Obviously it was very bittersweet and sad to leave government after nine years. But I felt I could leave government on my terms with my head up high and say goodbye to people. I'm conscious that when I've left other departments, when I left DWP, you get a phone call and that's it, you don't go back and so on and so forth, and so it was a privilege to be able to say goodbye to people that I'd worked with.

**CH: That's quite rare. Let's talk through the aftermath of it, because you went from being a cabinet member to becoming effectively quite a high-profile rebel joining some of your former colleagues on the backbenches, before losing the whip and then having to contest the general election as an independent – that was just a very short few months that you went through that period. What was that like?**

**DG:** I think one thing I would say about that period is that, I could see quite a lot of it coming, so, although it looks very compressed, I could see the risks that the Conservative Party would fracture and I would be on the wrong end of that fracturing. Long before, I can remember saying to a friend after Chequers and the response to Chequers and the resignations, so on, that I could see the party splitting. On one level, I was prepared for it, and I'd consistently been arguing the case against no deal for some time and remained convinced that I was right to be arguing that case.

Coming back to my departure, we were immediately into summer recess, so that's actually quite a good time to decompress, to look around and recognise what the landscape was, recognise where I was and where the direction the government was going. I think I shouldn't try to conceal this – I was bloody angry about where the country was going after the prorogation attempt. I was furious about that, which is not particularly temperamentally where I normally am, but I thought the government was behaving very, very badly, in terms of trying to close down parliament in that way, for essentially a parliamentary manoeuvre. I was more determined than ever that, when it came to the time to act and prevent no deal, which was what the Benn Act [of September 2019] was about, that I would do that. I recognised what the consequences were, I recognised that the whip was going to be withdrawn, I always hoped that the whip was going to be restored, but, you know, if that was the price that I was going to have to pay, I'd spent the summer steeling myself for paying whatever the price was.

**CH: On reflection, looking back, is there anything that you wish you'd done differently around a particular policy, anything that you think you got wrong?**

**DG:** I think there are tactical decisions that maybe one can always look at and I could have done this in a different way, and look, as a minister, you make hundreds of decisions. Probably in my time, I've made thousands of decisions and so, of course, some of them, I would have done a bit differently. I think when it comes to the big policy decisions, the direction I've tried to go in, whether it be in either of my roles in Treasury or in DWP or MoJ, no, I don't have big regrets about that. I think what I was trying to achieve in all of these cases were the right things to do and I stand by all of those.

**TP: What achievement are most proud of, from your time in office?**

**DG:** Shifting the debate on justice – I was proud of that. Then, of course, the challenge with shifting the debate is that it can always be shifted back again. To some extent to move away from saying prison is the answer to everything, my team made a lot of progress in moving the debate on. To some extent, some of that has been lost, but not entirely and I hope that in the future, further progress can be made on that. But I think that was an important achievement.

**TP: What advice would you give to a new minister on how to be most effective in office?**

**DG:** I think the advice I'd give – this isn't hugely original I know, but I think nonetheless it's very sound advice – is, work out pretty quickly, what it is that you want to achieve from your time in office. What are your priorities? Make sure that you use your time to focus on your priorities, that you pursue them vigorously, determinedly, and if you've got clear priorities make sure that they're properly communicated to the department so that they understand what you're about. Then bring people along with you. You know? It is about communication, it is about explanation, it is about building up those relationships. See the civil service as your allies, because in my view it is right that if you give them a clear sense of direction, show that you've sensibly thought out an approach, the civil service will help you deliver. So, see the civil service as allies in delivering your priorities.

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