

# Ministers reflect

Ed Balls

July 2016



## Ed Balls – biographical details

### Electoral History

2010-2015: Member of Parliament for Morley and Outwood

2005-2010: Member of Parliament for Normanton

### Parliamentary Career

2011-2015: Shadow Chancellor of the Exchequer

2010-2011: Shadow Home Secretary

May-Oct 2010: Shadow Secretary of State for Education

2007-2010: Secretary of State for Children, Schools and Families

2006-2007: Economic Secretary to the Treasury

*Ed Balls was interviewed by Peter Riddell and Nicola Hughes on 7<sup>th</sup> July 2016 for the Institute for Government's Ministers Reflect Project.*

**Peter Riddell (PR):** In a sense Gordon Brown and you were not prepared for office, not in a policy sense, but understanding how government worked, because neither of you had been in government. Gordon had observed it as a shadow but neither of you had been in government. Was there a sufficient preparation for understanding just how government worked? Not all the work you were doing on policy like Bank of England independence, welfare, utilities tax and everything – but just understanding how government worked?

**Ed Balls (EB):** I think that most of the learning I did about that happened from the first day we arrived. That's the honest answer. I had worked for three months in the Treasury, in the summer of 1989, while Nigel Lawson was the Chancellor. So I had a sort of sense of the Treasury in that time. But it changed quite a lot by the time we arrived, its hierarchies and quirks. And then when I was at the FT [Financial Times], obviously part of my job was to have contact with the Treasury. But that was as an external person. We didn't know when John Major was going to call the election and in probably the spring of '96, I had contact from Terry [Burns, then Permanent Secretary to the Treasury] to say that we should have a conversation about what we would talk to Gordon about when the formal meetings happened. In parallel, with his agreement, I also contacted Nigel Wicks. And Nigel, in his capacity as chair of the [European] Monetary Committee, as opposed to a Treasury civil servant, was happy to have conversations. And I think the reality is from the spring, early summer of '96, I went and saw Terry maybe once or twice a week, for two or three hours at a time. As that went on, more and more people came into the discussions. So before Christmas, in '96, I was having discussions with Terry and John Gieve and Paul Gray [senior officials] about the budget process, how we'd manage it.

I totally threw a spanner in the works by saying that, you know, did it make sense to stick with an April to April financial year or should we move to calendar years, which caused total consternation. So we were having quite intensive operational, logistical conversations, for six months to a year – and I was doing the same with Nigel, on the Monetary Committee side.

The other thing was that the Irish had the [EU] presidency in the second half of '96 and there was a meeting of the finance ministers, the left-of-centre finance ministers, every Sunday night. Gordon and I, or me and a junior minister, would go out to every one of those, so once a month. They would have a discussion about the issues and I would sit down next to the adviser to Rory Quinn [then Finance Minister], who would give me his full Ecofin [Economic and Financial Affairs Council] briefing and I spent, you know, like an hour and a half reading the Irish steering brief for the Ecofin chair.

So we did quite a lot of learning and thinking. But in reality, there's never enough. Gordon, I think, may have had one meeting with Terry [Burns]. Gordon was never going to engage, nor did Tony [Blair]. But I think Jonathan [Powell, then Chief of Staff to Tony Blair] and I, much more than anybody else, had those kind of intensity of conversations and ours were very operational.

**PR:** But did that apply to Alistair Darling, as Shadow Chief Secretary [to the Treasury]?

**EB:** No. Nobody. No. It was all about discussing – it was ostensibly discussing the agenda for the Gordon discussion and that was basically it. My memory is of there being some kind of Fabian [Society] organised event, pre-97.

**PR:** That's right, there was, yes.

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**EB:** Which was useful. And I think other ministers may have done that. But no, I don't think I really did anything other than government policy preparation for the final year. But that's not the same as the question you are asking.

**PR: Therefore, when you arrived, and also from the particular perch at the Treasury, what was your sense of how prepared the new Labour team of ministers were for the challenges of government?**

**EB:** I think, inevitably, very little. Because none of them had ever been anywhere near government before. But that was sort of understood. The thing I believe, and actually say in my book about preparations, is that the lesson people had learned from '79 [start of the Thatcher administration] was that you can know the personalities quite well, but you really – this is the Civil Service - you can know the personalities quite well, but you really have to understand the policy, the policy difference. You know, the big transitions of post-war history were '45, '64, '79, '97 and then, I guess, sort of 2010. The lesson from '79 was that they hadn't understood the policy change enough and therefore there was a lot of thought, by the machine, to think about what the policy change was going to be. In retrospect, much too much was thought about the policy change vis-à-vis the personal; and so we had more issues about style and method than we had about policy understanding and not enough focus was put onto that by the Treasury, certainly, at the time. Whereas if you were coming in as, say, the Shadow Chief Secretary or another junior minister, actually the machine really understood the policy context in which you were going to be working very well, in some ways too well. So I had these long conversations with Robert Culpin [then Managing Director, Budget and Public Finances] about the ordering of paragraphs in the manifesto, on the basis of this suggested hierarchy. And I would say to him, I just think that is the way it happened! Something totally different. But the 'method' things were more difficult in the early period.

**PR: I think Jonathan Powell partly went round in the summer of '97 saying 'Look, just don't over-interpret the manifesto.' It is put together for totally different reasons.**

**EB:** And Ed [Miliband, then special adviser to Gordon Brown] and I said something very early on and nine months later, he was down in Cardiff at some event at HMRC [HM Revenue and Customs] and saw on a notice board, as he went in, a quote from the two of us, from this policy discussion we had had with Inland Revenue officials in the first three weeks. And I think we realised 'Oh my gosh, these people took what we said really, really seriously!' [laughter] and nine months on, this is still up on the wall. I don't think the manifesto is written in that way, and people over-interpret it. Whereas on the other hand, you know, when we arrived, we had never, ever worked with email, ever. The Treasury had moved towards a more email-based system of communication, but that was totally new to us. So therefore in that sense, technologically, we were behind.

On the other hand, in terms of the press operation, the press office had the press office mobile phone, which got passed around from whoever was on duty. So if you were on duty that night, you took the office mobile phone home. And that was it. So we were in a world where we had pagers and mobile phones and everybody could be in contact with everybody all of the time – but not through email. And therefore the idea that there was a head of the Treasury Press, who was uncontactable from Friday till Monday, because she wasn't the duty press officer and he had the phone: this was just like a totally different realm from what we were used to. So in one way we were advanced, in another way we were behind. But all of that aspect – the method – was all learned from the first day. None of that was thought about or understood. The only conversation I had with Terry about method, pre-election day, was Gordon's preferred font size, because they knew he had a sight issue. And therefore I was given this whole bunch of different things to go and show him and he said 'I like that one.' And for ten years on, Arial 14 was what everything was done in! [laughter]

But other than that, how things worked between ministers and advisers in the machine was all learned from the first day. So that's that and over here there is policy and there was actually a big piece in the middle, which is process. I think on process we did a lot, I mean the way in which the policy process works, as opposed to the more personal style. So we had a long discussion, over months, about how we would handle the July budget: what sticking to the inherited total for the first two years would mean and how we would handle that vis-à-vis Health and Education and making allocations from the reserve and how the politics of that would work for the government, for the first few months. And that we were discussing six months before the election. So in that sense [we covered] the 'how' of policy, the same on the five [economic] tests, the same on the Ecofin process, the same around the Windfall Tax, very much with the Bank of England and all of those things, although they didn't really understand what we were going to do. But we were quite into those kinds of discussions.

**Nicola Hughes (NH): So you did the adviser role for some years before you became an MP and a minister. What did you take from being a special adviser into being a minister? How useful was that in preparation?**

**EB:** Well, I was quite an unusual special adviser. I totally learned the importance of process and the handling of process and the way to build coalitions and the use of communication within government. I learned all that through my time as an adviser. But it was unusual, because the relationship between me and both Gordon's private office and Jeremy [Heywood, then Principal Private Secretary to Tony Blair], was not like a normal adviser to principal private secretary relationship. Secondly, I think that I learned – and actually, I don't quite know how I knew this, but I knew this from the very first day – that the whole thing had to operate on the basis of mutual respect about roles in place. And so from the very beginning, in '97 – I mean, whenever these papers get published, there's not a single paper or note from me, ever, giving anybody any advice. I never, ever second-guessed the machine. There's no note from the machine and then a note from me to Gordon saying 'right about this' or 'wrong about this.' It was a very cooperative, interrogative, verbal relationship we had.

So I would just spend, as an adviser this is, hours in meetings where we would have an issue or a problem and we needed a solution. We would talk and we would work it out together and then, when everybody was happy, we would finish and that was the advice. I don't think the Treasury ever put any advice up to Gordon which I wasn't happy with, nor did I ever stop them doing anything or second-guess anything. It was just a very interactive process, where we all kind of came to understand what we wanted to do together and so I would just spend hours with Gus [O'Donnell, then a senior treasury official and Permanent Secretary 2002-05] or Dave Ramsden [then Chief Economic Adviser], the whole [decision whether to join the] Euro thing was done collectively.

So when I then went to become a minister, that's how I thought things were going to be. And it took time to get to that, because the mutual respect also becomes about trust and openness. I think, when I went into the new Children's' Department, which had previously been the Education Department, it was a very highly skilled department, very smart people. There were other departments where I think there was something of a quality issue – you didn't feel that at all there. But you also felt that they had been quite used to getting direction from outside, really. And that the secretary of state was often a conduit for direction for Number 10. Andrew Adonis had played that role a bit as well. And also there would be an alternative direction from the Treasury and linked to money. So the machine saw their job as managing and handling these external and sometimes contradictory instructions. Whereas, when I arrived, I just thought I am going to carry on doing what I have always done, which is 'Here's this problem, what are we going to do?' And when we have decided, we will tell them [No. 10, Treasury]. So it took me, I would say, a good couple of months, with all the senior people and the people in charge, of having long meetings, where I would say 'So, what are we going to do?' And they would say 'Well, what do you want us to do?' And I would say 'Well, no, no, no, this is the issue. What do you think we should do?' And the time it took to get to the point where it was absolutely fine to say what you think, because in the end we would all agree and then we would leave and then we would carry on; and nobody would come back

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afterwards and say 'You were right or you were wrong'. It took me some time to get to that. I definitely did it. But it took a bit of time, whereas in the Treasury, that was just how we always did things.

**PR: When you first became a minister, as a junior minister, what was the adjustment like there? Given that you knew the Treasury very well and then you come in, as Economic Secretary, after a gap of three years.**

**EB:** Yes, it was only two years. 2004 to 2006. Well, one of the things that I'd absolutely learned, you know, understanding process from the period 1997 to 2004, was you are either doing the job or you are not. And it is always really, really bad to be semi-detached. So I had a principle, which was I was never, ever going to be the Alan Walters figure [Chief Economic Adviser to Margaret Thatcher]. And that was true in 2006-07. And then in 2007-10. So Gordon's huge frustration was that I refused to become the second-guesser to Alistair Darling [then Chancellor] and similarly, in 2006-07 – of course I was on the inside of the Treasury but Mike Ellam [Treasury official, later Brown's spokesman] was running the Budget process, not me. And it wasn't my job to second guess him. If he wanted to come and talk to me about it, that was fine.

So I kind of got on and did my job and there was loads to do. But I think probably compared to previous people doing that job, one, I was more challenging about certain aspects. In retrospect, not nearly challenging enough. So, for example, I wrote a piece in the FT last summer about the wargame we did around the pre-financial crisis. And that was something – that was me pushing against, to understand how the system worked rather than accepting it.

The second thing was that I saw my job as about communication as well as about decisions. And so I just did lots and lots of speeches and when I arrived, the view from Tony and Gordon was [that] our relationship with the City and banks was bad and it had to be sorted out. And my job was to make it better. So in retrospect, the history is that New Labour was in hock to this big financial services industry, whereas actually the reality was, at the time the perception was the opposite – it was not very good and my job was to sort it out. How did I find the transition, though? I think in reality, by the time I had got to 2004, that was how I was doing my previous job and I just sort of picked it up and carried on. And you have particular dimensions which you have no training for at all, like Parliament.

**PR: I was going to say. How did you find it? You became an MP in 2005, then you, the following year, became a minister. How did you find the parliamentary aspect compared with when you'd been working for Gordon for so long, as chief adviser?**

**EB:** I, in 2005, did the first campaign press conference with Alan Milburn [then Cabinet Office Minister] and somebody else. Mainly, I think, Alan did a bit of gaming against Gordon and they all decided they wanted me there. So I was a candidate, doing a national press conference and there was then lots of speculation about whether Tony was going to appoint me to a government job in 2005, which I didn't want. I would have been the first person, since [Harold] Wilson, to have been appointed immediately. But given there was all that speculation, I was then in this weird, hybrid period, where there wasn't a lot of space to learn, because you were judged by slightly different standards. So I didn't have a long Parliamentary apprenticeship. And that's a bad thing. That's not, you know, Tony and Gordon had 14 years before they became government ministers, in their senior positions. But also, most of the '97 intake would have had years of practice, and I didn't. And then, you know, I had an extra dimension that I had a stammer, which I was trying to sort out. I didn't know that's what it was at the time. So that was a bit complicated as well. So, it was quite hard, is the truth. You get absolutely no training or support or anything for that. That is quite hard. I think, going into government in '97, there was a lot of understanding and mutual learning – we helped each other to learn. Whereas once you become a MP, especially if you are high profile, nobody is there to help you. In fact they are probably just waiting for you to mess up.



**PR: I was going to say, they are actually waiting for you to trip up, aren't they?**

**EB:** So that was quite tough, that was hard. Doing Question Time...

**PR: When you became a Treasury minister, did officials treat you differently from when you had been an adviser? Was there a sense of 'Oh, now he is back'?**

**EB:** I think, the thing is, I had been there for a long time and I knew everybody and I would say that my relationships were genuinely open and warm and strong and I was seen to be a Treasury person who delivered. So therefore there was no hostility or scepticism. I felt as though it took up where it left off. And it is a little bit more formal, there's a little bit more, kind of, ministerial deference. But I didn't really want it to be like that. So nobody called me 'minister' or anything like that, I just carried on being very meetings-based. And what happened was that people wanted to go back to the old days. I mean, in the old days, it became quickly very clear, in the Treasury after '97, that if you wanted to get things done, then having a meeting with me and Ed and working it through together, in that sort of very verbal way and thinking it through and then working out the strategy, was the way in which you got things done. So when I was back again as a junior Treasury minister, I had lots and lots of people wanting meetings. I mean, actually very much stretching my responsibilities, because they were used to doing it that way and they liked it.

**NH: What about when you then went over to Education and were having to deal with the Treasury as the Secretary of State there, having been on the inside – how did you find that? Because the Treasury can look very different from inside versus out?**

**EB:** Well, I had inherited the results of the 2007 spending review. One thing, for example, I had done when I was a Treasury minister in 2005-06 was a big process around parliamentary hearings for children with disabilities. And I then did a report called 'Aiming High' for disabled children when I was the Treasury minister and I made sure that we had got a really quite good settlement, so I then got on and spent it! I think the reality was that I didn't go in to a difficult relationship with the Treasury in a negotiation, I went in to pick up the outcome, what was quite a good outcome for the department, and we got on and did things.

In the early period, I had much more issues with Number 10 wanting to be cautious about things. You know, me and Andrew [Adonis] had a plan – we, I think, politically stabilised the academy position. But Number 10 were very antsy about anything which looked like it was a change from the past.

I didn't have any Treasury problems at all, in that period. As the three years went on, the spending review was put back and I had dealings with the Treasury on particular policy issues, from pre-pandemic planning or the funding of apprenticeships. But these were all second order and throughout a lot of that period, I think once Yvette [Cooper, Balls' wife] was the Chief Secretary [to the Treasury], I left all that to Jim [Knight, then Schools Minister]. It was better for my number two to deal with the Treasury.

Then when we got to the final spending review. By that point I had managed to persuade the person who was the Treasury Head of Education, throughout all the time, pretty much all the time we were there, in '97-2004, I can't remember exactly what her dates were – a woman called Jo-Anne Daniels. She had been a Treasury head of education, a Treasury civil servant. She had then gone off to work for one of the education bodies and I then got her back to come in and be one of my advisers. So, for the spending review in 2009, we had this fabulous poacher turned gamekeeper, who just knew everything about the Treasury – how they thought about education, how they would do the negotiation. So part of the reason we had a good settlement, in 2009, was just that she did a really, really good job. The thing with the Treasury is that you have to talk to them in a language they understand. There has to be mutual respect, they have got to know you are serious. When you establish your negotiating parameters, they have got to know that you mean what you say and it's robust. You know, I always had the ability to go to the Prime

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Minister, if I needed. Which I didn't really do until the end. But they always knew that and we also had somebody who was really good, on our side, who knew them. So the reality is, it was a smooth and mutually respecting process, because they knew we weren't one of the ones they had to sort out, because we knew what we were doing. And she did brilliantly for us, Jo-Anne Daniels.

### **NH: In becoming Secretary of State, you obviously had more responsibility – did it feel like a different role from being a Treasury Minister?**

**EB:** Oh, it's massively different. But it's always very hard to abstract from the particular. I wasn't the Education Secretary, I was doing the Children, Schools and Families job, where we were establishing a whole new way of delivering collaborative policy around children. We had designed this when we were at the Treasury, in that period 2006-07, so when I say people wanted to come and have meetings, I had lots of meetings with the Treasury about how we would make the Education Department a Children's Department, because that was something Nick Pearce was very keen on as well, and Gavin Kelly [both former advisers] as well as others in the Treasury machine, not knowing it was going to be me. So I had joint responsibility with Jacqui Smith, Home Secretary, for Youth Justice. Jack Straw [then at Justice] for Youth Offending, all the way through to DCMS [Department for Culture, Media and Sport] for children's play and it would have been at that time Alan Johnson for children's health. So as well as stepping into being a Cabinet minister, I was also stepping in with these kind of dual key collaborative relationships, which had never happened before. So the question [was] what did it actually mean for us to have joint responsibility? And we had some resistance, but we also basically had bigger pockets. So therefore we could smooth our way, we could help them deliver outcomes, because we had some more resource. But the quid pro quo was we had to make it a genuine partnership. So it's quite hard for me, in my mind, to separate – you know, there was becoming a Cabinet minister anyway, but also becoming a Cabinet minister when we had this much wider brief.

### **PR: How adaptive were officials to that? Because after all, you changed the structure of the department, because the higher education stuff had gone off to the new and short lived DIUS [Department for Innovation, Universities and Skills] and all that. So for a lot of these officials, they must have felt 'Well, hold on, he is totally changing the department we have known and loved.'**

**EB:** I think that there was some of that. I mean one of the first things that I talked about, the first announcement I made in the first week or so, was something the department had been working up for ages about children's happiness and circle time and the way in which we were going to support primary school kids – thinking about child wellbeing. So if you were on the schools side, they weren't quite sure what it was going to mean, because was I going to ditch the Academies Programme, what did it mean for schools to worry about child wellbeing? And that was one directorate. For the people who did 16 to 19, was this going to be empowering or was it going to be destabilising – they were the guys now, in the department, for 16 to 19, but how about the link with higher education and further education? So that was a question, there. But for the third aspect around the department, which was the broader kind of child wellbeing, which was all the way through, safeguarding and everything else, it was hugely liberating and that part of it was very much expanded. We brought people in, we had staff transfer from other departments and so for those people, it was a massive opportunity.

To give you an example of this – Bev[erley] Hughes had been Children's Minister, previously, in the Education Department in which it had been very hard to have any proper purchase on the broader child wellbeing things. Suddenly, she is a Children's Minister in this new department, where I say we have got joint responsibility with Justice for Youth Offending, and therefore they can't make any decisions without agreement with us. And we started doing unannounced visits to youth offending institutions. Sometimes we would arrange them, sometimes we just turned up and it had never been possible [before]. So there had been a children's wellbeing department in Education which didn't have quite enough leverage and suddenly we totally empowered that. And the same on children's health – we got



child health into the operating framework of the NHS, because this was about joint responsibility. And so I think actually it was quite empowering.

**PR: Well, that leads onto what was your main achievement then, do you think in your three years at Education and how did you achieve it?**

**EB:** Well, we raised the education leaving age to 18, which was something I inherited and delivered. And in a difficult time, financially, we tried to make sure that those sort of guarantees for 16 and 17 year olds were real. But that was hard, in the context of the climate at the time. We moved to a zero-tolerance approach to school under-performance, through National Challenge and I think got the Academies Programme into the right place, but of course all that, they were then just changed radically by Michael Gove [Balls' Conservative successor], so you can't really see it. So that's sort of frustrating. I think we, in the context of Baby P, prevented a complete meltdown in children's social services and safeguarding, but that's less of an achievement and more of, sort of, preventing a disaster. Then, at the end of our three years, the Children's Department went back to being the Education Department. So you end up being frustrated that we didn't manage, and maybe it was just inevitable with Michael Gove, we didn't manage to establish a consensus in national government about this broader approach to children rather than education. It's interesting that Michael Gove's launch speech last week [for the Conservative leadership] said that his central thing was 'to make Britain the best place for children to grow up', which was our slogan, which he dismissed as being too broad!

However, I think that what we did do – and we didn't start this, because it started in 2004. But even though, at the national level, the sort of Children's Department, Children's Plan stuff ended up being dismantled, at the level below that, in terms of the real practice of what happened in the country, I think we did manage to make it a change around culture. So to give a good example, for us child safeguarding was a really important thing. It was something which had been an add-on to the previous department, but it was central to our mission. We wanted to be judged by it, so we wanted and insisted on a PSA [Public Service Agreement] target. But the question was how did you have a way in which you could measure safeguarding in a way which would make sense and drive behaviour. We came up with the idea that you would measure children presented to A&E's through non-accidental injuries – data which had never been collected before. And we drove that really hard, and you found out there were some parts of the country where you just had much higher numbers of children coming to A&E with non-accidental injuries [than] in other parts of the country, and that then changed the way in which people thought about preventative safeguarding and social work. And my point is that, in the business I have done with schools since, when you talk to me about the Rose Review of the curriculum or of safeguarding or thinking about dyslexia – I was at an event last week and saw somebody who is big in the dyslexia world, the stuff we did around the Rose Review on dyslexia, which was outside the mainstream of school thinking and was put into the mainstream – in the end, all those things worked and are still there and I guess my answer to the question is that on the big strategy of making government think about the child first, we failed because Michael Gove ripped that up. But the individual things which we did, across a range of different areas, we did enough to cement that they are still there, despite that.

**PR: What about the levers, what levers did you have? Because the people that actually do a lot of that, by definition, are in schools, in social services department, etcetera...**

**EB:** Well, Jim Knight was the Schools' Minister. And then he went off to Work and Pensions. He was the Employment Minister. And I remember having a conversation with him about this, while we were still in government, about how different it was. Because when he went to be Employment Minister, and he had whatever it would be, 130 job centres around the country, and if you, in that world, if you said 'This is our strategy around the interview process' or the offer of a particular training thing, you said it and then it was the broader machine's job to do it. Everyone is delivery. And actually the NHS has always been quite like that. People respond to central [direction]. Whereas the thing about the education world and the wider children's world is they were the total opposite. I mean – independent of the law, they saw

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themselves as autonomous bodies who delivered their responsibilities to their governors and to the children and to parents. So I think what I learned was that in the end, the levers we had were hearts and minds. So I tried really hard to get the NUT [National Union of Teachers] back into the partnership of trade unions and the employers. I would go to every teachers conference, every head teachers conference, I did loads and loads of – you know, 3500 head teachers. Every time you had a chance to stand in front of them and say ‘This is our mission, it’s the same as yours, here is how we are trying to do it, this is what we need you to do’ – I think that I saw this as much more about sort of persuasion and moral imperative and that sort of leadership. That was our biggest lever.

And then the second thing you have is you get quite a big budget. And so therefore you had resource. So something like, we did some good stuff around youth crime, which was me, Jacqui [Smith] and Jack Straw, around preventative stuff you can do through Safer Schools Partnerships, which was police and schools, or the sweeps of kids who are out on the streets at nine at night, which required police and social services to work together. In passing I did an event with Alan Johnson and also with Jacqui, where we had, for example, the BCU [Basic Command Unit] commanders and directors of children services from all around the country come to a big event with us, where we said ‘We want you to work together and here is why.’ And we were doing the same with health and children’s centres. So there is a lot of attempting to build a kind of moral imperative for partnership, but the other thing which we had was money. So we could say ‘And we will also inject some resource in to make this possible.’ So if you are going to do a safer schools partnership, you need to work out how, as a governing body, you will do that with the local police. But there is going to be some resource, and so you can help by also paying half the salary for the police officer who is working the school. So there is no doubt that in terms of delivery on the ground, I think the money was a subsidiary, but at the national level, it definitely helped. Because, you know, Jack Straw was always under pressure financially and I could say ‘Well, I can help – but here is how we are going to have to do it.’ And I think Jacqui was always really into doing that. So for us, it was not about instruction, because that didn’t really work for us. It was about moral persuasion and then resource.

I guess the third element for us was if you have a very devolved system, the other thing which makes a difference is the accountability process. So National Challenge – I mean the schools saw it as naming and shaming; we thought of it as establishing a benchmark which everybody had to get to, but we would provide you with resource to make it happen. So we used the accountability framework as well, and the same obviously with children’s social services as well. So my levers were moral persuasion, the accountability regime and a bit of resource to smooth the way. But telling people to do it was not going to work, in my area, in the way that it does in other departments.

**NH: We are also interested in how ministers handle sudden external crises and I suppose the obvious one, in your case, was Baby P, but you did have others. What did you see, in those sorts of situations, as the role of the minister in coordinating a response?**

**EB:** I think the reality is you learn to handle external crises by handling external crises. And I had a few and I did have the advantage of having been around for quite a few of them. We had quite a few after ’97 as well. The first one I had, actually, was not Baby P. The first one was the failure to mark SATs tests, which was actually, within the world of education and children and parents, was a massive big deal. And we made a mistake on that – I made a mistake on that personally – which was that there are three things that you need to do. You have to be clear about what’s happening and know it. You have to be clear about how you are going to manage accountability and responsibility, but you also have to show grip. The three things can contradict each other, or there are tensions between them.

In the case of SATs testing, we didn’t fully know what was happening and we thought this was a failure to manage the process from whatever it was called, the Curriculum Agency.... shows you how it is a few years ago! Ofqual!

I should have gone out, on the very first day, and said ‘We are gripping the situation and we are discovering what’s happening and we are asking these difficult questions.’ And because I didn’t know what was going on and I thought these guys are screwing it up and I said to them ‘You have got to go out and explain what is going on.’ And that was a big mistake on my part. If you go out and say, you know, ‘I don’t know what is going on, but I am going to tell you I know all about it anyway and I’m in charge’, then that’s quite bad as well. So I definitely learned from that one.

Then when it came to the Baby P one, I think we had thought really hard, in advance, because we had quite a lot of warning about the court case and so we, Bev [Hughes] and I, spent a lot of time in the previous week, working out how we were going to handle this, which was a grip thing. This one was complicated, because our problem was the disaster was happening in Haringey, which was where the [Victoria] Climbié [case had happened], but we didn’t think we could deal with another blighting review of social work practice across the country. It would have been catastrophic. So we had set up this whole process where Lord Laming, who had done the original Climbié Inquiry, we had agreed that he would come back and do an assessment of his reforms: where they were being implemented across the country, lessons learned. And we thought we would be able to say that it is clear, in this case, that they have not done things in a Laming way but Laming is going to come and look at it – so it wasn’t like a public inquiry. And then David Cameron [then Leader of the Opposition] massively politicised it at PMQs [Prime Minister’s Questions] in a way we hadn’t. We thought we were handling this, and then he just totally went for it with an article in the Standard – ‘Broken Society’. And he had a piece of information which, stupidly, we hadn’t known, which was [that] the Director of Children’s Services had chaired her own serious case review. We didn’t know why, in detail, this had happened in Haringey suddenly, especially because she had chaired the case review. We were absolutely clear, we didn’t run social services in Haringey anyway, but I wasn’t going to be behind the curve on grip again. So therefore we came back at two, we said ‘We’ve got to understand what has happened and we have got to establish accountability, therefore we will use an emergency power to commission an immediate cross-agency review’, which Ofsted [Office for Standards in Education, Children's Services and Skills] lead. So I could say, from that moment on, ‘We are finding out what has happened, we are not rushing to judgement. David Cameron may pay for blood, but we are going to do this properly.’ But we went from realising we needed to do that, at 1:30, to announcing it at 5:00. And we sorted out everything in three hours, so that before we got to 18:00, we had grip. And we had gripped with a process which gave us the space to learn and establish accountability and I think one of the things I absolutely learned is that it’s good to take the time to find out what’s really going on and establish the accountability, but you can only do that if you are seen to grip.

A really good example of this, in a totally different realm, is in the wargame which we had done, around the financial crisis in the end of 2006. Kind of ironically, the wargame which we had established was a northern building society [laughter] which was going to get into trouble with an ECJ [European Court of Justice] ruling. There is a clearing bank exposed and it ends up with me and Mervyn King [then Governor of the Bank of England] and Callum McCarthy [then non-executive board member of HM Treasury] having a two or three hour meeting, working out what to do, in which Mervyn is sort of playing a moral hazard card and I am saying ‘Look, I am really sorry, we are gripping this before the six o’ clock news.’ And then when it came to the actual Northern Rock crisis, they found out that [Robert] Peston [journalist] had this story and they basically, they didn’t respond. And they sat back until Alistair [Darling] went on the Today Program the next morning, at ten past eight, by which point they were already behind the story and you don’t know what’s going on, and you don’t know what the solution is. You don’t know why it has happened but if you have not got grip, then you are always running to catch up. I think the one thing which we absolutely did, on Baby P, the moment we realised the nature of the crisis it was about to become, we never ever lost control. And it was quite hard, because there were times when suddenly you have these whistle blower social workers blowing whistles about Ofsted and they had given a paper-based clean bill of health. So there were times where, you know, ‘How the hell do we handle this one? Why has this happened? Why didn’t we know?’ But if you have established grip that can buy you space to establish knowledge and accountability. I think that’s the thing I learned most. And

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therefore when we had other problems which came along, that's how I thought about it. Does that make sense?

**NH: It does, yes. What did you find frustrating about being minister, if anything?**

**EB:** Well, it's always easier to be a minister at the beginning of a government. And so I was at the Treasury. In '97, you know, we were able to shape the narrative and by the time I was a secretary of state, and after the 'election which wasn't called', we were always the government on the back foot of the narrative. And there was this massive financial crisis going on, so the extent of the headwinds around you, making it hard for you to prosecute your policy agenda and narrative, is just frustrating. But that's a broader political reality rather than anything to do with, particularly, the job I was doing. I think I would have been frustrated if I was still back at the Treasury, on that basis.

The second thing is the PMQs process and the need to have answers which Number 10 think will work for them on that day and the effort it takes to push back and prevent them saying things which are actually going to be, in the medium term, unhelpful. I mean, maybe that's just the nature of our government and maybe that is just the nature of accountability. But that is definitely a debilitating process, when times are hard and I think, you know, related to that, it was a frustration for me that I had gone from having a close, regular, trusted communication relationship with the Prime Minister, before he became Prime Minister, to attempting to do that but actually at more distance, with him also being the Prime Minister. And most of the time I would talk to Gordon, it would be in the back of armoured cars and that is just not a good place to have a proper conversation. That was frustrating.

What else? I think in the end, I suppose the only things which really matter, the only things that really last, that have long term impact, are the things which become consensual. But at the time, when things are announced or driven through, they probably aren't consensual. But it's the things which become consensual which are the things which really matter. So therefore I didn't really mind the fact that the Tories voted against Bank of England independence in 1998, it was quite helpful to us in the short term. But the reality was it became part of the consensus and in a sense, I now look at Andrew Adonis chairing this commission on infrastructure [National Infrastructure Commission] and think 'Well, actually that's one of the big things I have done, because it has become part of the consensus, even if I was out by the time it happened.'

So I think the biggest frustration is where you sort of feel as though, 'OK, it's fine to have a bit of a disagreement, but actually we should have some consensus here.' I have found I would love to have been able to separate the things which we can disagree on from the things which we can be consensual about across parties. And Michael Gove was just the furthest away of any politician you could ever imagine in terms of thinking about consensus. He just couldn't do it. So therefore he basically had to disagree on everything. So my frustration was I don't really mind him disagreeing on some things, but actually you are talking about kids' lives here and their schools and why can't we agree on some stuff? And I would reach out to him and try and have that kind of relationship, but it just wasn't possible.

**PR: Although, as you say, a lot of the detailed things have survived.**

**EB:** Well, actually, yes, that's true. But that's because in the end, secretaries of state can't issue instructions. If you can win hearts and minds, that ends up lasting longer than the particular injunction.

**PR: Just finally, what advice would you give to a new minister?**

**EB:** Well, I think my advice to a new minister would be that the relationships you have with the permanent secretary and your most senior officials are hugely important and establishing a relationship of openness and trust and honesty and collective purpose and that the people you bring in from the outside, on the media side and also on the policy side, are hugely important if they see their role as establishing and making that process of mutual purpose and commitment real and strong. I think that's



what I managed to do at the Treasury and that's what everybody I brought in did for me in the department. Allowing a separation of communication or purpose or a lack of mutual respect ends up being disempowering for the minister and very divisive. And within that, if you think somebody is not good enough or you want a change, you make a change. You don't have to put up with – if you think the person who is in charge of a key thing isn't good enough, I mean I would, you know, I had a sufficiently strong relationship with David Bell [then Permanent Secretary at the Department for Education], but I could say to him, and he could say to me, 'We need to make a change here.' And I would say 'You are totally right', or I would say 'This isn't working, so will you sort it out?' So you don't have to take the status quo, but it has got to have that common purpose.

Then, the second thing is that people in politics can often think that because the media is your mediator, those are the most important relationships. And they are very important. We had a total on the record culture, where we would bring everybody in, no exclusive briefing, no off-the-record briefing and we did everything openly and it actually worked quite well for us, it may not always work, but it did for me.

But on the first day, when I became secretary of state, my first calls were to non-media stakeholders, about purpose. All the head teachers' leaders, schools leaders, some key directors of children's services about what we were doing. We announced, in the first few weeks, that we were going to do a children's plan in the December and we used that six months to build a big collective, in the wider community sense of purpose and what we were doing together. And I would see them, and I think if you can establish those kind of relationships... another way to say it is this: when I was at the Treasury, we had lots of dealings with the international development NGOs and a lot of dealings with the environmental NGOs. The international development NGOs, you could talk 'Where we were trying to get to and why we were doing it' and they would always want to be a little bit further ahead than us. And we would say 'That's fine, if you create space for us, then we will move into it.' And we would ring them up and say 'Isn't it that time of year when you normally surround the Treasury with a demonstration? Because it would really help us. We need one of those just about now!' And we would ring up our international partners and say 'Look, we are surrounded again, we are going to have to do something at these meetings.' Whereas on the environmental side, they were very competitive with each other, the NGOs. They were very sceptical about government. They found it very hard to support and push and therefore, we were doing the Climate Change Levy, and every time we were trying to persuade them to open up space, they would sort of suck it away in a sort of 'These guys, they're all... You know, I would have Tony Blair and Gordon Brown say to me 'You do this energy tax, this Climate Change Levy, but business hates it and Labour MPs hate it and the NGOs don't like it either. Why are we doing it?' And I would say 'Well, I know, it is kind of frustrating, really.' Why can't you open us some space? And we would have meetings with them, which we only started two years in, where we would get the environmental NGOs around the table and say 'Look, it's fine to beat us up. But can you beat us up in a way which allows you to advance your agenda, rather than kill us off?'

So I think the way I saw those external relationships was about, you know, persuading people that we had a common agenda and they could help open up the space for us to move into and they could do that sometimes by endorsing us, or sometimes working with us, or sometimes criticising us, but actually, you know, if you are a secretary of state with a policy agenda, you need space to move into. Actually sometimes, if you've got a big majority you have just won, sometimes you could just walk into any space you want. But the longer the government goes on, and especially if you have got the number one on the agenda, then you need other people to help you with that process. And I think that those calls, in the first day and the first weeks and taking the time to establish your purpose, so that other people can see they are part of it. Even after three and a half years, the group we establish of all the sort of senior children's people, in the first month, they were still coming to meet every three months – 'How are you doing, we really like this, you should do more of that.' They became great advocates for us, on the outside, because they were invested in what we were trying to do and so I think, you know, don't see this as something where you have to think inwards or that your most important relationships are Parliament or media or

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Number 10. Actually, you've got to go out to the outside world and make them part of your mission. That is the advice I would give to a new minister.



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