

# Ministers Reflect

## Greg Clark



27 February 2020

# Biographical details

## Parliamentary history

2005 – present: Conservative MP for Tunbridge Wells

## Government career

2016–19: Secretary of state for business, energy and industrial strategy

2015–16: Secretary of state for communities and local government

2014–15: Minister of state for universities, science and cities

2013–14: Minister of state for cities and constitution

2012–13: Financial secretary to the Treasury

2010–12: Minister of state for decentralisation

**Greg Clark was interviewed by Tim Durrant and Dr Catherine Haddon on 27 February 2020 for the Institute for Government’s Ministers Reflect project. The interview took place remotely due to the Covid-19 pandemic.**

Greg Clark talks about devolving power from Westminster, working with business after the EU referendum and having the Conservative whip removed and restored within months.

**Tim Durrant (TD):** Can we start by talking about when you first entered government as minister for decentralisation after the 2010 election? What was the first day like, what was the conversation you had with the prime minister?

**Greg Clark (GC):** It was a moment of disappointment for me, because I had been in the shadow cabinet as the shadow energy and climate change secretary of state. During all of the coalition negotiations, the shadow cabinet was meeting pretty intensively in David Cameron’s office. I was very much in favour of the coalition being formed and us going into government. Then to find that the post that I had was one that was requested by the Liberal Democrats, and perfectly reasonably, Cameron agreed to it, meant that it was a kind of excitement of being in government that was tinged with disappointment that I wasn’t doing in government that job that I’d shadowed. I think it was for over two years, I was quite immersed in it and had a great ambition and enthusiasm to do the things that we’d be planning in opposition. It was, I suppose, a bittersweet experience. But on the other hand, when I was rung up by my new private secretary and I was coming into the department... When I spoke to Cameron, he said you’ve written a book about it, called *Total Politics: the Drivers of Centralisation*, and he said he wanted it to be a theme of the government to decentralise and I’d do it. So very quickly, in fact immediately, I could see what an exciting opportunity it was.

**TD:** Did he have particular priorities he wanted you to focus on, or give you any guidance on what he wanted you to be doing?

**GC:** My experience of David Cameron is, for better or worse – I don’t know if whether this is just me or everyone – our relationship was to ‘do it your way, to think it through’. I guess with my background, my heritage in the party, I’d been director of policy for the party in opposition, and I suppose was kind of associated with developing new policies. This is for him to say, but it’s possible that one of the things that he wanted, that commended myself to him, was the key ability to think about policies. But I remember, going right back to when I was appointed to the shadow cabinet, we had a chat in his office – the Department of Energy and Climate Change (DECC) had just been created and then obviously there was a new secretary of state, and we’d had quite a wide-ranging friendly discussion and I realised that what we hadn’t discussed was how he wanted me to interpret the role, what the priorities and things were. So I turned back and said “David,

we haven't talked about this, you know, how do you want me to do the role?" and he just looked up and said, I won't use the full expression but, "don't screw up" was his advice. What I intuited in terms of the decentralisation role was that he wanted me to develop for the government an agenda of decentralisation.

**TD: What was it like working with the department on that? How was the civil service geared up to deliver that agenda?**

**GC:** First of all, of course this was a new thing for the department. It had a housing minister and a planning minister and a local government minister, and so I do remember that at first there was a degree of confusion as to what this [role] meant. The permanent secretary at the time said "well, I think this is probably the local government minister post," and so we had to clarify that, actually, what was intended was not just slotting into one of the existing posts, but that it was a new post to be created. The housing minister, the permanent secretary and very quickly, the very good and capable civil service team spotted what was needed and gave me a choice of some colleagues, a civil service team to work with. There was a very good man called Tom Walker, who was one of a number that was offered to me and he was a deputy director at the time, and so he led a team working out what this agenda was to be and how we were to do it.

**TD: Did other ministers buy into it as well, within the department and across government?**

**GC:** I think it was fair to say that people didn't really know what was meant by it. But what we did – and actually I quite enjoy things like that, developing a new agenda, and actually now we have this great theme of the new government of 'levelling up' and the importance of towns. This came from that essential analysis that for most of the last 100 years, Britain had become more and more centralised. The IfG has been an ally in exposing a lot of this, and organisations like the Centre of Cities as well. [We felt] that we needed to revive the sense of place and potential of cities versus towns across the country – what I did was to spend the first few months travelling around meeting city leaders.

We did a piece of work on how centralised the country was: I went to meet the leaders of the main cities and developed a proposal which became the city deals [on local devolution]. Liverpool was the first, and Manchester followed, which was in essence to allow things to be done differently and to devolve certain budgets there in a way that didn't happen nationally. The rubric that I got the cabinet to endorse was that there should be licensed exceptions to national policy, so you could do things differently in Greater Manchester and Liverpool. So we did that, and that cities agenda became, I think, quite well known, and it advanced and the cities are now really motoring and that became the development of the mayoral agenda. The Liverpool city deal that I struck with the city of Liverpool, Joe Anderson was the leader [of the council] of the time, was to create a

mayorality in Liverpool. Then that became the mayoral agenda and then the combined authority agenda that we have at the moment.

**Catherine Haddon (CH): It's still a big agenda for the government now – do you think that you could have gone further at that time? Did you hit any walls in terms of how much decentralisation people were willing to put up with?**

**GC:** Yes, one thing worked, and one thing was a constraint. The thing that worked, which I'm so pleased that I was able to do, was to have agreement in advance that I could propose to the cabinet – I wasn't a cabinet minister at the time, but I could propose to the cabinet – a deal, a set of policy measures, for particular cities that would have to be scrutinised. There was a committee of the cabinet established that would consider proposals for city deals, and it had all of the key domestic ministers on there. But, the condition that I established in advance was that they could be rejected, argued against, on the grounds that the ideas didn't fly, that they weren't going to work, were not well thought out, or there was not sufficient match from the locality or whatever. But the one thing that could not be deployed as a card against it, was that "this is not consistent with national policy." And that proved absolutely decisive, because for the most part, the ideas were good and sound. In Liverpool, it was regeneration of a lot of the dockland areas, and the creation of the mayorality, and so that worked well. Otherwise that would have been the end of it, because the first attempt was always to say well, from the DWP or whatever, saying "well, I'm afraid this doesn't fit with national policy", and I was able to say "well, that's ruled out, you can't say that." So I successfully avoided that objection.

What proved difficult was the creation of the mayors and the reason for that was that the Liberal Democrats were very strongly opposed to the creation of mayors, and we had a great head-to-head over the creation of the mayor of Liverpool, which was proposed by Liverpool. Liverpool said this is what we want, we think that to have the profile and the national clout, obviously London had a mayor, we think we should have a mayor. Joe Anderson at the time was – and still is – the mayor of the city of Liverpool. When he'd been to what was then the World Expo in Shanghai as leader of the local city council, he said he was struck by the number of conversations that he had, with people saying "what a shame that the mayor of Liverpool hasn't come," and he said "well, I'm the leader of Liverpool and it's the same as the mayor," and they would say "yes, but it's a great shame that mayor hasn't come." What he said was that by the end of the week that he was there, he was introducing himself as the mayor of Liverpool, because it made matters easier. But the Liberals were very opposed to it and although I had a very good relationship with [Nick Clegg](#), and the Liberal Democrats generally, this was, I think because of their local government base of views, a real issue of theological importance. I eventually prevailed and it was a huge struggle to get the coalition to allow the mayor of Liverpool to be created.

But then to create more, they insisted on this referendum happening, and most of the referendums went against, apart from Bristol. The reason for that, was that we were not

able, because of a Liberal Democrat veto, to offer anything to a city if they had a mayor compared to if they didn't. Now, if you take my view that having a mayor gives greater potential and visibility of leadership and direct accountability, I think you should want to devolve more powers to them. But we weren't able to, so it was an almost impossible proposition to put to a city, where you can create a mayor but actually there will be no real dividend to you from doing that. It took until later in the life of that government when George Osborne [then chancellor of the exchequer] became interested, largely because of what we'd done in Liverpool and then in Greater Manchester, and saw the potential of this and he got behind it and then created the mayors across the country on a metro mayor basis.

**TD: One of the things you dealt with in that role was planning policy reform. Can you tell us what it was like dealing with such a politically sensitive issue?**

**GC:** Well, it was a hugely sensitive issue. It was tied into the decentralisation agenda because one of the big manifesto commitments that had been given was to scrap the top-down targets that the previous government, the Labour government, had imposed. They were a product of John Prescott's [deputy prime minister 1997–2007] time in office and they were bitterly resented by certainly a lot of Conservatives across the country, and most significantly they had proved to be ineffective. The level of planning permissions granted and housebuilding had stalled. And thinking of my analysis of decentralisation, one of the observations I made was that when you try to impose from above – in this case, there were literally housing numbers being handed down to each local authority from Whitehall – my observation was that when you do that, then actually the British people are fairly bolshie and find ways to frustrate it, and are actually mobilised to frustrate it. And that's exactly what happened. So these housing targets existed purely on paper. They didn't result in homes built.

Whereas the thought behind the localist approach, the decentralised approach, was that if you removed that imposition, and gave the responsibility, but also the requirement, for people to make these decisions locally, then they were less likely to resist it and you were more likely to see more planning permissions granted and homes built. So that's what we did, and they were the philosophical and political roots of it. But I hadn't had this portfolio in opposition, so the policy commitment had been entered into without my having designed it – I'd been the shadow energy and climate change secretary. But it was my responsibility to deliver. And I thought we needed to do it in quite a radical way, rather than in an incremental way.

So what I did was to do something that actually I had first done when I was the shadow spokesman for energy and climate change, which was to get a small group of people together who represented the different points of view, this time on planning, and challenge them to see if they could produce something that was radical and could achieve agreement across all of their different viewpoints. So I set up a group that we called 'the practitioners group', which consisted of someone from local government, Gary Porter,

now Lord Porter, who was a builder by background but was the spokesman on the Local Government Association; a planning practitioner called John Rhodes, who ran a planning consultancy; there was a housebuilder, Peter Andrew from Taylor Wimpey; and an environmentalist, Simon Marsh from the RSPB. And they were supported by a brilliant official who I made the case to have seconded to me from the Cabinet Office (knowing that the whole of government would have an interest in this), a woman called Miatta Fahnbulleh, who now runs the New Economics Foundation.

And the challenge that I set them was this. Planning policy had grown to be thousands of pages long, literally. And I thought that was a symptom as well as a cause of the fact that it had essentially ground to a halt. And my hypothesis was that it was possible to capture planning policy in a document that was accessible to the public and to all local councils and wasn't the preserve simply of lawyers and specialists. So I set them a target, that they had to take these, I think it was 1,500 pages, of planning policy in the planning policy statements, the planning policy guidance notes, and various other things... and I set them the impossible task of producing a document, agreed between them all, of 50 pages. And they worked away, with Miatta providing a kind of facilitation and secretariat function to them, and they succeeded. They produced a draft that they agreed, and we published it in July 2011. And it did what I'd intended – it was a very short, very accessible document.

During this time, there was a great deal of scepticism in the department – not hostility, I had an excellent relationship with my planning officials – but they were so alarmed that this couldn't possibly succeed, and that it was such an important manifesto commitment, that to spend the best part of a year on this and then come up with nothing would be a disaster for the department, for me, and for the country. So the compromise was that there was an official review of planning policy that proceeded on a more incremental basis, revising the *acquis*, if I can call it that. And this proceeded in parallel as a kind of safety net in case the advisory group fell at any of the many hurdles.

But to the great surprise of the official machine, the document did pass muster, it was produced. It was consulted on but a mistake that was made, I think, was that it was such a *coup de théâtre*, it was so unexpected that these thousands of pages could be distilled into fifty, that it was such a shock to the system, and so all hell broke loose when it was first published. And some positions were struck that, I contend, did not reflect a close reading of the document and its proposals, but really were astonishment and projection onto the document that something that was taking a scythe to cherished and accumulated policy must be a barbaric act.

So during that summer, there was a huge debate that had the National Trust notably, the CPRE [formerly the Campaign for the Protection of Rural England, now the countryside charity], and others enjoined into trying to, in effect, cancel this document. So it was quite an intense period. *The Daily Telegraph* took a particular interest in this: I got a call from their then political editor, who was a perfectly nice and straightforward man, and he said that I really ought to know that the editor had commissioned a logo to accompany their

stories, with a picture of a country lane with a slogan 'hands off our land'... and therefore this was going to run for some time. And then, in September of that year, *The Daily Telegraph* ran front pages accompanied by this logo for, as I recall – my memory may be faulty – what seemed like most of the days of September, leading up to the Conservative Party Conference.

But it was a consultation, and it was always intended to be a consultation. Usually people are pretty cynical about consultations, but actually I was very interested in the subject, I immersed myself in it, spent a lot of time considering all of the representations from all of the groups. Including, I distinctly remember, at Christmas I spent a lot of time writing the official draft, so that by the time it was published in March [2012], it was universally received with approval. And it was particularly interesting timing in that George Osborne [chancellor of the exchequer 2010–16] was keen that this should be published on budget day, on the Wednesday. I dug in and refused to allow that because I felt that people would wrongly interpret this as, in effect, being a financial and economic document, and not understand and appreciate the broad spectrum of its reform. And I was very pleased I did because of course that budget [March 2012] was the 'omnishambles' budget, with the pasty tax and all the rest of it. So when I launched it on the Thursday of that week, the day after, it was then written up as the only success of budget week.

What you've seen, and I'm very proud of this, since the publication of that National Planning Policy Framework (NPPF), is two things. First of all, no one who has any involvement with the planning system, whether local authorities, builders, developers, environmentalists, not a single person has argued that we should go back to the previous system or scrap the NPPF. For what was a bold reform, it took, and everyone regards it as being a landmark change in the approach to planning. And the second thing, obviously more importantly, is that if you look at any of the graphs for planning permissions and new homes built from the year after the NPPF, it breaks out of a position of decline and stagnation to a sharp increase, and has delivered over 250,000 new homes a year, over a million over the course of a parliament.

So it was a formative experience. I learnt all sorts of things. One, that there's no substitute for really rolling your sleeves up, for getting involved, absolutely personally dealing with, talking directly to the stakeholders, including your critics, and being prepared to accept sensible points that were made. But there's also a pleasure in being able to do something that is genuinely bold and has a positive effect... later on in this interview we'll talk about the approach I've taken in different roles in government, but from that NPPF process I've always taken the view that one should immerse oneself in policy rather than be remote from it, and talk to a lot of people and take a lot of advice.



**TD:** Planning reform is a big issue now, as it was in 2011–12. The government has had some political blowback on some of its own proposals recently. What do you think this current government can learn from your approach at the start of the coalition government?

**GC:** I think the Conservative instinct to go with the grain of people who are passionate about their local communities, who have local knowledge and who are inclined to be suspicious and resentful of imposition from the top, is something that is very deep-seated and, in my view, worthy. And the secret of it is, is that when people feel that they have influence and control, more gets done than when you impose a set of numbers, for example, in which people feel that they have no influence and no stake. It's a paradoxical situation in some ways, but actually you end up building more homes when you don't impose from the top, when you take people with you.

**CH:** You then went off for a year to the Treasury, as financial secretary. What was that like? Often people go to the Treasury to get that experience. Did you see it as a sort of step on the ladder?

**GC:** Well, I was very pleased to be financial secretary, I'm an economist by background, and when you're an economist, the Treasury is the department of government where a lot of these big economic decisions are taken, and it was obvious to me from my two years in DCLG [Department for Communities and Local Government] that the influence of the Treasury was very important. So, partly, I was keen to go for that experience as well, and I was very pleased I did, but I was determined not to lose the place agenda. When I was first appointed, it was as minister for decentralisation, and the title was then added to, I was minister for cities after about a year in that role, and I was doing the city deals. I was very concerned that this was still a nascent agenda, but when I went to the Treasury, who was going to continue that? And I thought it was sufficiently important for the country and for the government, that I didn't want it to flounder.

So when I was appointed in David Cameron's office in the House of Commons, I said I was very pleased to be financial secretary and minister for the City [of London], and "do you have anyone in mind to do my job as minister for decentralisation and cities?". He said "well, I haven't really thought about it," so I said "well, do you mind if I take it with me?" And he said "well, I don't see why not," so I then went to the Treasury and said "well, as well as being minister for the City, I am going to be minister of all the cities!". Then there was an institutional kind of *froideur* that presented itself instantly about that: "well, this hasn't really been a Treasury post in the past, we're not really sure about this," and I could see the way this was going. So I'm afraid I confess to you a guilty secret that, I, on the basis of David Cameron having said he doesn't see any reason why not, I tweeted out how thrilled I was to be appointed minister for the City and minister for cities and it was a *fait accompli* [laughter] and I was very pleased at that because I was able to continue. Of course, this is now the national conversation, the importance of place to the Treasury, as the economics and finance ministry is now much discussed and established. But then,

it was thought to be really not the business of the Treasury, so I was the first foot in the door there, I was pleased to have inserted my size 11.

**CH: And you kept that cities role as well when you moved on to the Cabinet Office?**

**GC:** From the Cabinet Office and then to what was then BIS [Department for Business, Innovation and Skills], I kept it with me, I think partly because... 100 years of centralisation and you're making some progress... perhaps I'm not sufficiently trusting of my colleagues, but I didn't want it to get lost on the way, and partly because I'm very enthusiastic about it. I always have been and the truth is that all of these departments, whether it's the Treasury, whether it's the Cabinet Office, across the whole of government or whether it's the business department or indeed the communities department, they're all germane to it and so there was every justification for keeping it.

**CH: As you cycled through a number of different departments in a sort of two- to three-year period, did it give you a broader experience of how departments work differently? And did it make it easier or harder to do the job?**

**GC:** Yes, I must say I always found at each of the departments that I've worked with that officials, even though they might have been working on other things before, have been very enthusiastic and have wanted to come with the project. I think perhaps I've been associated with certain projects and change, not simply the administration of government, important though that is – I don't decry that at all, it needs to be done well, but, I've generally found that people want to get with it and want to join in. So in all of these departments, I've felt myself very well and enthusiastically supported.

**CH: How were your working relationships with the secretaries of state or equivalent, the chancellor, the duchy of Lancaster, and their very different styles?**

**GC:** Eric [Pickles, then secretary of state] at the communities department is a first-class administrator, he ran the department in a very impressive and efficient way, and I learnt a lot from the way that he conducted the administration of the department. But part of that was that he trusted me to do my stuff, he was briefed as to what I was doing, but didn't want to meddle at all, and didn't particularly involve himself in what I was doing. In the Treasury, everything revolves around the chancellor and George [Osborne, then chancellor] became interested in that time in the place agenda and that became the origins of the Northern Powerhouse [Osborne's flagship policy on regional devolution to the north of England]. In my financial services areas, I found it interesting that, in the Treasury, there was much more of an institutional feel as to what should happen, rather than me creating policy, so that was understandable.

The Cabinet Office was completely different. In some ways, I think the Cabinet Office, for all its ancient history as a part of government, I think it's one of the most modern departments in that you have, or certainly had then, a number of project teams in effect,

coming together for a particular purpose. In my case, doing the devolution and cities agenda, with the secretary of state who was Francis Maude at the time, being again present and encouraging, but in no sense really being my manager or boss in that sense, but a very valued colleague. Then when I went to the business department, it was as universities and science minister, I got on very well with Vince Cable [then secretary of state] there. David Willets, who I replaced, had attended cabinet, as I did throughout his tenure in that post, and so he ran the universities and science side, pretty much as a secretary of state, with the involvement of Vince. Each of them had a good relationship as I did and I think they have a lot for respect of each other, as I did for Vince, but they were different in each case.

**CH: Let's move on to the 2015 election, when you became secretary of state for communities and local government. Talk us through the appointment first of all.**

**GC:** I remember the appointment very well. We'd obviously had this rather unexpected victory in the election – no one really expected that. In fact, there was a conference call of cabinet, because I was attending the cabinet as universities and science minister at that point, and there was a conference call on the evening of the poll, to give lines to use for the press when we were giving interviews. All the lines were about the precedents of the sitting prime minister having the first right to form a government, and what was clearly the expectation that there wouldn't be an overall majority and if we were fortunate, we might be the largest party.

There were lots of variations on this, but I do remember that not one of them was what to say to the press if we had a majority, which shows how much of a very pleasant surprise it was. So I do remember going into Downing Street and meeting David Cameron in the cabinet room the next day, maybe it was a couple of days later. I sat down opposite him and he said "Greg, I think I'm going to offer you your dream job, and I want you to be secretary for state for communities and local government, to continue the devolution agenda, building up the cities and I hope you'll take this," and I said "well, it is a dream job and I'm thrilled to have it," so I was very happy.

**CH: What's it like going back into a department as secretary of state – one that you've known before, one that you've been a junior minister for? How much did you grab hold of your ministerial team, your permanent secretary and know what you wanted to do?**

**GC:** I did know them pretty well, and it did feel like a bit of a homecoming. I had a lot of friends in the department and I got the sense that I was pleased to be back with them, and they were pleased to see me, so it was a very positive start. We knew we had a big job to do and got down to it with some enthusiasm.

**CH:** You talked a lot about the positives of the decentralisation settings agenda and so forth, but obviously local government had to deal with a lot of austerity, cuts and so forth. What were the difficult things that you had to deal with?

**GC:** Two things in particular were very difficult. One, which is germane to current discussions: we'd had some pretty bad floods in the winter of 2015, I think you might remember, in Cumbria and in Yorkshire. COBR [Cabinet Office Briefing Room meeting, the government's emergency committee] was convened and I was interested to discover that once the rains had stopped, it passed from the Defra [Department for the Environment, Food and Rural Affairs] secretary of state to the DCLG [Department for Communities and Local Government] secretary of state to be responsible for the management of the recovery. I did what I learnt to do, that you lean into these things, immediately go up and spend quite a lot of time in the places affected, meeting with the Gold Command [of emergency services], convening COBR. I think we did it on a daily basis at first, and then dropped down to three times a week and twice a week. But very intensive, very dominant, because in these times of crisis you need to grip it and you need to have, it seemed to me, fingertip control of all the key people around you, well supported with the agencies, but actually you're the person that can get everyone to work together and to take decisions.

We instituted things that I think have stood the test of time, such as getting financial payments to households and businesses affected immediately. We inherited a situation that was rather unclear – people went through all sorts of bureaucracy and forms and it took time. Whereas, what you know by being there is people literally have no money, and so, within a couple of days, we got the authority and got the Treasury to give the money to councils to make immediate payments of £500 to every household that was affected and £2,500 to every business that was affected, just to get them through. That has continued in subsequent events, but it wasn't there at the time – people literally had no money.

So that was a big challenge, and then shortly after that we had the local government financial settlement. I can't remember if there was a full spending review or it was the usual settlement that takes place in the autumn, and this was a time when there was a great, as there is at the moment, challenge of funding social care, but a decision was made to give the bulk of the discretionary spend to the police budget at that time. They were expecting cuts and in fact, they got an increase, but that meant that all the other departments, including the communities and local government budget, were very tight. So trying to manage that – it's very complex, obviously done through a formula and getting that formula right and trying to get some more money into that was quite a difficult exercise. I worked closely with my officials in the department, but also with local authorities. I used to meet every week with the leaders of all the different local authority groups, be it the county councils, the district councils, the metropolitan councils, the London boroughs, and we worked quite closely together. One of the things that we

introduced was an extra social care precept and that injected a bit more money into it. But that was quite a challenge to be able to get a settlement that allowed councils to keep their head above water for the next year.

**CH: Obviously, the story leads up to the referendum on EU membership. You've talked a bit about the election and how there wasn't any scenario planning for the referendum going the other way. Were you thinking about what happens if the country voted to leave the EU – either for you personally, or for the government generally?**

**GC:** Well, there were discussions around it, but I think it is fair to reflect that in terms of a detailed implementation plan – that was not something that was there and prepared and on the shelf.

**TD: After June 2016, Theresa May becomes prime minister and then asks you to be business secretary. What was that conversation like, and did it differ from the way David Cameron went about appointments?**

**GC:** It was the same in the sense that you walk up Downing Street, walk into the cabinet room, she's sitting one side of the table you sit at the other. I was very surprised – I'd no reason to believe that I would be in her cabinet. I supported her leadership campaign, but I wouldn't say that I'd had a particularly close relationship with her, we hadn't really worked together in any department and so I didn't really know what she thought of me. So I was pleased to be walking up Downing Street, that's normally good news rather than bad news, and then I suppose knowing that I was going to be re-appointed to the cabinet, I was very keen to stay at communities and local government, being an area that I'd been in for the last year and obviously had a history there.

But when she said, well, she'd like me to do a different job, I was momentarily a little crestfallen – thinking, oh my goodness what's coming next? She said “well, I'd like you to do this very important job, I want to create a department that includes the business department but to bring in the energy and climate change department and to have a responsibility to write an industrial strategy for the country.” And, I do recall, this was so unexpected, with so many moving parts and so difficult to get your head around in a few seconds. Bearing in mind I'd been the shadow energy and climate change secretary, so I had a history in there as well, and had always been very interested in energy policy. So the mission to develop an industrial strategy for the country was unexpected. It was not really associated with Conservative administrations.

I do remember being rather embarrassed that I hadn't been more effusive. She offered me this job and I think I said thank you very much and shook her hand and walked out. I only realised later that I should have said “my goodness, Theresa, what an honour. How fantastic to have this moment, post Brexit, to be at the helm of the business department, obviously a big responsibility and to bring in energy policy with all of our climate change ambitions and an industrial strategy – to be able to do that, how thrilling!”. I felt rather

abashed, and in fact I texted her later in the afternoon and said “I was too shocked and surprised to be as effusive as I ought to have been in response to this, but that was wonderful.”

**TD: As you said, that was a new department – created from the business department and DECC. Did it feel like a new organisation when you arrived?**

**GC:** It felt like two organisations – we literally had the 1 Victoria Street headquarters which I was obviously familiar with from when I was there as the universities and science minister. We had the energy and climate change department which was in Whitehall Place. They were physically two departments, not even neighbouring departments. Very different cultures between them: the energy and climate change department was very much the mission-orientated department, we’d had the Paris summit [on global climate targets] not long before – a great success for the department and they did a brilliant job out there.

The business department was obviously a much longer standing department, also I’d been a special adviser at what was then the DTI [Department of Trade and Industry, a predecessor to BIS/BEIS], right at the beginning of my time in politics. So the first thing was that, in effect, I was secretary of state for two departments, that had become nominally one. I had people in two different places, so to introduce myself, I immediately went to both places. I was very conscious that I didn’t want to show any sense that I was mostly in the business department or mostly in the old DECC, and the architecture of both buildings is that there isn’t a big atrium or auditorium where you can address everyone. I had to give the same introductory speech about six times, in two different buildings, on multiple floors, at each time, to be able to talk as I wanted to on the first day to all members of staff.

I had two permanent secretaries, I had Martin Donnelly, at what was BIS, and Alex Chisholm at energy and climate change. That was pretty novel to have two permanent secretaries, and there was an apprehension on the part of some of the colleagues at DECC, wondering whether this was the abolition of the energy and climate change department or a downgrading of it. Instantly from having been appointed, it was clear that this was the reverse, this was to attach energy and climate change to the motor of the business department. Having had the negotiations on our climate change ambitions, they now needed to be delivered to have the whole force of British industry joined – it was an opportunity to increase its force. So I had a bit of work to do to try to communicate that.

**TD: You mentioned industrial strategy was a new kind of responsibility. What was it like actually trying to make that happen and drive that agenda across government?**

**GC:** Well, again, it’s a bit like going back to the very beginning of my time in government, when I was appointed minister for decentralisation, which was something that people

hadn't really expected. There wasn't a ready-made agenda attached to it and so, I conceived the city deals that became what we see now. There, it was a blank sheet of paper and I'm comfortable with that. I've done that in the past and there are ways of doing it – I'm quite collaborative in the way that I work, both with departmental officials, with ministerial colleagues, and with outside groups, so I was determined that we would do it well and rigorously.

Also, a strategy by definition has to be for the long term - a short-term strategy is a contradiction in terms - but there is a prospectively paradoxical situation, in which you have a minister whose tenure is always going to be relatively short term compared to the needs of the strategy for the country, that is longer term. So to marry a short-term tenure with a long-term ambition, how can we do that, what's the solution to that? My conclusion was that the way to do that was to achieve longevity by making it an authentic representation of what people across the country – different industries, different parts of the economy, trade unions and others – could see was a rigorous encapsulation of what needed to be done as far as is possible to distil a total consensus. Then, if you've done that, then however long you're there, it'll stand the test of time.

So, what I embarked on was, rather than going straight into print with my thoughts, quite a big process of thinking, of brainstorming sessions within the department – again I formed a fantastic team to be able to do that – a lot of time on the road meeting businesses, trade unions. Of course, given the importance of place always for me, going to every part of the country to get that. And so that's the approach that I took and it took a bit of time, but after two years, I think we got something that, you know, time will tell, but I feel very confident that the diagnosis and the prescription are what is needed – that we need to be a more knowledge-intensive, innovation-focused economy with a big increase in investment in research and development, that we need to upgrade our skills, that we need to upgrade our infrastructure, that I think had been rather neglected, that we needed to have a business environment that was competitive and that we needed to have a much stronger sense of place. That is the essence of the industrial strategy, and actually if I look at the government's programme and manifesto, I see that reflected in it. But more than that, I don't think there's much dispute across the country if you, even now, talk to any business, any civic leader, I think they would say actually they are the big challenges and the key areas of policy for the country.

**CH: One of the big decisions that you made was on Hinkley Point C [the nuclear power plant]. Always in these things, having a strategy is very important, but then there's the big decision when you get a lot of focus on you as a secretary of state. What was that like?**

**GC:** The deal that was done, the agreement between EDF and the members of their consortium – it was the approval of the EDF board that was the trigger of this – happened very shortly after the election of Theresa May as prime minister. So, in truth, Whitehall and the government were waiting for that EDF decision. It wasn't seen so much as a big

policy decision – a lot of the work had been done over many years leading up to that, and in some ways, there was a coincidence of timing that the EDF decision came just after the appointment of Theresa May. I guess what was unexpected to the system was that Theresa wanted to think about this herself and asked for some time to be able to do that. So the confirmation of the government’s continued support – it was very much continued support – came in the September rather than the July.

**TD: Brexit was one of the defining issues of your time in BEIS. How did what was playing out in negotiations and the political atmosphere affect the relationship between government and business?**

**GC:** I have always, in all the posts that I've had, tried to understand and get quite close to the people in the areas for which I was responsible, and so I spent a lot of time talking to businesses as to what they needed to come out of this. I formed, over time, a very clear view that it was important that we should have a future agreement that involved no tariffs and a minimum of frictions and that a lot of our success was built on the complexity of supply chains, especially in advanced manufacturing, aerospace, and automotive – all good examples of that.

Obviously not every single business thought that, but certainly it was overwhelmingly clear to me that this was the view of most people running businesses – most of whom were not politically engaged or influencers, they weren't coming at it from a kind of partisan point of view, this was objectively their assessment – and they produced evidence for the importance of keeping frictional costs low and in terms of just-in-time production. For example, if you're in a car plant in the Midlands, you literally don't have warehouses to store parts – and so things need to operate smoothly. It was really on the basis of the evidence. I'm not someone that historically has been particularly animated by questions of the European Union – they've never loomed large in my life, including in coming into the business department. It was really the experience of talking to businesses and the evidence that they gave me... what I did was present that evidence to my colleagues in the cabinet.

**TD: What was the reception of that? Within cabinet, and also within the wider party, were people interested in the views of business?**

**GC:** Yes, I think they were, but clearly there are two Brexits. There are issues at play that go beyond the economics of supply chains, as is obvious, questions of sovereignty and autonomy and the ability to just set policies. I never found that I had a hostile reception to what I was saying, and I hope my colleagues, even the ones that disagree with me on Brexit, would reflect that fact that I produced evidence of that, in the end. I think it was some of the other aspects that became decisive in the settlement that we reached.



**TD: As well as your policy responsibilities around Brexit, there was a lot of parliamentary process and political drama – how did all of that stuff playing out in parliament affect your day to day role as a secretary of state?**

**GC:** There was a lot of reassurance that was required. The truth is, the further that you go from these shores, the more people were alarmed at what they thought was uncertainty and unpredictability in a country that they had always thought of as a byword for predictability and certainty and stability. This was very alarming to them and could have big consequences for investment decisions. All the time during this period, major capital investment decisions were being made, and so I regarded it as part of my responsibility to talk to people, to visit boardrooms around the world and say “don’t assume the worst”.

I can say nothing with certainty as to what’s going to happen on Brexit, it’s clearly up in the air, but in all circumstances we’re going to be an economy (and the industrial strategy was a help in this, it gave me some ability to point at things) that’s going to invest, that is good at science and research and we’re going to be doing more of it in the future, we’re going to be a place in which it’s possible to set up a business and grow it rapidly without excessive bureaucracy, we’re going to be investing in training. So I was able to give some countervailing reasons why people should keep faith with the UK, and I suspected and discovered it was true that you shouldn’t underestimate the importance of personal engagement. Even though people could read what was going on and read published documents, the idea of going to see companies and talking to them personally, I found was valued.

**TD: One final Brexit question: how did you see the preparation for no deal and what did businesses think about it?**

**GC:** Businesses clearly didn’t want to have no deal, and were very clear about that, and were very conscious that planning for no deal was, in many cases, very costly for them. Some of the car manufacturers, BMW and JLR, brought forward their annual shutdowns I think to April 2019, as a precaution against no deal in March. Now, of course what then had to happen was that workers had to have holidays beyond that. In a competitive industry, these were very costly, so the government doesn’t have the ability to decree to companies that you have to do this. But there was a lot of work. Every day I had meetings to develop and to scrutinise the plans for no deal, because if it came to it, and I obviously fervently hoped that it wouldn’t, it was completely unacceptable to say, well, we don’t know what to do. So it was a big focus of the department’s effort.

**CH: When Theresa May announced that she was going to depart, did you think that you might stay on, or were you waiting to see what the new prime minister would do?**

**GC:** Some of my colleagues resigned to Theresa May, I think on the day that she left office. I didn’t do that – I thought personally, I would feel a little discourteous in doing that. Boris

[Johnson] was elected fairly and squarely as prime minister, he deserved the post that he had. I knew that he wasn't going to appoint me, we'd been through all of these discussions, we obviously had a very different view on what was the most important issue of the day, on whether we should be prepared to leave without a deal. It was communicated in advance – in fact, I'd had a very congenial meeting with Boris the week before he became prime minister, in which he made it clear that his government would need to be content with the option for leaving without a deal. Having three years of arguing very strongly against that, it wouldn't have been honest or credible for me to just suddenly change my view on that, so we both knew that I had no expectation of serving him. But neither did I think it was right for me to refuse to serve under him by resigning – I thought for me, that might be a bit discourteous.

**CH: After you left government, you came to vote against the government and had the Conservative whip removed and later restored. How extraordinary of a moment was that for you as somebody who has been secretary of state to come to that decision of rebelling, knowing that these might be the consequences, and then going through that?**

**GC:** It was a big moment and it was very painful. I'd been a Conservative for 30 years; I feel totally a Conservative in terms of how I think the country should be run. So to be excluded from the Conservative Party was something that I found very painful indeed. But at the same time, I'd been very clear throughout my three years as secretary of state for business that I thought that leaving without a deal, without a withdrawal agreement, would have been very bad for the country. Having expressed that under Theresa May, I couldn't, in conscience, state that something had changed and now it was fine. I felt that it was necessary to be true to that, just as, to be fair to him, Boris resigned from the cabinet after Chequers [the meeting in July 2018 where Theresa May's cabinet agreed the UK's position on the future relationship with the EU], because he felt that the deal that Theresa May had negotiated was not in the national interest. There are times when if you are privileged enough to be in public life, you have some important decisions, but I think you have to be true to your assessment of what is the national interest, and that was mine and it was known to be my view, and I didn't think it would be honest or credible to vote in a way that was the opposite of that.

**CH: Looking back on your time in office, what's the achievement that you're most proud of and with hindsight, what might have you done differently?**

**GC:** There are so many things – I'm going to cheat and say two things. One is to have started the agenda that has now really taken off, of getting power out of Westminster and Whitehall into the towns and cities across the country: starting the city deals that gave power in creating the mayoralities across the country and recognising that if we want to perform to the greatest extent possible as a nation, then every part of the United Kingdom needs to be firing on all cylinders. I'm very proud of that and delighted that that is continuing. I think the other thing is the work that we did on the industrial strategy, to take a long view as to what we need to do, as a country, to be fit for the future. I think

the diagnosis that we made, that we need to be more research intensive and we've increased by the biggest amount ever the budget for scientific research, that we need to invest in skills, that we need a comprehensive upgrade of our infrastructure, that we need to have a competitive business environment and that we need to have this sense of place and devolution – I think that has been the right analysis and the policies that are geared to implementing that, if this government keeps faithful as I hope they will, then I think this can transform Britain over the years.

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

**GC:** First of all, you have the privilege of access to the best advice, from anywhere. Obviously, your officials, in any department that you acquire. You will have people who share the same motivations as you and want to make a difference, want to make the country and the world better, and they are great to have on your side. But if you're a minister, you can talk to anyone, anyone would be thrilled to sit down with you and give you the benefit of their experience. So I really enjoyed getting out talking to businesses, trade unions, council leaders, scientists, and to really pick their brains. I'm not ashamed to say that most of the ideas that I've had, I've purloined from other people, but I've tried to bring them together and enact them.

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