

Ministers reflect

Lord Maude

June 2016



Francis Maude – biographical details

Parliamentary History

2015-present: Conservative Member of the House of Lords

1997-2015: Member of Parliament for Horsham

1983-1992: Member of Parliament for North Warwickshire

Government and Opposition Career

2015-2016: Minister of State for Trade and Investment

2010-2015: Minister for the Cabinet Office and Paymaster General

2007-2010: Shadow Minister for the Cabinet Office

2005-2007: Chairman of the Conservative Party

2000-2001: Shadow Foreign Secretary

1998-2000: Shadow Chancellor of the Exchequer

1997-1998: Shadow Secretary of State for Culture, Media and Sport and Shadow Deputy Prime Minister

1990-1992: Financial Secretary to the Treasury

1989-1990: Minister of State for Europe

1987-1989: Parliamentary Under-Secretary (Department of Trade and Industry)

1985-1987: Assistant Whip (HM Treasury)

Lord Francis Maude was interviewed by Peter Riddell and Nicola Hughes on 1st June 2016 for the Institute for Government's Ministers Reflect Project.

Nicola Hughes (NH): You first became a minister in the '80s. What was your experience of coming into government like then?

Lord Maude (LM): I was given a departmental job. I had been a whip and a PPS [Parliamentary Private Secretary] before then, very soon after getting into the House at all. So I received a phone call, actually, because I was up in my constituency, in Warwickshire. I didn't even know what job I had been given. So she [Margaret Thatcher] said, 'I want you to go and be Parliamentary Secretary in the DTI [Department of Trade and Industry]' and I said 'Well, lovely, thank you, really pleased.' I was 31 or 32 and a bit scared, frankly. I just about worked out that the job I had been given was Michael Howard's job, which was fabulous – one of the best junior minister jobs in the government. So I didn't really know which office to phone up. It was very funny actually – I had guessed it was Michael, so I found Michael's office number and phoned it. Someone answered the phone and then I heard her saying 'What is the name? What is his name?' [laughter] I said, 'That is me – I think!'

The best preparation you can have is to be PPS to a busy minister who lets you get involved. I was PPS to Peter Morrison [then Employment Minister], who was a hugely detail-oriented, hands-on and very effective minister and when I was his PPS he basically said to me, 'Here is my diary, you can come to any meeting you want', which was fantastic. So I had a real insight into how government worked. Then as a whip, I was in several quite busy departments, and you get a good sense, a better sense there of how it is all working – otherwise you have to pick it up as you go along. Things were a little bit more collegiate then, I think you talked to other ministers more than people do now perhaps, because you had more evenings in the house, so there was more gossip, more chat. So you pick up more in that informal way, but I had no formal induction at all.

NH: And if we fast-forward to 2010, of course then the party was coming in from opposition; most people hadn't had the chance to be whips or PPSs before. So how did you think about induction for your ministerial colleagues at that point?

LM: Well, we did some induction, but it wasn't immediate. We did some here at the Institute for Government [IfG] and we came back and did some more – and actually, I organised a formal induction session every reshuffle after that. I think departments have got better at providing some formal induction into the departments, but that is a little bit different from preparing people for what they are going to experience as a minister.

Peter Riddell (PR): What were the lessons you drew from your experience in the 90s, from when you were in charge of the 2009-10 preparation [for government] and implementation?

LM: Good question, what lessons? I think it is useful to have some induction. Because in '87, I came into a departmental job when the Thatcher government was well under way and the Civil Service was – while not necessarily reconciled to – at least acquiescing in the fact that we were there to stay. So in 2009-10 we knew we needed to do more on induction. I was reasonably familiar with what Labour had done before '97, and so we organised the contacts with permanent secretaries in a much more systematic way than had been done before. I oversaw all of that, and with the implementation unit we set up, we prepared implementation plans.

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PR: But how successful do you think it was in terms of – you say implementation plans, in terms of preparing your colleagues, particularly those who hadn't been ministers, who hadn't been around in the Thatcher years, for office. And when you look back now, six or eight years later?

LM: It beat the hell out of what had been done before, but it was still gravely inadequate, because a lot of people had absolutely no idea what to expect. I think it was much worse for the Lib Dems, who weren't even expecting to be in government. We had done preparation sessions with the IfG and Michael Bichard, who was then running it, basically said 'We think it is totally in the national interest for you guys to be as well prepared as you can be and we will do anything to help. Tell us what you want us to do and we will do it.' So that was very, very good and I think so much better than anything that had happened before – but it was still thin and not everyone, by any means, attended those sessions. Of course, you also had a Prime Minister and a Chancellor who had never been ministers, although they had been in government as special advisers, which does give you a big advantage because you know a bit about the dynamics, the structure and how things work.

I remember when we had the first session here, which was probably not until September, and I thought it was important that it got presided over by a senior minister, so I was there throughout all of these induction events. I remember one of the very good Lib Dem ministers – Nick Harvey¹ – who was very funny, saying 'I felt like I had been dropped by parachute, deep behind enemy lines, with no means of contacting anyone, no idea what the strategy was, no idea what I was meant to be doing!'

PR: I actually remember his saying that. We have interviewed him for this series, actually.

NH: And between the two periods, what were the big differences or changes you observed in Whitehall, in government?

LM: I think the Civil Service had deteriorated really quite a lot. Not in terms of 'laziness' and that Blair politicised it, as people normally say – he didn't politicise it and my concern with the Civil Service has never been that it's been politicised. It still has some brilliant people, absolutely some of the best civil servants in the world, who are capable of doing some amazing stuff. What also got better, which most ministers would not see, but has been my interest, were the functions: you had people who had at least some commercial or financial background in those roles – whereas 30 years before, it would have been generalist civil servants who were told 'It's your turn to be head of finance.' So all of this was a little bit better than it had been. However, I think the habit of giving very robust, candid advice to ministers had deteriorated a lot in those intervening years of Labour governments, and that is a cultural thing.

PR: Not to do with the capability of people, but because of the changed environment over those 13 years?

LM: I don't know what it was – I absolutely don't know why. There is a lot more parading of the importance of, you know, speaking truth under power and values and all that kind of stuff. But in terms of actual behaviour, the way people behaved was – it sounds like I am criticising everyone, inevitably I am not, the balance was just different. Civil servants had got much less good in the intervening period at accommodating difficult people, people who are a bit quirky, a bit maverick, maybe a little bit eccentric or disruptive. And during a period when disruption has moved from being a bad word to being a good word, the Civil Service contains a lot fewer people who are disruptive in that good sense.

¹ Nick Harvey, 24 June 2015, Ministers Reflect Archive, Institute for Government, Online: www.instituteforgovernment.org.uk/ministers-reflect/person/nick-harvey, Accessed: [Download Date]

PR: I mean on that – it is very interesting – how did your views of the civil service evolve in 2010 and 2015 particularly, during that Cabinet Office period?

LM: They went downhill a lot. Although again, I have to say that at every stage there were some brilliant people who worked for me and I saw some superb civil servants – in fact I was mocked by some of my colleagues, in the run up to the election and soon afterwards, for being a fierce advocate for the existing system. I have said in the past that the idea of a permanent, impartial civil service is an excellent one, that it has served the country well and that all you need is good ministers to make it do what you want it to do. However, I was sadly disillusioned by the extent of sheer inertia and obstruction, often passive but sometimes active obstruction in the civil service. The worst thing is when civil servants don't give advice, saying 'Minister, this is a really stupid thing to do' and rather go along with it but then don't do it. That is just intolerable and there was far too much of that. So for me it was a disillusioning experience.

PR: Let's turn it round the other way. What, in those few years, you achieved, which you regard as a success and having a lasting legacy. And what were the circumstances which allowed you to do it?

LM: The big achievements, I would say, were digital, where we became world leader in the space of five years. What enabled us to do that was to set up something completely new, which nobody thought at the outset was more than front-end stuff. We brought in Mike Bracken from outside [as Head of the Government Digital Service] – he had a huge reputation – as well as huge capability: we built a team, including a lot of mainstream civil servants, career civil servants. But it was a 'greenfield' operation, separate and without the Whitehall culture. So we did that, but I think if it had been clear when we set it up that it was basically going to supplant the existing CIO [Chief Information Officer] network, I think there would have been a lot more resistance. I remember Mike Bracken's recount of how a very senior CIO in government, at a party which Mike had actually provided, tapped him on the chest and said, 'You're just tinsel, we are the people making the thing work.' And within a year or two years, they had all gone and digital was the way of doing it and we are now being copied round the world. So there we set up something new.

PR: But in a sense, what is interesting with the point you are making, is it is setting up something new, which supplanted the existing?

LM: It came to supplant the existing eventually. If we had tried to supplant the existing straightaway we would not have succeeded. So instead it crowded it out, effectively. So what else? The open data and transparency agenda where, at the end of five years, three international organisations ranked us top in the world for open government. How did we do that? That required a lot of political capital and the essential thing was the Prime Minister backing it. So we bounced a lot of stuff through straightaway and Steve Hilton [former Number 10 adviser] was hugely important in that. We agreed a plan within weeks of the government forming, endorsed by the Prime Minister and an instruction from the Prime Minister to ministers that, 'We are going to do this, this and this' – and we did it. The real test with transparency is always 12 months on: your first 12 months, all you are doing is disclosing what your predecessors have done. It then gets more uncomfortable and you get out of the comfort zone then. We stuck with it, and that was very much prime ministerial backing, doing the open government partnership. We had some bloody good people working on it, including people brought in from outside. Tim Kelsey, for example. I inherited Andrew Stott, who was brilliant, complete zealot. He was a mainstream civil servant and really got it.

With all of these things that we did, we brought in disruptors. And the disruptors I brought in on that were the Transparency Board, which included Tim Berners-Lee, who had been working with Nigel Shadbolt with the Brown government. But we gave it real rocket boosters, so they went on the

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Transparency Board along with Tom Steinberg and Rufus Howell and a bunch of other people, who really knew what they were talking about and were zealots for this. They really were crucial in grinding down the resistance, because we would summon in departments – ministers and civil servants and heads of data-rich agencies – and we would just cross-examine them to force an end to the resistance. So that was key. The Open Government Partnership then, which the system took a long time to get its head round - here was this thing which was hugely making progress around the world, being run out of the White House and State Department in America and by me and my team in the UK – and the Foreign Office just ignored it. They just thought it was sappy stuff. I mean, actually, it is now a hugely powerful movement of over 70 governments around the world as well as civil society organisations. So that was a big success.

The third area I would point to, which I would say was a big lasting achievement, is social investment and what got coined as ‘Big Society’ to begin with and then no-one ever really got what that was about: that it was, for a Conservative, the other side of the coin – the smaller state is the bigger society. People doing more in their communities and having more organisations, formal and informal, coming into existence. And we made the first welfare social investment bank happen. That had been proposed by Ronnie Cohen way back in, I think, 2001. He did a task force for Labour and it had sat around and nothing had happened and he was deeply frustrated. We made it all happen within two years and it was up running independent from government, which was crucial. So it wasn’t set up as a Quango, it was properly independent. That has been properly world leading and economically beneficial for us as well, because it has made London – as it should be – the focus for impact investing, social impact bonds and all those things. It is now kind of a mainstream financial strand of financial business. Again, it was sheer bloody mindedness in terms of Nick Hurd and I just blasting through, cutting through inertia and making it happen. And we used Ronnie Cohen, who was totally brilliant and owned the ideas.

PR: You mention the political support of Number 10 and the PM, particularly on transparency and so on, when Steve Hilton was there, you haven’t mentioned the Treasury at all.

LM: No. I mean, most of what we did the Treasury didn’t get involved with. The biggest disappointment for me was when we started on our major cost cutting exercise. Well, one of the big lasting achievements is that we saved over £50 billion, cumulatively over five years and someone said to me the other day, ‘That must actually be the biggest cost cutting programme in history.’ It never really occurred to me, but I suppose it might be. It was huge – steadily accreting over the years so that in the last year we saved nearly £20 billion compared with Labour’s last year in office. That is undoubtedly one of the reasons why the financial markets trusted our deficit reduction programme – because when you are cutting deficits, what can you do? You can raise taxes, you can cut programmes and services and you can cut your overhead costs. What we were doing was entirely about the third of those, because if too much of the burden of what you are doing falls on the first two, then actually what the financial markets will do is they will think that you are going to suffer real political push-back. There will be backlash and you will be pushed off-course, as we can see happening in lots of places. Whereas what we were all about was downsizing the Civil Service which we did by over 20%, reforming public sector pensions, getting out of properties we didn’t need, renegotiating contracts with the bigger suppliers, once we had actually found out who they were – there was no data. So all of that stuff is great for the public, because they say ‘You are doing what we had to do: with the recession, our incomes fell, we had to cut our costs and so bloody good job the government is doing the same thing.’ So that was a crucial part of making the deficit reduction programme politically sustainable. And the huge disappointment was that the Treasury was just either not interested, or actively hostile. I still don’t really understand why.

A lot of the work took us a long time to work out, because it was so counterintuitive, which is why staying there for five years, brutally demanding and wearing though it was, was absolutely essential. Continuity is absolutely essential. So while it has probably taken years off my life, resisting the

blandishments and manoeuvring to get me moved to a different job that took place at every reshuffle between, I am very glad I stayed there to see things through.

PR: That leads onto another point, which is more generally, in contrast to your earlier periods as a minister, when you moved round quite a bit in that five years, before you lost your seat, you had a long time. What is the balance between continuity and change for ministers? You were in a particular job, you make a convincing case to stay in - what about further down? I mean, the junior ministers working for you, some of them were moved around a bit, although less so than would have been true in the past.

LM: Yes. I didn't have many. For most of the time, I just had Nick Hurd, who was totally brilliant, who did four years until he was quite unconscionably dropped. I am so happy he has been brought back, albeit into a different job. So there was a high degree of continuity and Nick had worked with the sector and knew his subject absolutely inside out. I totally trusted him, so that was fantastic. He was really in charge of all of that, I oversaw it and he kept me apprised of what I needed to be kept abreast of and was very good at using me when he needed me. So all of that was fine.

I am thinking back to my first time round. My first job I did for slightly more than two years and I had come to the end of it by then. You are then seeing the same stuff coming round again, and I didn't feel there were big projects needed – so I was ready to move on. I then did the Foreign Office for exactly 12 months. And to move on from there was frustrating, particularly on dealing with Hong Kong. I was the Minister for Europe, which is actually much less good a job than people think, because anything interesting gets done by the prime minister, foreign secretary, chancellor and you are kind of clearing up – it is interesting and it is fun, but it is not hugely demanding. But the Hong Kong bit was – I was appointed six weeks after Tiananmen Square and Hong Kong was in meltdown. It's never a calm place at the best of times, and it was in total meltdown and I lived and breathed it for 12 months. I became hugely emotionally engaged with it, because the sense of responsibility you have for it is very, very great.

At the end of the 12 months I was due to go to Beijing. There had been a bar on EU, EC ministers as they then were, going to Beijing, going to China, as part of the post-Tiananmen sanctions. And we needed to go, because we had some serious Hong Kong related business we needed to get on with. We got agreement for me to go and I was due to travel out on the Saturday. On the Friday I had all the Foreign Office sinologists lined up outside the door to come in for the final briefing meeting. And the phone rang and it was Number 10 and the PM on the phone. She started by saying 'Francis, I want you to go to China...' And I said '... yes, we have got the tickets, it's all planned.' 'But I am having a reshuffle on Monday and I want you to go to the Treasury, as Financial Secretary' – which was a great job to do, and again it was thought to be the top job outside of the Cabinet. So the only answer is 'Yes, thank you very much.' And she said 'You can't tell anyone.' I was going to Hong Kong first, to consult with the Governor and ExCo [Executive Committee] and so actually, as I am in the air between Hong Kong and Beijing, it is going to be announced that I am no longer the Foreign Office Minister, I am a Treasury minister. So that needed some very delicate handling. I felt at the end, at 12 months, that we had stabilised the Hong Kong thing. I had been very intensive, I had very good relationships with the senior people, with David Wilson, the Governor, and Lydia Dunn, Willie Purves, all the people who were making stuff happen in Hong Kong. And it was just at the time when I was thinking 'Well, we can now start to do some really interesting things' – what I had in mind was to start to do in a much more piecemeal, incremental way, some of the stuff that Chris Patten did in a big bang when he became governor. It wasn't really so much democratising, but institution building: building the habits and institutions around something more democratic than what Hong Kong was used to. So it was frustrating to be plucked away from that, even to a job which I loved doing and I always regarded myself as one of nature's Treasury ministers.

PR: Looking at what happened under coalition, where people did move, what was the trade-off like at a senior level? You had done five years, as necessary to achieve the things you have described and so on. When you look round, at fellow ministers, normally they

are a couple of years, two and a half years, apart from obviously the Chancellor and Foreign Secretary and so on who did four or more. Is that too short?

LM: I don't know, I think actually it just varies a lot. People tend to stay Chancellor for longer, which is good because you should eat your own cooking. Foreign Secretary, again, is so much about relationships, I think that there is huge merit in staying longer. Other jobs, I think, can be very intensive – you can get worn out, actually, and I think the change can be very restorative. People need re-potting. But I think it is horses for courses, I wouldn't say there is an absolute rule. I think moving people after a year, unless you absolutely have to, a year is not enough. Two years is really the minimum to get your head round what is going on, to understand the people.

The thing increasingly, I think, about government is – and it is incredibly difficult to do and there are very few places that do this effectively – is to build enough continuity. And continuity is only good if it goes with deep knowledge and expertise about things. Unless you have, with that, the power for democratically accountable change agents to drive change, then inertia rules – and in most governments, inertia rules. That is why I think we will need to move. I think you need to have more stasis in the Civil Service, less rotation, more people staying put, building deep knowledge, being able to be promoted within the same area in a way a normal, sane organisation would do – instead of people being rotated as soon as they know anything about it. Rotation in civil servants is much more damaging than rotation in ministers and there is far too much of it and it is totally random. And we, I think, pretty solidly, failed to deal with that, although we went on about it from the outset. We didn't even really succeed in changing the appalling thing that senior responsible owners of major projects were never really seeing things through to a sensible break point. That is a huge thing. I think what you will increasingly need is much stronger ministerial offices, because the healthy thing is a really empowered, not necessarily expert ministerial office, but intelligent and interrogatory and challenging, abutting against a civil service that is properly expert and properly knowledgeable. In a way too much of it simply isn't, because people get moved around.

It is not to say generalists [are bad]. I remember a permanent secretary cheerily saying to me, at the beginning of what we were doing on civil service reform, she said 'Well, of course the age of the generalist has gone', and I nodded because I felt that's the sort of thing people ought to say. And A, it is not true, and B, it shouldn't be true. You absolutely need the generalists, but being a generalist is not about not being an expert. It is about those skills of analysis, marshalling evidence, marshalling people, understanding how to work with expertise to deliver solutions and action. So we should have generalists, as you have in business, it's just that they shouldn't all be generalists.

NH: So you mentioned democratic accountability there. Particularly with the kind of stuff you were doing as minister for the Cabinet Office, how much did you feel that need to be driven politically as well as by the leadership of the Civil Service?

LM: Well, they shouldn't need to be driven. I mean, the stuff I was doing, it is shocking that it wasn't being done by the Civil Service already. I remember an occasion at a dinner where I was describing what we did – I was talking about procurement and how badly run procurement was, it was a shocking waste of money – and another former civil servant, a retired permanent secretary, there said 'Well, of course, we have known about this for ages. You are not saying anything new.' Well, why on earth didn't anyone do anything? If you all knew about it, why on earth did no one do anything about it? And this former permanent secretary said, 'Well, maybe it wasn't a ministerial priority.' Well, it shouldn't need to be! Are you really saying you went to Peter Mandelson and said, 'Peter, we can save you X billion by doing things differently', and he said 'No, thank you, we don't want any of that' – of course not! It shouldn't need [ministers].

I think one of the reasons why the Treasury was so negative about what we were doing was that this kind of ridiculous jobbing politician comes along and manages to save vast amounts of money and rightly it

was a standing reproof to the failure of the Treasury over the years. Why on earth weren't they doing this? Why were they not on the case? Why did they constantly try to downplay the ambition, the target, to hamper our ability to get purchase on these areas of cost? And constantly, frankly, undermine it? It was really shocking and I think part of it was actually, you should have been doing this all the time. It was your job.

PR: What is interesting to lead on from that is how much, when a new government comes in, should there be – I am trying to use neutral terms, because terms can be quite emotive – a, kind of, politically inspired disruption? How many people do you have to bring in, not necessarily special advisers [spads] or anything like that, how many people do you need to bring in, to achieve the change? I mean, it goes back to the point on extending the ministerial offices. And looking at also what has happens in Brussels, where you can get the cabinets rather isolated from departments?

LM: Yes. That's a bit different, because the Commissioners don't own the Director General, it is not quite as neat – whereas in our system, the powers are all vested in the secretary of state, not in the department. The department has no legal powers at all, so they are an extension of the secretary of state. So I think it is completely different, institutionally and culturally. And you hear complaints about that in Canada and New Zealand and Australia, which have our kind of system of a permanent civil service but with much stronger, much stronger [ministerial office], which is what we modelled [the Extended Ministerial Office (EMO) on]. The EMO is a very, very pale, attenuated version of what a very good Westminster based, permanent civil service based systems operate in Canada, Australia and New Zealand. You do hear that complaint about isolation within the department, but actually in each case, the minister doesn't work in the department. In each case, they work elsewhere - in New Zealand, in the beehive thing, in Canada and certainly in Australia, they are based in the parliament building and they have a unified office there, which both does their work as an MP and as a minister. And in New Zealand, the minister visiting the department, even though it is 300 yards away, is sort of like a state visit. The commissioner puts on a top hat and the band plays. So I think what you can do is you can have ministers with a strong, proper ministerial office and you have that embedded in the department, I think you can overcome a lot of that.

NH: Talking of Parliament, how did you interact with Parliament? Did you feel that there was much political interest in the work that you were doing?

LM: No, and certainly there was virtually no partisan content in what I did. In fact, there was a lot of enthusiasm across the piece. I mean, civil service reform, we had this rather marvellous and probably rarely to be repeated historical chance that each of the three major parties had current or recent experience of government. So I had a lot of support on civil service reform from Labour. We found that sometimes there were things we were doing, where oddly, the leadership of the civil service went to my Labour counterparts to try and undermine what we were doing, which was a bit shocking. These things can happen. But they got rebuffed, actually. Because Labour, for quite a lot of that time, thought they had a really good chance of winning and frankly they wanted us to do the hard, heavy lifting of making the system work better, so they would inherit something better than they had worked with. So that was very positive and on a lot of the stuff we did – digital, open data, social investment – these were not politically contentious. I had one former Labour minister, now very senior in the Labour party, he used to blog. I remember he once blogged in praise of Francis Maude. He once said to me, 'Francis, you have succeeded in doing a lot of the stuff I tried to do and failed.'

PR: Can we come back, just finally, to the preparation of ministers. Now you said you did more than you had done before – but what about appraisal of ministers? Because that strikes me as being in the Dark Ages.

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LM: It is. I wouldn't be optimistic that that is suddenly going to change. I went through the process of doing the 360 appraisal, but it was all a bit artificial. I mean, I got some useful insights out of it, but in terms of managing my career, it didn't make any difference. So it made me a better minister. We got into all this stuff – should we, before the election, should we do proper psychometric testing? Which, of course you would do before putting people in charge of very serious budgets. I think it is really unrealistic to expect that and I think it is part of the reason why there is pretty much an institutional contempt for politicians, where civil servants will always describe themselves as being above party politics, whereas I think they are below party politics. There is a sort of institutional... contempt is probably overstating it. Part of it is that they see ministers being appointed for reasons which have nothing to do with, or may have nothing to do with, their ability to do the job and their suitability for the job and then move for reasons which have nothing to do with any kind of objective merit, but rather for reasons of party management or optics, all that kind of stuff. That then reinforces the institution of the civil service in its view that they are the ones to protect the country against the politicians, which is quite deep-seated. It is unconscious and none of them would say that, but there is a bit of that in the mind-set.

PR: Isn't there an element that the fact that there is wide spread dissolution with the mainstream politics, the membership of the parties has declined sharply, doesn't that reinforce that mood?

LM: Absolutely. Yes, and I think the extent of the vilification and denigration of mainstream politicians leads to phenomena like Donald Trump.

PR: But it also can lead to the reaction you describe in the Civil Service, is that 'We are here to protect'?

LM: Yes, but there has always been a bit of that. You very rarely see that expressed, but we did see it expressed. There was that famous document that got published – I found it and circulated it to all my colleagues as it shocked me so deeply – where that attitude had been actually put into a document, which was 'How do you select people suitable to be future permanent secretaries?' and one of the factors was 'a tolerance and knowing how to balance your minister's wishes with the department's interests', and 'How to deal with sometimes irrational political decisions.' I mean, it is quite shocking that that got expressed in that way. Part of the problem is that because we still have the system where ministers have to be drawn from Parliament, the pool of talent from which you draw is kind of self-selecting and narrow.

PR: Yes. Would you broaden it?

LM: I just don't know, I thought about that a lot. I think it is one of those classic things where, if you start to do that, it has so many ramifications for other parts of how the system works, that it's quite difficult to do. But I would find it very tempting to do.

NH: In your last job as a trade minister, which I think in the past has been done by quite a few outsiders, did you feel you brought something different to that role?

LM: Yes. It wasn't about being a politician, rather than a businessperson. Because I had been around for a bloody long time and was reasonably senior, I knew how to convene government. If you are Minister for Trade, whoever you are, as long as you have got reasonable business credibility, you have the ability to convene the business world. But you do also need to be able to convene government, both civil servants and politicians, and I was better equipped than most to be able to do that. The thing that struck me most forcefully, when I started doing that job, was that the role of export promotion was far too insulated from the rest of government. There was the UKTI and all the burden of it was falling on that and actually if you really wanted to move the needle, you needed to mobilise the whole of government behind it. And so I knew what needed to be done to do that.

PR: Looking ahead, going back to what we talked about. How do you further improve the preparation for potential ministers? How do you take forward what you had already brought in, in the '09 to '12 period, in that year before the election, then the couple of years afterwards?

LM: I would make it compulsory, I would make it much less optional. I don't think I succeeded in getting David Cameron to say to shadow ministers 'You must do this. Part of your job is if Francis says turn up to something, you turn up to it.' So I think there is a limit to what you can do, there is a limit to how much benefit you get from former ministers, particularly if you have long electoral cycles, they get very out of date. The next time there is a new Conservative government coming in, I will be completely useless, because A, the world will have changed, and B, I will have forgotten or distorted it in my memory, as you remember things differently. So I think there is a limit to what you can do.

PR: What about in office, again, any commercial organisation, automatically appraises but also comes back and looks at refreshing and so on. Is it naïve to believe you can do anything on that?

LM: No. I think that is something I would do, actually. Again, I would make it compulsory – the Prime Minister needs to say 'All new ministers must do it.' This induction needs to be run by a minister – an experienced, seasoned minister, like I was. And they need to say 'You will do this, that is just part of what the role involves.' I would do an annual thing, as well, and do two or three similar things in between. It doesn't need to be more than half a day, actually. A lot of it is just sharing war stories.

PR: The inductions we have done, after the election, what was interesting was we had some ex-ministers and they were actually some of the most valuable participants in the session we had with new ministers, it was very interesting.

LM: Absolutely. And do it quickly and then capture it. I think the great thing with what you are doing at the Institute for Government is that you can capture it, so you don't need to reinvent it every time. If you have got what they said, then you can really make that work.

NH: Just finally, how would you define an effective minister?

LM: It is getting your agenda through, basically. It is making the change happen, which means managing the politics of it right, being clear enough about what you want and being on the case – not assuming because you announced something, it is going to happen. That is why ministers are so deeply underpowered at the moment, because of the small number of people you have whose sole loyalty is to you – if you are a junior minister, you have none. And if you are doing something to which there is system resistance, your ability to make things happen is very severely curtailed, because we uniquely, in the world, underpower our ministers. Uniquely.

PR: But even though we have far more ministers than anyone else, when you talk about extended ministerial offices, one of the interesting things that has come up in some of the discussions we have had is – 'Hold on, what about junior ministers in that?'

LM: Yes. I agree. I think one of the effects, if you were to have bigger and really powerful ministerial offices for ministers in charge of a department, would you then need fewer junior ministers? Probably you would. But if we are on a path of reducing the size of the House of Commons anyway – which we seem to be – then probably that makes sense anyway. But just to reduce the number of ministers, without properly empowering the ones that remain, would be a shocking thing to do.

PR: One of the things that has come up in a lot of our interviews, people talk about their private offices, never mention permanent secretaries.

LM: Well, junior ministers don't see much of the permanent secretary.

PR: Even further up a bit? When you say to them, what about your permanent secretary? They say 'Well, he was busy' – I mean, in more conventional departments than you were doing, he was busy doing his administration and his appointments and his appraisals and all that. He wasn't so involved.

LM: Yes. I think one of the big things that we totally failed to address is the class division in the Civil Service. The division between white collar, above the salt policy people who get all the top jobs and oily rag, blue collar people who make things happen, who do operational delivery, who do the functions and they are below the salt and they very rarely get to the top jobs. Permanent secretaries aren't really equipped for the role – some of them do a brilliant job but actually they are woefully under-prepared for the role. Shockingly under-prepared for the management of in some cases huge budgets and huge organisations. I mean, it is absolutely disgraceful.

One of the things we decided to do about two and a half years ago was that we would put them through three-month top management leadership courses at the top business schools, Harvard and Stanford and so on. We started with the ten permanent secretaries who had a ten year horizon ahead of them, so it was a proper investment in them and then you start with the next generation. I have seen people go through those courses and come back bigger people, hugely changed and improved and strengthened. By the time of the election, instead of ten people doing a three-monther at Harvard or Stanford, one permanent secretary had done one week at IMD [International Institute for Management Development] in Lausanne and he said, 'Francis, it was great, it was useful, but it was not what you had in mind and it was not what was decided.' I think that resistance to exposing people doing these jobs to the normal world – where they will work, they will train and prepare alongside people who are running, or are going to run big businesses around the world – can be very intensive. It is that fearfulness about 'We can't put ourselves up to compare, they might learn the wrong things, draw the wrong lessons', it is that kind of loss of control. That is what you want and that is why so much of government is so badly run, because we don't train people, we don't prepare people properly for huge responsibilities. Then you end up with a system that is deeply resistant to bringing in people who are prepared, from outside, to run departments. We still have this process whereby, you know, you go through the motions of running an open recruitment process for a permanent secretary, knowing that it is completely for show. It never, or very rarely, results in anything other than an insider getting the job.

NH: Just one more thing coming out of the other interviews we have done on this. Very few of the ministers, perhaps unsurprisingly, had actively mentioned, or seemed to understand a lot about what was going on behind the scenes in terms of civil service reform, things like that. Do you think ministers, as a breed, are sufficiently interested in the organisational side of their departments?

LM: No, generally not – nor should they generally need to be. I did a bit of exposing Cabinet to what we were doing. We presented what we were doing with digital, which they loved. What we were doing with public service mutuals, which was the other big success programme which, I think, has dwindled away into very little now. But it was one of the most transformative things and one which there is most interest in, around the world, because it is a way of transforming the delivery of public services, without conventional privatisation or outsourcing and finessing the politics and the ideology and the industrial relations difficulties. It was a hugely successful programme. You are a minister, so I think you generally should be interested – but this may be only because I am – in how the organisation is working. When we took our civil service reform plan to Cabinet, it was a long discussion. Mostly from people who said you are not being nearly radical enough. I thought 'You should have seen what we have been through to get to this point, mate! This is way more radical than it would have been.' Anyway, we did go further later.

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