The responsibilities and work of the Office of Public Service and Science : minutes of evidence, Wednesday 13 January 1993 ... / Treasury and Civil service Committee.

HOUSE OF COMMONS SESSION 1992–93

TREASURY AND CIVIL SERVICE COMMITTEE

THE RESPONSIBILITIES AND WORK OF THE OFFICE OF PUBLIC SERVICE AND SCIENCE

MINUTES OF EVIDENCE

Wednesday 13 January 1993

THE OFFICE OF PUBLIC SERVICE AND SCIENCE (OPSS)

Rt Hon William Waldegrave, MP, Mr R Jackson, MP, Mr R Mottram and Mr B Hilton

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MINUTES OF EVIDENCE

TAKEN BEFORE THE TREASURY AND CIVIL SERVICE COMMITTEE

WEDNESDAY 13 JANUARY 1993

Members present:

Mr John Watts, in the Chair

Ms Diane Abbott
Mr A J Beith
Mr Nicholas Budgen
Mrs Judith Chaplin
Mr Quentin Davies
Mr John Garrett
Mr Barry Legg
Mr Giles Radice
Mr Brian Sedgemore

Memorandum submitted by the Office of Public Service and Science (OPSS)

THE PUBLIC SERVICE RESPONSIBILITIES OF THE OFFICE OF PUBLIC SERVICE AND SCIENCE

1 The Office of Public Service and Science (OPSS) was established in May and reports to Mr William Waldegrave, Chancellor of the Duchy of Lancaster and Minister of Public Service and Science. He is supported by Mr Robert Jackson, Parliamentary Secretary, Office of Public Service and Science.

2. The Office is part of the Cabinet Office and brings together the responsibilities of the former Office of the Minister for the Civil Service (OMCS)—including the programme for creating Executive Agencies—with the units responsible for the Citizen's Charter, Efficiency and Market Testing. It also incorporates the Office of Science and Technology formed from the former Science and Technology Secretariat in the Cabinet Office and the Science Branch of the former Department of Education and Science. The Permanent Secretary and Accounting Officer is Mr Richard Mottram.

3. The table at Annex A sets out the budgets and staffing of the main parts of OPSS. An organisation chart is at Annex B. A summary of the responsibilities of the non-science parts of the OPSS follows.

(i) Raising the Standard of Public Services

4. The Citizen's Charter aims to raise standards of service throughout the public service and privatised utilities. The Charter, published in July 1991, sets out both principles and mechanisms to improve services and make them more responsive to the needs of the citizen. The mechanisms include more privatisation and contracting out; wider competition; more performance-related pay; published service standards and information on performance in meeting these standards; tougher and more independent inspectorates; more effective complaints procedures, and better redress for the citizen when things go wrong.

5. *The Citizen's Charter Unit* has a co-ordinating and development role. It acts as a catalyst to see that Charter principles are put into practice, and Charter commitments to improve the quality of public services are delivered. The Charter Unit provides a central source of expertise and advice. Operating through departments, the Unit encourages, monitors and reports on progress. It is also responsible for aspects of the Citizen's Charter handled centrally, namely the Charter Mark scheme and Charterline proposals. A panel of advisers, chaired by Sir James Blyth, report to the Prime Minister on the Citizen's Charter initiative.

(ii) Better Management in Central Government

6. Within the Citizen's Charter framework, OPSS has responsibilities—with HM Treasury and Departments—for improving the effectiveness and efficiency of central Government and for developing the Civil Service needed to meet future requirements. This involves looking at competition in service delivery and, for tasks retained within the Civil Service, providing a structure which aids efficient delivery to the required standard. The Civil Service needs to recruit, develop and train staff with the skills and experience matched to the changing nature of the work. These responsibilities are discharged both by the units and divisions set out below and by a number of the OPSS "businesses" described in section (iv). OPSS also provides advice and support to the Head of the Home Civil Service and the Prime Minister on, for example, machinery of government, security and honours questions.

7. *The Efficiency Unit* was created to serve the Prime Minister's Adviser on Efficiency, a part-time post which dates from 1979. The current adviser is Sir Peter Levene. Since the 1992 General Election the

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Unit has formed part of the OMCS and subsequently the OPSS. Sir Peter Levene is also Mr Waldegrave's adviser on competition and purchasing.

8. The principal aims of the Adviser and the Unit are to help government departments improve the value for money of the resources they use; and to achieve a new impetus in opening central government work to competition.

9. Within the *Management Development Group*, the *Next Steps Team* is responsible for implementing the Next Steps initiative. This is designed to clarify responsibilities for policy making, for defining objectives and standards and the setting of targets for the provision of services, and for their delivery by accountable managers. It emphasises delegation, sharper accountability and the freedom and flexibility to manage effectively and efficiently. Those executive functions retained within Government are to be organized in Agencies. The Team identifies Agency candidates and works with them, the parent Department and the Treasury to prepare them for launch.

10. Also within the Management Development Group the Development Division assists Departments and Agencies to adopt progressively more effective approaches to the management and development of their staff: these include help in developing quality of service standards; disseminating good personnel development practices; improving personal review and promotion procedures; and policy on welfare. The Equal Opportunities Division works with Departments and Agencies to take forward equal opportunities policies and practices within the Civil Service.

11. The *Top Management Programmes Group* is responsible for running intensive residential development courses for senior civil servants and approximately equal numbers of people at similar levels from the private sector and the wider public sector. It aims to foster best practice in strategic management and to improve performance in leading and managing staff.

12. The *Office of the Civil Service Commissioners* supports the Commissioners in carrying out their responsibilities under the Civil Service and Diplomatic Service Orders in Council 1991. These are to approve the selection of candidates for senior jobs and appointments to the fast-stream entry grades; to advise the Minister for the Civil Service and the Secretary of State for Foreign and Commonwealth Affairs on the rules each lays down for departmental and agency recruitment to support selection on merit on the basis of fair and open competition; and to monitor the ways departments and agencies apply these rules. The Office also promotes awareness of job opportunities in the Civil Service, and advises on the nationality rules and character standards for entry to the Home Civil Service.

13. The *Senior and Public Appointments Group* provides support to the Head of the Home Civil Service in the management of the Senior Open Structure including the operation of the performance pay scheme for Grades 2/3. The Senior Staff and Interchange Division contributes to the effective staffing and efficient management of the Senior Open Structure (the top three Civil Service grades); and promotes career development and improved understanding through the interchange of staff between the Civil Service and other employers. The European Staffing Unit seeks to increase the number of Britons working in the European Community institutions by administering the European Fast Stream and raising awareness of EC career opportunities. It also seeks to increase the number of UK civil servants on temporary secondment to the Commission. The Public Appointments Unit promotes best practice on public appointments policy and provides a service to departments through its computerised register of candidates for public appointments.

14. The *Security Division* is responsible for policy on business appointments; conduct; discipline; and personnel and physical security within the Civil Service. The Division also has responsibility for a number of other aspects of management policy including probation, letters of appointment, personal records, legal representation at public expense and special advisers. It is responsible for the Civil Service (Management Functions) Bill, currently in the House of Lords.[1]

15. The *Machinery of Government Division* advises the Head of the Home Civil Service (as the Prime Minister's principal adviser on the machinery of government) on the allocation of Ministerial responsibilities and transfers of functions between Departments. It is also responsible for policy on open government, including reviewing statutory restrictions on the disclosure of information; policy and advice to Departments on Non-Departmental Public Bodies (NDPBs); relations between the Executive and Parliament (including in particular relations with Select Committees and the Parliamentary Commissioner for Administration); and for questions concerning the propriety of government publicity.

[1] The Civil Service (Management Functions) Bill received Royal Assent on 17 December 1992.

16. The *Ceremonial Branch* reports to the Head of the Home Civil Service. It co-ordinates policy and recommendations for the public honours system.

17. The *Information Officer Management Unit* is responsible for the central management of all members of the Government Information Service. The Unit reports to the Head of the Government Information Service.

(iii) Finance, Personnel and Support Staff

18. The *Establishment Officer's Group* provides common services to the whole of the Cabinet Office, including the OPSS.

(iv) Provision of Services to Government and the Wider Public Sector

19. The OPSS, together with HMSO and COI which also report to the Chancellor of the Duchy of Lancaster, provide a range of advice on best practice in recruitment, training and procurement and other services for Government and the wider public sector.

20. Responsibility for the *Government Centre for Information Systems* (CCTA) transferred from the Treasury to the OPSS on 6 August. It is responsible for promoting business effectiveness and efficiency in government through the use of Information Systems (IS). It has a dual role:

— "common good" work which benefits government IS as a whole. This work covers the development of policy, advice, guidance procedures and examples of good practice in the development and use of Information Systems; and

— "direct services" which are provided on repayment to support specific activities in individual government departments and agencies (for example, provision of a procurement management service and managing the Government Telecommunications Network).

At present about half the CCTA's staff work in London and half in Norwich. Over the next three years it is planned to relocate virtually the entire London office to Norwich.

21. Responsibility for the *Chessington Computer Centre* (CCC) transferred from the Treasury to the OPSS on 6 August. The Centre provides computerised systems for payroll, personnel, financial accounting and superannuation awarding and related services to central government and the wider public service on an allied service and repayment basis. In total the payroll service is supplied to over 150 departmental and other customers covering 350,000 payees. The Centre's computer facilities and offices are located at Chessington in Surrey. The Chessington Computer Centre is due to become an Agency on 1 April 1993.

22. The OPSS at present has three Executive Agencies:

a. The *Civil Service College* which became an Agency in July 1989. It is responsible for delivering training, and related consultancy and research, on a repayment basis to help develop civil servants' managerial and professional skills and promote best practice throughout Government. The College has two sites: its headquarters at Sunningdale Park and a non-residential teaching centre in London.

b. *Recruitment and Assessment Services* (RAS) which was launched as an Agency on 1 April 1991. It offers a broad range of recruitment and assessment services, including consultancy, advice and training to Departments, Agencies and others. The Agency's head office and the majority of its staff are located in Basingstoke.

c. The *Occupational Health Service* (OHS) which became an Agency on 1 April 1990. It develops and advises on occupational health policies within the Civil Service, maintains a fully operational occupational health service for civil and other public servants and advises Departments and Agencies on medical aspects of management issues. The OHS is based in Edinburgh; its staff are located at various sites throughout the country.

23. The Chancellor of the Duchy of Lancaster also has Ministerial responsibility for *HMSO* and the *Central Office of Information*. Both are Agencies and separate Departments in their own right and not part of the OPSS.

ANNEX A

OFFICE OF PUBLIC SERVICE AND SCIENCE (OPSS) SNAPSHOT SEPTEMBER 1992

Area	*1992/93 Figures* *Budgeted staffing*		*Annual Budget £,000s (rounded)*
Office of Science and Technology	82		3,150
Citizen's Charter Unit	19		3,500
Efficiency Unit	4.5		500
Management Development Group	71		4,400
Top Management Programmes Grp	9		250
Office of the Civil Service Commissioners	20		1,050
Senior and Public Appts Grp (1)	31		3,100
Security Division	23		650
Machinery of Government	10		250
Ceremonial Branch	13		300
Information Officers Mgt Unit	19		650
Establishment Officer's Grp (2)	123		3,600
CCTA (3)	400		14,400
Chessington Computer Centre (3)	447		12,350
Total	**1271.5**		**48,150**
Executive Agencies		*Approx Turnover £,000*	
Civil Service College	235	19,000	5,800
Occupational Health Service	123	5,000	50
Recruitment & Assessment Services	229	12,000	150
Total Executive Agencies	**587**	**36,000**	**6,000**
Other (4)	195	14,950	
HMSO (5)	3280	400,000	7,000
Central Office of Information (5)	620	168,000	1,000
Total other Areas	**4095**	**568,000**	**22,950**
Grand Total (excl S&T Budget)	**5953.5**	**604,000**	**77,100**
Science and Technology Budget			1,050,000

(1) Staffing excludes centrally managed European Fast Streamers (EFS) working in Departments. Budget includes cost of EFS scheme.

(2) OPSS contribution to the overall Establishment Group budget.

(3) Approximate staffing figures.

(4) Includes a number of areas outside the responsibility of the OPSS but which are carried on the OPSS Vote. These include the the Parliamentary Counsel Office, No.10 Downing Street and the Whips' offices.

(5) Separate Departments responsible to the Chancellor of the Duchy of Lancaster but not part of the OPSS.

(6) Figures take account of Winter Supplementary Estimate adjustments.

ANNEX B

(1) The Chief Scientific Adviser is also Head of the Office of Science and Technology and reports accordingly.
(2) The Head of Security Division reports to the Head of Management Development Group on issues affecting conduct and discipline.
(3) The Head of IOMU reports to the Head of the Government Information Service who is the Chief Executive of COI. He reports to the Head of BOG on financial matters.
(4) Executive Agencies report direct to the Parliamentary Secretary.
(5) Chessington Computer Centre is to be launched as an Agency in April 1993.
(6) HMSO and COI are Agencies and separate departments. They are not part of OPSS.

Examination of witnesses

RT HON WILLIAM WALDEGRAVE, a Member of the House, Chancellor of the Duchy of Lancaster, MR ROBERT JACKSON, a Member of the House, Parliamentary Secretary, MR RICHARD MOTTRAM, Permanent Secretary, Office of Public Service and Science (OPSS), and MR BRIAN HILTON, Deputy Secretary and Head of the Citizen's Charter Unit, OPSS were examined.

Chairman

1. May I welcome you to this session of the Committee. Have you any preliminary comments you want to make to us or should we move straight to questions?

(Mr Waldegrave) I do not think I have. We sent you the organisational chart for the Department and we set out an account in written answer form of the formal responsibility of the Department. It would perhaps be better, if it suits the Committee, to go straight into questioning.

2. Thank you very much. A number of matters relating to the Civil Service and the public service more generally have been brought together in the Office of Public Service and Science. What do you see as the unifying features of your non-science responsibilities?

(Mr Waldegrave) The unifying features seem to me to be the bringing together of various strands of public service reform and emphasising the coherence of those different strands which I believe is a real coherence—the work that has been done over a number of years to improve management in the Civil Service, the successful but continuing programme of agency establishment, the Efficiency Unit scrutiny work brought together with the Citizen's Charter work, which is, as it were, making more explicit the purpose of all these reforms; the outcomes, if you like, which are designed to be improved for the citizen out of the variety of reform mechanisms. I think the Prime Minister judged that it was right now to bring all that together. It makes very good sense. I find the differing units genuinely work together and have a coherence in what they are doing. I think it has been a gain in making it easier to explain to people what we are doing and getting greater coherence into what we are doing.

3. This is the fourth reorganisation of this part of the structure of government since the Fulton Report. Do you expect this reorganisation to have greater permanence than some of the earlier ones?

(Mr Waldegrave) It might be a rather rash person who said that this would be the final word. It was different when I was a civil servant in the 1970s with the CSD in existence then. What I do think is that this is a good organisation for the priority of the moment which is to carry forward what is quite a radical programme of public service reform. Concentrating on the priorities we have at the moment, I think this makes very good sense. In ten years' time, who knows? But what I can say is that it does make sense for the policy priorities we have at the moment. There is the frontier with the Treasury and the different places where you can put that frontier, because they always have a great interest in the public sector. That is placed differently now from what it has been in the past but I have to say I think it is working reasonably well.

4. We are going to come on to the split of responsibilities between your office and the Treasury. One can see why pay remains a Treasury responsibility but why does the Treasury also retain control over industrial relations, relocation policies, manpower statistics? Are not all these policy areas rather than expenditure matters which would fit more harmoniously under your roof than the Treasury's?

(Mr Waldegrave) It is judged that they fit more closely—that is the pay negotiation and pay determination function—or fit pretty closely with those. I do not think either we or the Treasury would want to argue that there was some complete a priori reason why it should be one side or the other with some of them, but I think when the split came to be undertaken—and we have made some further changes since the Election, as you know, moving across some of the agencies from the Treasury to us and so on—there did not seem to be any that it was glaringly obvious we vitally needed and we are working closely together. The Government has set out a pretty clear hierarchy of how the policies fit together, some of them, such as privatisation, being primarily the responsibility of the Treasury still; but we have taken collective decisions which set out a hierarchy of how they fit together with the agency work, contracting out work, and so on. We are all working to the same script, as it were, and it works reasonably well.

5. Until this latest reorganisation the Prime Minister was the Minister for the Civil Service nominally but always in practice delegated work to the Minister of State. What are thought to be the advantages of having this as the responsibility of a Cabinet Minister?

(Mr Waldegrave) I think it was judged that the scale of the programme of public service reform, if you take into account the greater priority that we were determined to attach to the market testing initiative and the centrality of the Citizen's Charter initiative, which was aimed to turn the whole effort outwards to the citizen and again is focused on the measurement of outputs and the establishment of better relationships between the services and their users, was a big enough and high enough profile operation to need a Cabinet Minister at its head. I have certainly found myself with plenty to do. I think this did represent, if you like, the fact that the Prime Minister himself wished to raise the profile of all this and, though he had in the period before the election put a lot of his own effort into it, in the nature of things I think he judged it

[**Chairman** *Contd*]

unlikely that he would continue indefinitely to put as much of his own time into it and wanted to bring a Cabinet Minister into the centre to take it forward.

6. Under the new structure the Efficiency Unit reports to you rather than to the Prime Minister. Does that enhance the role of the Unit and does it tell us anything about the Prime Minister's approach to his own responsibilities?

(Mr Waldegrave) The two key advisers are Sir Peter Levene of the Efficiency Unit and Sir James Blyth of the Citizen's Charter Panel. Both have access to the Prime Minister which is a real access—they see him—and the Prime Minister continues to conduct the sort of seminars and discussion meetings which both he and his predecessor incidentally did. But in the real world of Whitehall you do need someone driving through the day to day management and detail of these programmes and that is what, with the help of Robert Jackson, we are doing. But the Prime Minister, I have to say, continues to take an extremely close interest in these policies, quite apart from the fact that, of course, his traditional and central responsibility as the overall Minister for the Civil Service with his relationship with the Head of the Civil Service continues quite unchanged.

7. The Head of the Home Civil Service is shown on the organisational chart of your Department. Are there matters on which he reports direct to you rather than to the Prime Minister? What are they?

(Mr Waldegrave) Yes, they are in effect the matters which he would formerly have reported to the Minister of State responsible for the Office of the Minister of the Civil Service, and those aspects of the Cabinet Office Civil Service management machine; it is those he reports to me on.

Mr Budgen

8. Can I ask you to explain a bit more about the structure that might be described loosely as No. 10? You have the Cabinet Office which reports to the Prime Minister but that is a constitutionally different position, I believe, from that of the remainder of No. 10. Then you have the Prime Minister's Private Office. Then there seems to be a third grouping of groups like this Efficiency Unit which are set up at some stage within the No. 10 structure which may from time to time either be part of the No. 10 structure or else be given their own head such as you are at present. It is the position, is it not, that ironically under Mrs Thatcher the No. 10 organisation grew enormously? I remember Dennis Skinner asking no doubt disgraceful and impertinent questions which brought forth the evidence that her empire had been expanding tremendously.

(Mr Waldegrave) There are others who are very expert—such as Mr Garrett—on the history of these matters on this Committee—and Ms Abbott. If one goes a little further back to the unit I served, the Central Policy Review Staff, you will remember that was firmly based on the Cabinet Office side of the door and it came to an end under Mrs Thatcher in the early period. She then took the view that the Policy Unit, which had been a very embryonic one previously, a small one, should be somewhat expanded in No. 10. But that was very firmly on the No. 10 side of the door and I have no responsibility, except very formally for the expenditure of that budget, for No. 10; I would have no line accountability for any of the people who work on that side of the blue baize door. The other units which from time to time have been set up like the Efficiency Unit have always been in the Cabinet Office. They serve the Cabinet Office as a whole and of course there is the Cabinet Secretariat serving the Cabinet as a whole which I have no responsibility for and which reports to the Cabinet. What has happened since my arrival and Mr Jackson's arrival is the bringing together of several different units together with some of the traditional Civil Service management functions into a more coherent Civil Service management and reformed public service management and reformed department within the Cabinet Office.

9. But have you taken away some of the functions that were previously exercised by one of the bodies under the broad label of "No. 10"?

(Mr Waldegrave) No, I have not.

10. Has there then been created a new supervisory structure?

(Mr Waldegrave) The new unit, which was created before my arrival but was created in the Cabinet Office, was the Citizen's Charter Unit of Brian Hilton and his staff. We are putting aside the science and technology side today, but on this side of the house all that has been added by my arrival is the ministerial structure and a permanent secretary to bring together those three or four units which formerly, although they were located in the Cabinet Office, had a direct line to the Prime Minister, the Efficiency Unit and the Citizen's Charter Unit, and to bring them and meld them together with the non-Treasury and Civil Service side.

11. Presumably you would argue that the Citizen's Charter is a new idea?

(Mr Waldegrave) Yes, bringing it like that into the centre is a new idea.

12. In fact a new idea and a new idea given extra prominence?

(Mr Waldegrave) Yes.

13. You are not seriously saying for the sake of argument that there was an "inefficiency unit" and there has now been a change of structure and we are now in favour of efficiency, are you?

(Mr Waldegrave) No, the Efficiency Unit was there a long way back.

14. Presumably there has always been some structure in favour of some sort or another?

[Mr Budgen *Contd*]

(Mr Waldegrave) Yes. There were three units, the Efficiency Unit, the Next Steps team, the Establishment Unit, now the Citizen's Charter Unit, which used to report direct to the Prime Minister. They have been brigaded under me and brigaded with the management functions that previously reported to the Minister of State, which the Chairman made the point on earlier.

Mr Davies

15. How many people are employed on what you describe as the "other side of the blue baize door" directly serving the Prime Minister and No. 10?

(Mr Waldegrave) It is in our departmental report of course.

(Mr Mottram) We can give you the figure.

Chairman

16. Perhaps you can let us have a note on that.[1]

(Mr Waldegrave) Yes, we can let you have that of all the people at No. 10.

Mr Davies

17. And could you give us a comparable figures for ten years ago, say?

(Mr Waldegrave) They are published and we can easily give them to you.[2]

Mr Garrett

18. The recent Civil Service Management Functions Act, as you know, substantially delegated personnel management powers to the heads of agencies, particularly on pay and terms and conditions of service: and those functions which one would formerly have said were what defined a Civil Service, a common kind of employment. Now that they have been delegated and chief executives of agencies have a great deal of autonomy in these matters, is it not going to be the case that what could be called a Civil Service will simply be those people employed in the policy groups in departmental headquarters in future ——

(Mr Waldegrave) No.

19. —— when the development of the agency system has run its course?

(Mr Waldegrave) First of all, if I may, I will ask Mr Jackson who took the Bill through Committee to speak on this, but first of all the Bill in itself was somewhat of a technical Bill, as you know, and it of itself gives us capacity to make further delegations without having had special Transfer of Function Orders in every case, but the point of what you are saying is a real one which is this: that it is our policy as part of the agency programme, as it has been right from the beginning, to delegate first of all identifiable executive responsibility and that is perhaps the original idea that runs back into your question and, second, to say, and we are saying this now, that the larger agencies should begin to negotiate their terms of service and pay. The Stationery Office I think has done that and some others are now contemplating doing that. That seems to us to be sensible because we do believe that, in those service delivery organisations, it is very unlikely that the exact self-same conditions and structures of pay and grading will be suitable as for the central policy for the Civil Service, but all the controlling and, if you like, defining elements of what you and I call the Civil Service in terms of ethics, behaviour, discipline and accountability remain the same and are unchanged by those delegations and would not be changed by those delegations.

(Mr Jackson) I think that at the back of Mr Garrett's question is really a sort of philosophical or maybe even just a definitional point: what constitutes the Civil Service? We discussed these matters when we were debating the Bill of course and I just do not think it would be correct to say, as I think Mr Garrett slightly implied, that the Civil Service is essentially defined by uniformity of pay and conditions and so forth. I think the thing which defines the Civil Service more, as the Chancellor has said, is to do with ethos, ethics and also the nature of the work that is done. Public service work is going to be continuous and it is going to mean different configurations in the future as it has been in the past. I do not myself believe that the changes in the delegation and the disruption of the previous assumed uniformity in pay and condition arrangements is going to in any way disintegrate the Civil Service. The Civil Service is something which is more substantial than the uniformity of pay and conditions.

20. Do you think that it is time that the Civil Service ethic and responsibility were defined? Do you recall that not long ago there was a controversy over whether or not senior civil servants had their first duty to the Government or to the state, the Monarch, if you like?

(Mr Waldegrave) Well, I have been re-reading, as you would imagine I would before coming to this Committee, the past discussions that this Committee has had—it has really been the place where these discussions have taken place—and I certainly do not want to depart from the basic doctrine set out in our memorandum and elsewhere that the Crown in Parliament is represented by the Government of the day and that it is very difficult to establish a separate line of accountability separately from that. That does not mean there will not be from time to time conflicts between conscience and a properly organised organisation which perhaps go back to the beginning of time, but I do

[1] Note by Witness: Of these units, only the Efficiency Unit formerly reported directly to the Prime Minister.

[2] Note by Witness: The figures are:

Year	*Staff*
1983	66
1993	107*

* Part of the increase is due to the delegated budgetary arrangements which have been introduced; twenty six support grade staff who were on the central budget in 1983 have been transferred to the No 10 budget and manpower count.

[**Mr Garrett** *Contd*]
not think one could think of a separate line of accountability to a separately defined state in our system very easily. At least in the discussions that Lord Armstrong and Sir Robin Butler had with this Committee I thought there had been a reasonable consensus that that was how our democracy ultimately worked, that the Ministers took responsibility for the Civil Service which had to recognise the Government of the day properly constituted as the representative for the time being of the Crown in Parliament.

21. You recall that at the time we had those discussions we discussed at some length the matter of a civil servant who was unhappy with what the senior ranks of his or her department were being encouraged to do and, therefore, there was an appeal mechanism directly to the official head of the Civil Service. Do you know if that appeal mechanism has been used and would you know if it had?

(Mr Waldegrave) I would not necessarily know if it had and I can again find out for you whether there have been cases since you last asked.

(Mr Mottram) There has been one case.

Mr Legg

22. Mr Waldegrave, according to the Prime Minister, you are responsible for ensuring that those in the public sector adhere to Charter principles. Do you feel you have sufficient staff and authority to perform such an audit function?

(Mr Waldegrave) I am very keen not to invent an enormous, great bureaucracy at the centre which tries to second-guess what everybody else is doing. I regard the Citizen's Charter team, led by Brian Hilton, as being in the nature of—if I can use the phrase—the guerilla warfare element in Whitehall rather than an enormous division of troops, which should be engaged in constant dialogue with the Departments responsible for the delivery of their own services to check that Charter principles are being carried through in the policy of those Departments, and interrogate them as to why they are not if they are not. But the primary responsibility of the big battalions should stay in the service-delivery Departments. If we got into a situation where we were trying to do the job of the service-delivery Departments we would be in a mess. So I do not want to have such a big Department that I can second-guess everybody. I think I have enough people for it. I can use consultants from outside if necessary—and I do—to check as to whether the right work is being done in the Departments to carry through the standard setting and monitoring we want. The Prime Minister then calls us all to account at regular six-monthly seminars and cross-examines us. Departmental Cabinet Ministers and their permanent secretaries come to those meetings and are cross-examined. I do not know if Brian Hilton would like to add a word.

(Mr Hilton) I have enough people. We have grown a bit since we started. I think I now have a properly constituted team made up of Cabinet Office staff and of people on secondment from departments. So I have a degree of expertise, and I have enough money in the budget to be able to hire any extra help if I need it.

(Mr Waldegrave) We have been given a bit more money in the forthcoming year to strengthen his hand.

23. Do you work with the Audit Commission at all in the Departments?

(Mr Waldegrave) The Audit Commission are independent, but they are aimed at some crucially similar targets, above all in the local authority field. I think Brian Hilton's people have been having discussions with the Audit Commission, for example, about performance measures which the Audit Commission have now just published for local authority services. That is a vital overall part of the Citizen's Charter campaign. We work quite closely with them. They are independent of us. We regard them very much as an ally in the cause.

24. What sanctions do you have if departments or other bodies fail to meet the Charter standards?

(Mr Waldegrave) Well, the sanctions are ultimately, I suppose, to do with—this sounds a little vague, but you perhaps understand what I mean—esteem within the hierarchy of those who are responsible for meeting or not meeting those standards. To put it more crudely, if things go systematically wrong, some changes will be made in the people responsible for not achieving those standards.

25. So there is no real change from what has previously happened?

(Mr Waldegrave) No. It is a matter of monitoring. We create within the Departments, I hope, an ethic whereby there are measurable standards so that we can begin to know whether the standards are being delivered properly. If they are not, it makes it much easier for the various remedial steps which are always possible to be taken in the right direction. I do not think Government has been at all good in the past at measuring output; it has been quite good at measuring input in terms of money. This is trying to shift the emphasis and measure outputs and monitor the one against the other.

26. Do you envisage any strengthening of the citizen's right to redress in the event of the public services not performing to Charter standards?

(Mr Waldegrave) I believe that the redress element in the Citizen's Charter should be one of our main campaigns over the next period in particular, since we are moving to a world in some of the service provision where we have much more pluralistic, much more devolved service provision—in hospitals; in grant-maintained schools—and we must make very sure that in the process—the beneficent process, I think—of devolving management down to where it should be, we do not lose the redress that was available through the other system in the past. I regard that as very important.

[**Mr Legg** *Contd*]

I think that part of the Citizen's Charter is going to be raised in importance. Brian Hilton has just been doing some work on this and might like to say a further word.

(Mr Hilton) I have issued a consultation paper on redress and am proposing to set up a small team, drawing in private sector expertise as well as public sector expertise. We are in the middle of that consultation period. The responses we have had so far indicate that people think we are on the right lines. We are talking to central government and the Health Service Ombudsman and local government ombudsmen, and a range of people like the Consumer's Association, the NCC who are interested in this area, plus a number of academics. Once the consultation period has ended, we will come forward with specific proposals.

27. Are you, for instance, giving any consideration to having a tribunal system where citizens could seek redress and compensation from poor providers of public services?

(Mr Waldegrave) We are certainly interested in—and have had some contacts with the Lord Chancellor's Department about—the development of small claims courts which has taken place over recent years. That is relevant to us. That is one model. I do not want entirely to pre-empt it. What I do not want to do, if possible, is create another great legalistic structure. I do not want to be rude about the lawyers but if we can avoid getting too many lawyers involved in these redress systems, except when issues are very, very serious, so much the better I think. So what we first want to do is to scan the system to see who has got the best redress systems in place at the moment. There are big variations I think you will find. Then the first campaign is usually to get the worst up to the standard of the best. I do not rule out tribunal systems but I do not want to get too bureaucratic.

(Mr Jackson) If I could add one point, one of the ideas which has been around with the Charter comes from the first White Paper when it took the form of the idea of having lay adjudicators looking at this. Again this is the idea of trying to promote more mediation in the public services when there are disagreements and disputes. Certainly that is one of the things this task force to which Mr Hilton referred will be looking at: what sort of redress systems are—given the variety of circumstances—the best and most appropriate, and how to promote them throughout the public service. The idea of mediation is a quite critical idea in that context.

Ms Abbott

28. You are responsible, as was said, for ensuring that those in authority providing public services are practising the Charter principles. You just said to my colleague you are confident you have got enough staff. The brief we have got tells us your budget anyway is for 19 staff. For anybody who knows anything about the Civil Service, the idea that you can turn round the performance of the Civil Service in any real way with 19 staff is wholly fatuous.

(Mr Waldegrave) I really do not think the power of the central units is measured by the number of staff——

29. No, clearly the number of staff in itself does not tell you anything, but if you take a structure like the Civil Service, if you are going to turn it round, first of all you need an independent source of information about what is happening in the Departments. If you are going to allow the heads of Departments to tell you what they are doing, you are crippled to begin with, when you need people to monitor and sanction. I am not suggesting the number of staff is a crude measure of anything, but anybody who knows anything about the Civil Service cannot think that 19, 20, 30 people could turn round even one Department. In the Home Office, with which I am intimately familiar, that is absolute nonsense.

(Mr Waldegrave) I am intimately familiar myself with it, having worked in the Civil Service.

30. I worked in a big department. I know their resistance to external interference, even from the Treasury. If all you have are 19 staff, then the permanent secretaries are going to laugh at you.

(Mr Waldegrave) First of all, we have about 30 people working in this area. If we get very much bigger than that we will spend most of our time turning ourselves into our own bureaucratic department and will have to have somebody to look after us. We have 30 highly motivated very good people at the centre in constant dialogue with our allies. You have to develop things. You will know that the only way of turning round a Department is to find the people in the Department who are your allies and begin to change the culture in that Department. That is quite enough. I genuinely would not want more than 30 any more than Lord Rothschild wanted more than 30 for the much bigger task of the original CPRS, which had some effect, I may say, even on the Home Office. I do not think we should measure the effectiveness of this by expanding central bureaucracy. I think we should measure the effectiveness by whether Brian and his team, in conjunction with the Citizen's Charter Interdepartmental Group he has of contact with people in each department are actually beginning to change the culture. It would not, I think, and there are plenty of precedents for this in the past, setting up huge great things like the Department of Economic Affairs, it would simply not work.

(Mr Jackson) The crucial word you used, Ms Abbott, was the word "external". The perception that the Citizen's Charter is something which is being imposed on the departments, external to the departments, is I think a mistaken perception. This is a policy owned by the Government, wholly owned by ministers as a whole and it is actually one which has a lot of support across the Civil Service and it is, if you like, internalised within the departments. Our job is not so much to be from

[**Ms Abbott** *Contd*]

outside pushing in an alien idea; it is to, as it were, help to vivify and drive forward impulses which are already there within the different agencies of departments.

(Mr Waldegrave) After all, the Next Steps team, which was at its height never as big as this, has created in a relatively short time a complete revolution—well, not actually complete, but three-quarters of a revolution in the whole management of the Civil Service. All the sceptics said at the time that it would not happen, but if you have ministerial will and you have really good people facilitating it—I mean, there are two different functions: there is the facilitating, what I call, guerilla warfare, culture change operation, and all big corporations know about that; and there is then the big battalions of administration. I do not think one should muddle up the two.

31. The analogy of the think-tank in fact was a false one. The think-tank was in the business of generating policy and ideas and what you are trying to do is to alter the day-to-day practice of huge Civil Service departments. I wanted to go on and say to you that everybody I think in this Committee and in the House shares the aims of the Citizen's Charter which is basically to improve the service of the public service, but I think that really you can sit there bravely and tell me that 30 people will be enough and it is all going to be fine, but really most people think that the Citizen's Charter itself is a bit of a joke. As someone who, I seem to remember although I was very young at the time, was once seen to have a promising future in politics, are you not perturbed at ending up in quite a backwater?

(Mr Waldegrave) The answer is no, I do not accept that. If we are talking about backwaters, no, I do not think that is fair at all. The fact is that if you actually take some scientific polling perceptions of the Citizen's Charter you find that from a standing start 18 months ago we have a recognition factor where about two-thirds to three-quarters of the population know what we are talking about if you ask them about the Citizen's Charter. That is not bad in 18 months. It would be fatuous, to use your word, if we tried to set up a huge central bureaucracy to impose the Charter standards on the services down the line. What we should be doing here at the centre is doing the policy analysis work, conducting the dialogue with the departments, seeing that there is central political clout for it and that the services themselves get internalised and own this line of policy. I am not so pessimistic about the Civil Service to believe that the only way of doing that is to terrorise them with dozens and scores of people and, as a matter of fact, we are finding, as you would expect, that the best managers in the Civil Service are wholly alongside this line of policy and they welcome it. That is not surprising because a large part of what we are doing is all the time scanning the Service for good practice and then saying, "Why do we not spread this more widely?" I think you are very pessimistic about the Civil Service if you think that the only way of changing it is to have a huge bureaucracy to put on top of policy. It is more responsive than that and you did not respond to my point on the Next Step's success.

32. Finally, stop and think, Mr Waldegrave. When you think about it, if you are an ambitious, young Civil Service principal or assistant secretary trying to get on, of course you will make noises about being in favour of the Citizen's Charter, but what we have to look at is the outturn. My colleague asked you about sanctions and you, if I may say so with every degree of politeness, rather waffled and talked about esteem saying that if somebody was not delivering, then they would lose the esteem of senior people in their ministry. You are very, very reliant, are you not, on senior people, civil servants, in ministries actually being genuinely committed to the Citizen's Charter and if by some chance the odd senior civil servant does not put it at the top of his priorities, you are snookered, are you not?

(Mr Waldegrave) It is the prosecution case and it is perfectly fair to put it. I, however, think that the British Civil Service, both the ideals are there that they run with the grain with good service provision and, as you have said, they find support on all sides of the House, and all modern organisational theory says that the way to proceed when you are trying to change the culture in an organisation is not to do it by top-down command structures in the old-fashioned way, which I might describe as the socialist way, but actually to try and work with the grain of people; and the way to do that is to make clear what your ideas are at the centre and then find the people in the organisation, in the service-delivery organisation, who want to work with you and change the culture that way. We spend a lot of our time talking to people who are change consultants and who are experts in change in big corporations, both public and private, around the world. Nothing that we are doing is so very surprising to them and I think that as long as we stick to our guns and as long as we have an absolutely clear political commitment to it, which the Prime Minister is clear about, I am not so nearly as pessimistic about the chances of success as you are.

(Mr Jackson) Could I perhaps add to that because I think Ms Abbott is missing a critical point about the Citizen's Charter. If you actually look at it, there is not such a thing as the Citizen's Charter; there are a lot of charters which belong to the organisations. If you actually look at those charters, and they are all available and we can give them to you, you will see that they typically consist not of general statements of aspiration but of a number, a recitation of objectives for performance which are, generally speaking, numerically expressed, such as, "We will do this function to a 95 per cent accuracy. We will answer the telephone within ten minutes of its ringing"—or perhaps sooner than that! But that is typically how the thing is expressed. There is a set of performance standards that are laid down and the performance

[**Ms Abbott** *Contd*]
of the organisation against those standards is monitored. These are actually rather hard and crisp, sharp things and it is possible for people at the very grassroots level of the organisation to have an understanding of those performance standards and to work to them and it is very transparent whether or not they are achieving them. The whole thing is I think that it is a much clearer, a much more crisp process than I think has been allowed for in this line of questioning.

(Mr Waldegrave) One of the regular types of task that Brian Hilton conducts is to have a dialogue with a particular service-delivery organisation which has produced what it thinks is a charter and to say to it, "This is not a charter. You have no monitorable or measurable performance standards in here and until it changes, until you have got something which actually will bite on your organisation and we have got some assurance that you know how you are going to deliver it, what your management structures are for delivering it, we are not going to approve that charter". That is a much better sort of task for a central unit than to try to do everybody else's work, so I hope we will be able to prove you wrong.

(Mr Hilton) If I can just add to that, because the way we work is very important to you obviously, we are pressing departments to come forward with proposals, but we are only going to change their culture if they see themselves owning their particular charter. One of the reasons we have got more people now than when we started is because we are getting bombed out with proposals from departments for things they want to set standards on, for their particular approaches to improving standards. We have a very clear expression from the Prime Minister and from Mr Waldegrave of political will. That political will is picked up and is being delivered by the system. We want to be judged by our results. We are following our own advice in terms of the Citizen's Charter principles and we published a report in November which invites you to judge us by our results. Over 90 per cent of what we were set to do in the first White Paper we have delivered. We have also said, perhaps somewhat unusually, what we have not done. We have listed proposals that were in that White Paper which we have yet to do. We have set ourselves in that White Paper more than 80 other points to do this year. The Prime Minister has described the Charter as a ten-year programme and we are in the second year and we have 80 action points to knock off this year before we report to Parliament again at the end of this year.

Mr Davies

33. You conceded in answer to Mr Legg that the only concrete sanction available to you is that if departments do not live up to the standards set in the Charter you can remove the civil servants concerned. Have there been any instances of you doing that and, if so, can you describe them and give us some examples?

(Mr Waldegrave) No, there have not. I would have been extremely disappointed if at this stage after one year we had fallen into such a conflict already which implied that we were in that sort of world. As a matter of fact I was not necessarily only thinking about civil servants and I was actually thinking of what Diane Abbott called my waffling and what I would describe as "delicately phrased terminology" when I was talking about also the futures of Ministers in this because presumably the Prime Minister is looking at those who take this seriously and that is part of the criteria for whether Departments are being run in the way this Government wants them to be run, that they are taking this campaign seriously.

34. So we are not to interpret your earlier answer as meaning you would expect your own department, over the heads of departmental ministers and permanent secretaries, to remove civil servants in other departments or in agencies which you think are obstacles to the fulfilment of the——

(Mr Waldegrave) That would be quite wrong. What I am saying is, just as the performance outcomes of the service-delivery organisations—whether they be nationalised industries or directly managed Civil Service operations—are being judged on whether they give the Charter standards, the Departments themselves are being judged by the Prime Minister and central colleagues as to whether they are taking this element of policy (which after all the Prime Minister put in the Queen's Speech) seriously. It would be a very unwise Department that did not take it seriously.

35. The sanction I thought you were saying to Mr Legg you did have in your armoury does not exist—which I do not quarrel with. Have you given some thought to pressing public service agencies and departments to adopt BS5750?

(Mr Waldegrave) We have. Before I arrived there was a considerable amount of analysis of this. I would like to ask Brian to report on that. Just to summarise, why we came to the conclusion that that was not enough for us or was not exactly what we needed was that you can have a thing that passes the BS standard and it still does not necessarily meet adequate output targets. We are trying to measure output rather than process. Brian Hilton might like to give an account of this discussion.

(Mr Hilton) We looked at it, particularly when we were working up a Charter Mark scheme, which we announced last year. Obviously we were encouraging people to look at BS5750 to see whether it applied to them. It was drawn up, first of all, very much in a manufacturing industry context. We are working on it in terms of service industries, but it is about process. You can decide how many widgets you want to make, how many widgets you want to work, what your quality is; you can use BS5750 whether you want 9 out of 10 or 3 out of 20 to meet your own standard. We were also concerned with what we particularly wanted to measure in the Charter Mark Scheme, which was quality of the output, and quality is very difficult to measure. So by all means use

[**Mr Davies** *Contd*]

BS5750 to get your processes right, but the Charter Mark Scheme and the Citizen's Charter is much more about quality of output than just about processes.

(Mr Waldegrave) I think they are complementary and I think there is a firm collection of ideas, that I might summarise under the heading of total quality management, which are also complementary to what we are doing, about how you get people into a frame of mind to produce work in the way that produces the outputs in a customer-sensitive way. But what we have particularly brought to the feast, if you like, is the idea that we must have measurement, "monitorable" outputs, partly because as compared with the private sector the public sector has been very weak in that aspect of past measuring.

36. Can I repeat my question? You regard BS5750 as complementary to the Charter. Are you or are you not pressing agencies and departments to adopt it?

(Mr Waldegrave) We have not done so. We have welcomed it where it has happened. Certainly in my old department some of the health GP surgeries were going to BS5750 when I was there. We have not had a systematic campaign.

(Mr Hilton) Some of the water companies are looking at it, and one part of the DTI.

(Mr Waldegrave) It might be for consideration. There is a lot of complementarity.

Mr Radice

37. I have two questions on market testing. You say that is a central part of the Citizen's Charter programme. Do you think it is compatible with the maintenance of the public service ethos in the Civil Service?

(Mr Waldegrave) Yes, I do. I do very firmly believe that. I think that the growth of the public service over the last fifty years—a quite natural growth—into a far wider area of service delivery has to some extent put that ethos somewhat under strain. I am not saying in any way it has been damaged but it is an ethos which is much easier in a sense to maintain if there is a "specialness" in that public service and you are relatively close in to government things which the government knows how best to do and only governments can do. Where the private sector can provide service for government on the whole, I think it is helpful if we test from time to time that it is not better that the private sector should be doing that. I do not think it is contradictory. I think one can see a hauling back of the Civil Service bit into its heartland. It has been somewhat protective of that ethos. As local authorities have the capacity to find from outside good contractors who will provide a service, we can do so. That is good for the public. So I do not think there is a contradiction. But I think it needs to be watched very closely and in so far as you begin to contract things closer in to what you might call the heart of Government, it needs watching more and more closely.

38. That is an interesting answer and will certainly give us a steer when we come to look at it over the next year or so. But secondly, can I just ask you about market testing in relation to the agency experiment which, of course, is probably arguably the biggest reform in the Civil Service this century. Is not the problem going to be that typically of reforms in the Civil Service you move over from one reform to another one and you do not actually carry through properly a reform? Is not the agency reform you have done going to suffer? Indeed, some of us argue it is already suffering now.

(Mr Waldegrave) I am absolutely determined that it should not. I know the phenomenon you describe which is that, as the next programme comes along, that was last year's story. I am determined that the agency reform, which is not completed yet—in some ways it has only just started because it has been a marvellous piece of work, I think, but its potentiality has not started to be exercised and it is only beginning to devolve some of the things to the chief executives that should be devolved and they need the skills and to grow in confidence to do that—and which is an essential reform, and as you say I think one of the biggest reforms of the century, should be completed properly, then followed through. It is in a sense a different category of market testing, a different kind of animal. We are then saying not just to agencies but to things we keep in-house right across the public service "You must check to see whether what you are doing is best provided in-house or out-house". I think that is a sensible doctrine whether it is an agency or not an agency.

Chairman: That leads us fairly neatly to some questions on Next Steps from Mrs Chaplin.

Mrs Chaplin

39. Following on from Mr Radice's point, are you in fact still continuing to look for parts of government that can go into Next Steps agencies and, looking at a list given a while ago in Hansard, are there some of those Next Steps agencies that should then move on into privatisation because for some that seemed a more natural place for them?

(Mr Waldegrave) Yes to both. Under the three year review of the framework agreements we do look again at whether this is a function that should be carried out on our responsibility at all. Where there is a hierarchy we see whether it is a function we should be doing in government. If it is our responsibility, we see whether it should be done in-house or out-house anyway. If it is an identifiable management unit, we get it into an agency. I should think we will have in five years' time three-quarters of the Civil Service in agencies. We have some more candidates to come. Chessington is about to become an agency on 1 April and there are some more coming forward beyond that. So clearly we are coming towards the end of the process over the next few years, but it is not complete yet. As I was saying to Mr Garrett, I believe in a sense that is just the beginning of the story because then one wants to develop the culture of manage-

[Mrs Chaplin *Contd]*

ment in those agencies so that they exercise some of the delegated freedoms for the benefit of their customers and their work forces.

40. That sounds excellent, but in fact are you not slightly now pulling the other way. Indeed Peter Hennessy in his Christmas lecture to the First Division Association said that the incremental process of greater freedom and delegation has stopped and if you are in fact telling them that they must market-test and you are telling them, obviously you are telling them, the sort of framework for pay negotiations, these are actually not delegating but taking back managerial powers to you in the centre because you are telling them to do that rather than saying, "Have these greater freedoms yourselves".

(Mr Waldegrave) I read Peter's lecture. I thought it uncharacteristic that he had not got that right. We are pressing on pay delegation. We have only just started really on the pay delegation side and really only some of the biggest ones are beginning now to put their toes in the water. I want to go further in that direction, but we do not want to go further until they are in a position to handle it. An organisation that has not been used to negotiating pay needs to be sure that it has the capacity to do so, otherwise we will get into a frightful muddle if they are not prepared, but all the thrust of what I have been saying to the agency chief executives, and will say again in their conference in the spring, is that we want them now to use the freedoms which have been given to them. We have said to them, "It is Government policy for you, as it is for the rest of the public sector, that we want you to test whether the service you are providing has to be provided in-house and that is a central policy and it runs for you as for the rest of the public sector", but I do not think that runs against the delegation, the real delegation at all.

(Mr Jackson) Any more, if I might add, than a government policy that says that pay delegation should be something like schemes that are performance paid. The continuing existence of a number of central government policies is perfectly consistent with the Next Steps Agency principles.

(Mr Waldegrave) To put it another way, the worst thing is, and why I also believe you are wrong about the agencies, is that you all say, "We know what will happen with agencies; they will all be set up with these things and then they will live quietly ever after and never do anything new". I do not believe that either because I believe that the people running them are good enough and will actually want to exercise their power. It is perfectly legitimate at this early stage for the Government to say on a couple of things like performance pay and contracting out and so on, "We want you to take this on board and run with this" because there is the other danger that nothing much changes once it is set up as an agency and we want them to start exercising their muscles and using their delegated powers. Here are two key things that any proper organisation should be looking at. We just want to check that they are.

(Mr Mottram) I might add that, of course, it is not the case that there are agencies at the moment and none of them have market-tested or put out certain of their operations. If you take one of the agencies for which Mr Waldegrave is responsible, the Civil Service College, for example, a significant part of the operations of the Civil Service College are already out-sourced. They have contractorised the management of a lot of their facilities, the hotel function. What the accountability of the Next Steps Agency is about is saying to the chief executive, "We want you to think about the best way of fulfilling these objectives in a way that represents best value for money". We would expect every chief executive in that context to want to look at the scope for market-testing and whether by providing his services in a certain way he is actually delivering them in those terms. We are not forcing it on people; we are giving them the accountability for best value for money.

41. So they are responsible for delivering the service?

(Mr Mottram) They are indeed and they are responsible for identifying the areas where they believe that by going out and market-testing they might produce an answer which is most profitable from the point of view of their business, not just in terms of finance, but also in terms of delivering the objectives which have been set for them.

42. What if they get it wrong and how does that tie in with the accountability of ministers?

(Mr Waldegrave) The accountability ultimately lies with ministers—let us be absolutely clear about this—but if a chief executive is appointed to an agency and makes a pig's ear of managing the agency, he will be ——

(Mr Jackson) Dis-appointed.

(Mr Waldegrave) Or perhaps "unappointed" is the word Robert Jackson is looking for.

Mr Garrett

43. Why continue to have a fast-stream entry in this managerial Civil Service? Those of us who proposed agencies 20 years ago saw them primarily in the context of a Civil Service which dispensed with an elite entry.

(Mr Waldegrave) Well, that is a question which I first of all confess I have not yet analysed myself, but my instinctive reaction is to say that certainly when I worked in industry, and I do not know of any big corporation which does not give itself the opportunity to go for what are defined as "high-fliers" and if everybody else ——

44. It is nothing like the Civil Service practice though.

(Mr Waldegrave) I would want to look at it the other way, I think. Are we not getting in people that we should be getting in? In a pretty competitive world where we do not compete very effectively on pay, where certainly you do not come into the Civil Service to get rich, I would want to say to very bright people, to very good people,

[**Mr Garrett** *Contd*]
"Yes, there is a chance of rapid integration into interesting work".

45. But are they very bright or are they just from a particular social and educational background?
(Mr Waldegrave) I think they are very bright.

46. And on the basis they do come from this very exclusive social and educational background, why should they be the brightest?
(Mr Waldegrave) I do not think they do any more come from ——

47. None of them come from polytechnics or what were called polytechnics.
(Mr Waldegrave) I think you will find that changing pretty rapidly.

48. I have been told it is changing for the last 25 years.
(Mr Waldegrave) Well, I think you will find that as against most the Civil Service gets a very good range of the abilities of the young men and women of this country. It used to always be said that they were all Oxbridge. That, as a matter of fact, was almost a bit of a circular argument because at the same time Oxbridge was quite rightly told that they must be wider in the entry they take, so if they go on being good, you may find a wider social intake in the universities means that that is not a very helpful way of measuring things.

49. I would just like to remind you that I did not say why not have entry of the intellectually able; I said why have a fast-stream entry.
(Mr Mottram) I think that the argument runs like this: the Civil Service recruits a large number of graduates and as part of the recruitment schemes that we run we want to have, for marketing purposes, schemes which are particularly attractive to people who have a range of skills, not just brightness, but also other skills that we are keen to acquire, such as, the potential for management, for example, and we want to get our fair share of those sorts of people. Now, what we say when we recruit these people, I think, is rather important. We do not offer them a certain career outcome; what we say is, "If you are in the fast-stream recruitment, you will be given the chance for fast-stream managerial development and the opportunity for early advancement". That is all we say. We offer no guarantee about where you might end up in the Civil Service, whether you have got a career for life and all those sorts of things. Similarly, in the case of other graduates that we recruit, we have a number of management development schemes for them and they have the opportunity through those management development schemes actually to advance themselves quickly through the Service and beyond a certain point the way in which you were recruited into the Civil Service is neither here nor there.

50. That is not true. Why do you not have a fast-stream entry for engineers?
(Mr Mottram) We do have a fast-stream entry for engineers is the answer to that.

51. With the same prospects as for the ATs?
(Mr Mottram) With exactly the same prospects as for ATs, or actually probably rather better.
(Mr Waldegrave) Because this is an extremely important subject, particularly the bringing in of technical scientists and engineers into the Civil Service, I would be very happy to study this subject further and perhaps if it was convenient to the Committee we could have a further talk about this subject because I think it is extremely interesting and we have had plenty of things to do over the last few months and we have not done any major study yet.

Chairman

52. That is a very helpful suggestion.
(Mr Mottram) Perhaps I could add one final thing. The case of the engineers is a very interesting one because I was involved in this in a previous incarnation when I worked in the Ministry of Defence. In the Ministry of Defence we were very concerned about picking up our fair share of high-quality engineers who are very much in demand. We were not sure that the existing Civil Service schemes did that, so we introduced into the Ministry of Defence a fast-stream engineering recruitment scheme. As part of the training for these fast-stream engineers, there is a very deliberate attempt to give them broader experience so that over time if they stay in the Civil Service they can compete for the very highest jobs.
(Mr Waldegrave) The present situation, putting on my Minister of Science and Technology hat, is not satisfactory in the higher ranks of the Civil Service or, I have to say, for that matter in Parliament. There are not enough technically qualified people in these kinds of jobs. Mr Mottram has described one attempt to get there. I regard that, with my science and technology hat on, as very important that we have more people who are familiar with the concepts of engineering and science both in the top Civil Service and elsewhere in this country—but I am getting beyond my remit.

Mr Davies

53. You said in your foreword to the 1992 Review of Next Steps Agencies that some agencies "have been more successful than others", not perhaps a very surprising remark in the circumstances. Would you like to tell us which ones you regard as having been most successful and which ones you regard as being problem children?
(Mr Waldegrave) You will see in that document—those who have it—all their targets and some have done rather less well in hitting the targets. I do not need to mention to Members of Parliament that I think one particular aspect is the benefits side where there have been some troubles in recent months and even the head of that agency

[**Mr Davies** *Contd*]
would not want to say that had been a satisfactory outcome, but he is putting it right. On the plus side, well, it would be invidious to say—but I will add——

54. It would not at all, with respect; it is very necessary, that you form this judgment and that we should have the opportunity of seeing the judgment you form.

(Mr Waldegrave) That is why we published the report with all the performances against their targets set out. I think, for example, the Civil Service College has been a great success in recent years and I think that DVLA and passports have done extremely well in terms of hitting the target, and the Public Record Office. I think those are four or five off the top of our heads; we have probably missed out some other outstanding performances, which is rather unfair.

Chairman: Mr Radice has some questions on civil servants and ministers.

Mr Radice

55. Mr Waldegrave, you are responsible for the standards in the Civil Service. Have you noted that over the last two or three months a number of people have been expressing concern about that issue. We have had Lord Prior talking about the "rather cloistered familiarity" between permanent secretaries and ministers. We have had Peter Hennessy talking about a "tang of unease" in the air and worry about standards of conduct, and corners being cut to ministerial and administrative convenience in the needs of Britain's exports. For instance, on the defence side we have even had Sir Robin Butler saying—and this is unusual coming from the Head of the Home Civil Service —it is important to show, as I believe we can, that neither modernisation, nor efficiency, nor even the monopoly of a single political party being in power over a long period, requires us to discard these assets of lasting value. He is talking about high standards of integrity and working loyally and effectively for whichever party is in power. Does this concern you at all?

(Mr Waldegrave) I have read what Lord Callaghan said, and Peter Hennessy.

56. And Lord Prior?

(Mr Waldegrave) And Lord Prior. I have to say I genuinely do not find in either my day-to-day life over the last 11 years as a minister or in my present job, where I have more of a synoptic view, that there has been any measurable change. The relationship between civil servants and ministers now seems to me to be just about what it was. I do not think there has been any change. There was a time in the mid-1980s when people said that the Civil Service was being politicised and I think this Committee looked at that then and came to the conclusion that there was no evidence for that. I do not think anything has happened since then which would lead you to change your view on that politicisation. On standards of conduct of civil servants, I think I have to say that it is not quite enough for people to write and say there is an unease: let us have some examples.

57. I am not going to go into the examples, my colleagues will do so. But there is a Home Office example; there is an example over the Permanent Secretary to the Treasury and payments to the Chancellor of the Exchequer for legal expenses; there is Matrix Churchill. There are a number of examples. That is why they said it, because examples have been provided. I have no doubt that my colleagues will follow this up. I think it is unfair to say there are no examples.

(Mr Waldegrave) Those are the three cases.

58. They are quite serious.

(Mr Waldegrave) Two of them are now being looked at very seriously because they are very serious matters. Your sister Committee is reporting on one this very day. If by Home Office you mean the Clinton matter, I have to say I do not think that showed anybody doing anything wrong really. A journalist rang up and said "Did Mr Clinton apply for British citizenship?" and the Home Office said not. Is that not what happened?

59. I wonder if——

(Mr Waldegrave) If they said "No comment" would they not have been rightly accused of inventing a completely bogus scandal about Mr clinton in the middle of an election?

60. It is somewhat unusual for a government department to get mixed up in an election of another country; it does not usually do so.

(Mr Waldegrave) They were asked the direct question, "Did Mr Clinton apply for British citizenship?" What were they to do? Say "No comment"? There would have been a tremendous "haroosh" of scandal. Say "This is secret"—which it is not? I thought they did the right thing. They said "No".

61. Just one other question: why did you sack Sir Peter Kemp?

(Mr Waldegrave) I did not sack Sir Peter Kemp. It is not in the power of any minister to sack a civil servant. What I did was to say of Sir Peter Kemp (whose record incidentally as leader of the Next Steps project team I think was phenomenal—it was a remarkable achievement) that I did not believe that the rather different skills needed for the establishment as permanent secretary of a new department were exactly those that he had. It then turned out that at his level the Civil Service was unable to find him another job. But what I said, which I think is my right as a departmental minister, is that I needed somebody else to help me establish this new department, he did not have quite that mix of skills.

Mr Beith

62. When it takes so long to get out of the Home Office information about people who are actually applying for British citizenship, are you

[**Mr Beith** *Contd*]
surprised that they were able to discover so quickly that one inhabitant of the world had not applied?

(Mr Waldegrave) As a constituency Member of Parliament I have some sympathy with that. I think they took the view that there was a danger of inventing a completely bogus scandal of which some people, if three months later they had come up with an answer saying "No", would have said there was some frightful conspiracy in Britain; they must have tried very hard to get the answer quickly. I can see the difficulties of the situation for them. I really do not think there is any scandal.

Chairman: Following up Mr Beith's question, can we be certain that the application is not just lost at Lunar House?

Mr Beith

63. Have you ever felt during your ministerial career that there was such a thing much earlier, that you were in danger of asking a civil servant to do something which crossed the line between the role of government and that of the party in power and have therefore stopped yourself at that point?

(Mr Waldegrave) In the day-to-day things you have to remind yourself who is drafting what speeches and say, "No, this is a party occasion, I cannot ask the Department to draft that." That is why it is extremely important to have a political adviser; it makes it far easier for the Department to say "That really isn't a job for us, that's a job for the political adviser". I do not think so. It sounds extremely implausible to say one never does anything wrong, but I think it is because you have to have a certain nerve to ask the British Civil Service to do something that is wrong and outside its remit. They will tell you very firmly if you ask them and so they should.

(Mr Jackson) Could I add my pennyworth on this. I suppose one can talk in very general terms about these things and possibly get nowhere. Maybe the best thing to do is to be confident about this, as the Chancellor has been. I had the interesting experience of being the political adviser in the Department of Employment in the early 1970s, so there I was in the centre of that Department in the early 1970s and I then went back to that Department as a junior minister 15 years later. I think that I honestly can say that I do not perceive any change in the nature of the relationships between Ministers and civil servants between those two dates. Very often they were the same people in play in that Department, they have grown a bit older, as indeed have I, and I really do not believe that this change which has been talked about with a tang of unease, it just does not square with my personal experience.

64. When you say they are the same people, one of the points Lord Prior made was that the private secretaries have become permanent secretaries and the junior ministers have become secretaries of state and the two groups of people have seen their careers march in parallel, but if I can put the question the other way round, have you ever felt that this chap is getting a bit over-zealous, so keen is he to demonstrate that he is accepting "our" policy priorities that he in his own turn is in danger of crossing that line and ought to be discouraged from doing so?

(Mr Waldegrave) In a sense, yes, in the following sense, but this is the job Ministers have to do. If you say to a civil servant that you want a radical policy on this particular thing and they say, "Right, here are some radical policies", then they are doing their job. Some of them may be a little bit more radical than you want, but that is not them not doing the right job and it is for you then to say, "Hold on! I did not mean for you to go quite that far". That is not him becoming politicised; that is him saying, "Right, you want radical policies and here they are". I do not think that is wrong and I have certainly been in that situation where people have said, "But that is your policy" and I say, "Well, I did not quite mean that". That is not the Civil Service being politicised; it is the Civil Service properly doing its job. I can more seriously absolutely reaffirm that I genuinely do not know the political allegiance of the many civil servants that work for me and when occasionally I have discovered afterwards by accident I have often been extremely astonished and said, "Do you mean he was on our side? I never knew it at the time", or "So he is against us. Well, I never knew that. I thought he was working very loyally for us". I genuinely say that that aspect of the relationship is completely, I think, the same as it ever was when I was a civil servant in the early 1970s and I think it is very secure in that. I really do not think we are in difficulty with that in this country.

65. Do you expect the zeal which was shown in a particular case of a different kind from the one you are referring to, that is, the efforts which have been made to deal with the Chancellor's legal fees, to lead to some reconsideration of how matters like that are handled in departments and would it fall to you and your colleagues to play some part in that?

(Mr Waldegrave) If the Public Accounts Committee recommends, and I do not know what they are going to say or what they have said, and we will obviously have to study what they say, but I think it quite likely that it would certainly be for the Cabinet Office if it was recommended that there was a revision of the rules needed to do that, yes.

66. Do you think there is going to be the need for a further review of the rules concerning outside appointments accepted by the Civil Service bearing in mind that you will no doubt wish a climate of interchange to form part of the policy, do you think that the rules which have been under some strain in the past and under some criticism are really up to the job of covering that possibility particularly when the fear exists that people may have regard to the possibility of a future appointment in their current views with outside industry?

(Mr Waldegrave) I have to say that I think the rules are adequate, but it is true that there will be

[**Mr Beith** *Contd*]
more cases falling under them if we succeed in getting greater interchange in and out, which I think would be beneficial, and there may, therefore, be more people rather inconveniently told that they cannot take a particular job for a period of time, as happens. I think the rules are adequate, but obviously if the Committee wants us to have another look at them we will, but I think you are right that there may be more cases where we have to use the rules in relation to people if we are going to get more people going in and out.

(Mr Jackson) But it does not make sense to complain about incestuousness and then to argue for policies that would actually make it more difficult for people to move out.

(Mr Waldegrave) I think Mr Beith is saying we want to be sure that we have proper rules in place if we are going down that road, which I would agree with, and if we do get much greater interchange and more people changing we probably will need to make sure that those rules are robust enough to take what will be an additional strain.

Ms Abbott

67. Just on this point, you keep saying that the relationships have not changed, but you come before this Committee in the guise of Christopher Robin and say that nothing has changed between civil servants and politicians under the Thatcher era. I think, to give you the benefit of the doubt, maybe you are confusing your personal relationships with civil servants, which no doubt are as smooth and as easy as ever, with the point we are trying to raise that over and over again in the past decade civil servants are acting in a party-political way which could never have happened decades ago. Let me just give you an example of the hugely inflated advertising campaign prior to privatisation. Take the DTI under Lord Young where many thousands were spent on advertising about different programmes which in reality were telling people in the run-up to the General Election that the Government was doing something about unemployment. Let us remind ourselves about Sir Bernard Ingham who has spent his time speaking against government ministers, unheard of with past people occupying that post.

(Mr Waldegrave) Well, I think——

68. I am only quoting from people on your own side, such as your colleague, Mr Biffen, who himself said that it was unheard of. Laugh at me if you wish. Then there was the Westland issue where the civil servants took it on themselves no doubt over-enthusiastically to leak public letters and confidential information from your office. All I am saying is this: no doubt your personal relationships with the civil servants are as smooth and as easy, not to say sycophantic, as ever they were, but what concerns people like Mr Hennessy and ex-ministers in both parties is that civil servants, maybe second-guessing people like yourself, are stepping over the line in their role as civil servants and acting in a party-political manner.

(Mr Waldegrave) Again those were accusations which were made before the Election. I have to say that I do not believe that public money has been used for political advertising. The controls and the checks that exist on that are exactly the same as ever they were and there have been occasions when the Cabinet Secretary has quite rightly, according to the rules, said to ministers, "You cannot do X because, for example, this particular area of policy has not yet been passed through Parliament so you cannot inform the public about it because that would be lobbying before the thing is established". There have been cases of that where quite rightly the rules have been kept and they are the same rules as ever they were. These allegations were made before the Election and I do not believe they were substantiated then. There is no point my spending time defending Bernard Ingham. I happen to believe that Bernard Ingham has nothing to be ashamed of myself in terms of his role as the then Prime Minister's Press Secretary and I believe if you go back over the history of press secretaries of course it is part of their job to represent and that of course is set out in the Armstrong memorandum incidentally, but Bernard Ingham, as the head of the information service, was absolutely scrupulous in abiding by the rules. I do think that some of the criticism is the sort of criticism you get of a powerful personality, good at his job, who in the course of a number of years is bound to have offended some people and they are trying to get back at him, but I think it is a very unfair criticism.

Mr Sedgemore

69. Chancellor, I once worked with Bernard Ingham, but I am a discreet person, so I shall say nothing! I wonder if we could have a look at just a couple of cases. First of all, on the advice which Sir Peter Middleton gave the Chancellor of the Exchequer about his private legal fees, can you personally, either as a minister or in your time as a civil servant, remember any similar case where a permanent secretary seems to have weakened the integrity of the constitution for a small sum of money in order to pay a private legal bill for a minister?

(Mr Waldegrave) The PAC has been looking into this and they are producing a report today and I do not think it would be sensible for me to start commenting on that matter when another Select Committee has done a very thorough investigation and made a report.

70. Well, you are before this Select Committee and we are perfectly entitled to ask you questions and question you and just as the other one can ask ministers, we can ask you. There is no point in you coming if you will not answer relative questions because you are responsible for the Civil Service.

(Mr Waldegrave) It seems to me not far short of discourtesy on my part to start making comments, not knowing about the report which I think has been released during the time I am talking to this Committee.

[**Mr Sedgemore** *Contd*]

71. This Committee is full of Oxbridge people who were civil servants, of which I am one, like everybody else here—there are at least four of us.

(Mr Waldegrave) It seems to be a reasonable cross-section of the population.

72. I was in the Civil Service in the 1960s. I do not think anybody who was in the Service at that time would suggest that the Chancellor would have got four pennies, let alone £4,000. Is that not a question of standards falling? We simply know that kind of thing could not have happened at that time.

(Mr Waldegrave) It is not within my knowledge whether it did or did not. The Public Accounts Committee will presumably have looked at all that.

73. If it did, presumably you would as the Minister responsible look back at the history of this kind of issue which is very important for future policy.

(Mr Waldegrave) The PAC looked into this. Whether or not similar payments were made in the 1950s, 1960s or 1940s I am not sure. It has not been within my remit to look at that.

74. You are not concerned with it?

(Mr Waldegrave) We are all waiting for the Public Accounts Committee—the premier committee in some respects in this area of the House—to look at this and make a full report. Then the Government will comment on it. Surely that is the sensible way of proceeding.

75. If we could move on to Churchill Matrix, before you put up the defence that there is an inquiry into that as well could I ask a theoretical question. Do you think it would be right for civil servants, if indeed it happened, to collude with Cabinet colleagues in a way which was putting citizens at risk of imprisonment by inviting them to sign public interest immunity certificates? In the police courts they probably would not allow the evidence.

(Mr Waldegrave) I think that is the sort of entirely theoretical question that comes from nowhere. I think any answer to that question comes value-laden with a whole series of preconceptions about those events. So I shall—as you rightly predicted—say we should wait for Lord Justice Scott's inquiry.

76. You are pleading the Fifth Amendment?

(Mr Waldegrave) No, I am saying you have been smart enough to frame the question in such a way that any answer gives all sorts of ——

77. Could I change the nature of the question completely and, to satisfy you totally, make it purely factual and simple. Can you tell us if any civil servant advised any of these relevant ministers who signed these public interest immunity certificates not to sign them on grounds that signing them might prejudice the liberty of three of the subjects of the kingdom?

(Mr Waldegrave) Those factual things in other departments than that which I am now serving will be evidence doubtless given to Lord Justice Scott and will be reported on.

Mr Garrett: Can I ask a question about open government? Since you are responsible for the Civil Service and open government you will be familiar with the Osmotherly rules. The Osmotherly rules, as you know, govern the behaviour of civil servants in front of a Select Committee.

Mr Sedgemore: I used to employ Osmotherly.

Mr Garrett

78. He produced some rules. The Osmotherly rules have no authority in the sense that Parliament has sanctioned or even considered them. They do not exist, as I understand, as an Order in Council; they are simply guidelines for civil servants. They are quite phenomenally restrictive in that a civil servant is not allowed to admit the existence of a working party or a committee in a government department where outsiders serve on that committee; and it is because they are not allowed to admit the existence of such a group, committee or working party that Select Committees can never get hold of what such a body would do. Do you not find with your open government hat on that that is really very restrictive? Can we expect that you would review those rules?

(Mr Waldegrave) Well, I have read them. It is a long document which I read before coming to this Committee today.

79. So as to follow them yourself?

(Mr Waldegrave) No, it is for *him* (*indicating Mr Mottram*) to follow them! The rules are all aimed, as I understand it, at maintaining the proper system of accountability through ministers to make sure that civil servants are not taken out of the territory for which they can answer on factual matters and into areas of ministerial accountability which should be for ministers to take responsibility for. Now, there is nothing under the sun that is perfect and those rules must be looked at again from time to time. If this Committee were to come to the conclusion that there were serious difficulties, if the Liaison Committee or others were having serious difficulties with the evidence given by civil servants to Select Committees, it would be courteous and proper for the Government to respond to that. I am not aware that there is such a tension at the moment but perhaps —

80. You have recently read them, you say. What do you think of them?

(Mr Waldegrave) They are, as you say, very detailed.

81. I said restrictive.

(Mr Waldegrave) I think it is right that there should be some restriction here because it is for ministers to take the tension of answering the diffi-

[**Mr Garrett** *Contd*]
cult questions you and Diane Abbott and other members of such committees forcefully put. I think it is right for civil servants to be able to be protected by these rules.

Chairman

82. Further to the question Mr Garrett put with regard to not being able to acknowledge the existence of working parties in which outsiders were serving, that is just a matter of fact, it cannot be a matter of policy or a matter which requires any great ——

(Mr Waldegrave) Not so long ago it was thought to be a great constitutional trouble to admit the existence of Cabinet committees. I am happy to say the Government has found that was silly, so I am perfectly happy to look at that particular point.

Ms Abbott

83. I have two questions. First a one minor one in the area of competitive tendering and market testing: it was reported in the papers that your wife's company did the catering for the Edinburgh Summit. If that is correct, it struck some of us as slightly odd. Can you tell the Committee whether that catering contract went out to tender?

(Mr Waldegrave) If you read the Evening Standard subsequently, they apologised for that story.

84. So it was wrong. My second question is to do with responsibility in relation to open government. What is your objection to a statutory Freedom of Information Act?

(Mr Waldegrave) The Government's objections have been set out on a number of occasions. We believe that it is possible to improve further the flow of information necessary to the maintenance of proper democracy without the full juridical complexity and expense of a Freedom of Information Act. That is to be debated in Parliament shortly when Mark Fisher brings forward his Bill. This Government has taken a number of very useful steps on this, for which it deserves some credit, and I hope we can find more. The argument is not actually one of principle. I think we all share the view that proper flows of information should be available. I think this Government has made it clear that it regards past practices in some respects as having been too restrictive. Whether there is a need to go to the full extent of a FOI Act we still doubt.

85. Briefly, if a FOI Act works in Australia, Canada, New Zealand, the United States, France, Holland, Norway, Sweden, Denmark, and Finland without any of the complexities and problems that government ministers always talk about, why are you so certain it could not work here?

(Mr Waldegrave) Well, there are certain complexities and problems in those countries of course and it is not obvious to me that in a number of those countries there is very much more effective information available to legislators and the general public than could very easily be made available or is made available now here by administrative means, but this is not an argument of principle; it is an argument of whether one can get the necessary flows of information in ways more traditionally related to how we have done things here in the past. I believe we probably can and I will be bringing forward some proposals in due course, I hope, to take further steps in this area.

86. Finally, it is all very well for the Government to say that it is taking steps to make more information available, but the test is whether legislators and the public are able to get hold of information that the Government does not want made available and the point about having a statutory Freedom of Information Act is it makes it possible for legislators and the public to get hold of information which perhaps for bad reasons or silly reasons the Government does not want made available. How do you meet that?

(Mr Waldegrave) I quite understand that and we have procedures and doctrines for the publication of information which does provide for the flow of information which is often not convenient to the Government and that is perfectly right and so it should be. There are other costs and difficulties which we will be debating when we come to this in Parliament. The argument is whether we can achieve the objectives, the legitimate objectives of those in the freedom of information campaign without going the whole hog of an elaborate lawyer-based Act of Parliament. I believe and I think we can. I think we should at least have another serious try at it, but that will be debated shortly.

Mr Radice

87. Your approach depends very much really on your clout and we know from past experience that approaches or initiatives are based on an individual running into sand and I am talking about, for example, the Lord Croham initiative in the late 1960s, early 1970s, so you said you are not against the Freedom of Information Act or Bill in principle, but if your approach failed, can you foresee any circumstance in which you would support the freedom of information?

(Mr Waldegrave) I think I would put it this way: if over time Parliament comes to the conclusion that the improvements that have taken place, because, to be fair, a great deal more information under governments of both parties is released now than it used to be, more is being released year by year, if Parliament in the end comes to the conclusion that it is still not getting enough information to do its job properly there would one day under those circumstances be legislative steps taken. I believe we can do it without it, but I think that is a test for us to see whether we can take necessary steps to bring forward the things which will reassure Parliament.

[**Mr Radice** *Contd*]

88. You have a test on Friday for the Freedom of Information Bill which is the Medicine Information Bill having its second reading which I am introducing and I think you know about its details, I sent you a copy. What is going to be the Government's attitude towards that Bill?

(Mr Waldegrave) Well, I must leave that to the Secretary of State for Health, but, as I understand it, there have been quite positive discussions about taking some further steps forward in this direction. I must leave it to my honourable colleague to bring together the different strands.

89. Surely you have a view yourself as the Freedom of Information Minister?

(Mr Waldegrave) Yes, without direct responsibility in a way which would be wrong, it is part of my job to pull on the end of the string which is marked "openness", but there are sometimes other arguments to put, such as commercial confidentiality and so forth which your Bill has been winging its way through.

Mr Radice: Well, I am not going to push my luck on this because I am waiting for Friday, but I hope that means you have been putting your weight on the side of openness in the case of my Bill. I think you ought to be, I must say, because it seems to me very clear itself and, without going into the details of the Bill, I am sure this is something that can be argued about in Committee, but I am sure this is something you ought to be supporting.

Chairman: Perhaps we should leave it to your luck, Mr Radice.

Mr Davies: This administration has made more progress in declassifying documents and producing a greater degree of openness in government than any of its predecessors and I think you must take a lot of personal credit for that, if I may say so. Can I, however, ask you, and the second part of my question you may not appreciate so much ——

Mr Radice: That was the oil!

Mr Davies

90. Can I ask you how many, and I hope that if you do not have the figure at the tip of your tongue that your Permanent Secretary does because it does seem to be an important matter, how many documents remain classified beyond the 30 year rule and what possible justification there can be for maintaining documents classified for longer periods than 30 years? Surely national security cannot possibly be an issue where documents are more than 30 years old?

(Mr Waldegrave) I would be very surprised even on this if Mr Mottram knows exactly how many documents are still classified. It will be a very large number indeed.

91. Too many, I am sure.

(Mr Waldegrave) Too many, and I would be willing to accept that. I believe that there is great progress and you are kind enough to say that we have released things which previous administrations took a view could not be released and we will continue to do that. I believe there is progress to be made in this area. I do believe that there are certain things which should be classified for more than 30 years. Let me give you one relatively uncontroversial example, the Census information. The Census is taken on the basis that that information is kept secret for 100 years. People fill them in and it is very, very important. I was responsible as the Secretary of State for Health for the Census Office and it is tremendously important for them that they are able to say to people who will often resist giving information that it is kept secret well beyond their lifetime and even the lifetime of their children.

92. That is involving administration of government and policy formation. These are the key areas.

(Mr Waldegrave) I believe that the enormous majority is that and there is then going to be a relatively small area, I think, of genuine national security papers which will be secret beyond 30 years and should be, but, even so, it is not very long before we shall find Mr Sedgemore's and my comments broadcast to the world as the focus that we annotated when they become released under the 30 year rule. 30 years is not tremendously long as a matter of fact in terms of the life of a Minister or a civil servant, but I think very few should not be released and Mr Sedgemore and I should not mind being embarrassed a bit by finding what we wrote at the beginning of our careers.

93. Could I just touch on the 30 year rule itself so far as Cabinet papers are concerned, Cabinet papers in the official wide definition of that term. It has now become the practice, has it not, for Cabinet ministers who retire within a very few years usually to publish their memoirs and in those memoirs, or otherwise, to reveal a great deal about the detail of Cabinet discussions, the arguments that were adduced, the advice that was given and the different positions taken up by different Cabinet colleagues? Since it is now become the norm, the habit, and I personally welcome it and read a lot of those memoirs with interest, is there not a case for re-examining the 30 year rule altogether and seeing if we could not in fact reduce those 30 years to 20 or 15 or some more reasonable number?

(Mr Waldegrave) We should certainly have a look at whether a reduction is fair. I have to say that I think diminishing the area covered by the 30 year rule is a much more productive target. I do think there is a danger that if people think that everything they write is going to be a matter of political controversy really quite soon while they are still active and within their career, they will start writing stuff for publication and you will damage the necessary frankness of discussion and I believe this has happened in some other countries where people are allegedly putting things back and forward in the file so that they are always right depending on what the current fashion of the day is, and we do not want to get into that. One of the

[**Mr Davies** *Contd*]
great benefits for historians in this country is that when our files are opened, they are remarkably frank and, therefore, we have very good history in this country. I believe a 30 year rule, as such, is not inherently wrong and I have to say that I regret the fact that some of the conventions which were set up by Lord Radcliffe, I think, have been breached by former colleagues and I think it is extremely unfair to civil servants who are often attacked in those pages without the capacity to reply and it would be wrong if they did reply, so although there is nothing to be done about it in the real world, I think it is not again for the Government.

94. Surely that undermines your own argument because if, and let us just take an example, Nigel Lawson or Denis Healey publish in their memoirs a few years after they retire papers that they wrote to Cabinet colleagues or to the Prime Minister on key policy issues it may well be that when they wrote those papers they were thinking, "Well, in five or ten years' time I shall retire and write my memoirs and I had better make sure that this document is drafted in such a way as to look as good as possible when that happens". I make no aspersions about those individuals, but I am merely taking those as examples to illustrate what I think is a real point which, I have to say, I think you have slightly ignored.

(Mr Waldegrave) No, I think it would be a great pity if all Government documents, including those written by civil servants, were written with publication in mind because I think that would be a great loss to the honesty and frankness of discussion in government and indeed it would be a loss in the end to the historians because they would not have any real documents of decisions which were taken honestly and nothing would get written down.

Mr Beith

95. Presumably as a Department you are bound to be involved in the review of the honours system. Would you be addressing two questions? One is whether people within the Civil Service should be granted honours merely because they have reached a particular post and remained in that post for some time, or whether they should only receive an honour if they are exceptionally distinguished in that post or do work beyond and above the call of duty. Secondly, I presume you are considering, if you are involved in this process, whether there should remain a mysterious ranking in the honours system whereby it is not the outstanding nature of the commitment or service which determines when you get the British Empire Medal or become a CB but the particular rank to which you have risen.

(Mr Waldegrave) The truth of the matter is my Department has not been involved in this. The Prime Minister did ask me personally to think about it but it is the Prime Minister who is responsible for this area and he consulted me and, I expect, consulted a number of other ministers such as the Secretary of State for Defence who is obviously involved because of the military awards and honours. But it is the Prime Minister who has been doing this and I think he will be coming forward with conclusions in due course. I think it would be wrong for me to pre-empt them.

96. If he consults you again, will you bear in mind these two issues which many members of the public hope will be addressed?

(Mr Waldegrave) I will.

Mr Garrett

97. Do you propose or expect ultimately to privatise all or the greater part of HMSO and the Central Computer and Telecommunications Agency which are both within your responsibility now?

(Mr Waldegrave) They must be looked at in the context, first, of their review.

98. Would you expect those two bodies to leave the Civil Service altogether?

(Mr Waldegrave) I would not want to answer off the cuff today on that because these matters must be looked at extremely closely. It is obviously no secret. They should be looked at seriously but we have not come to final conclusions on them.

(Mr Mottram) Perhaps I could add in the case of CCTA, the Government Centre for Information Systems, that is not an agency in Next Steps terminology. A number of the functions the CCTA performs are functions you would expect to find being performed somewhere in Government—advice to Government Departments on how they procure services from others. I think a number of the CCTA functions certainly would not be privatised, but as to other aspects of the CCTA's work, we certainly do look at whether the right place to put them is inside or out.

Chairman

99. Chancellor, I would like to thank you and your colleagues for the very informative evidence you have given us. It is very helpful to us in deciding which areas of your responsibilities should form part of our future work programme for inquiries.

(Mr Waldegrave) Thank you, Chairman. I think there are one or two points I promised to follow up and I will write to you.

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