OFFICIAL SENSITIVE

Covid Corporate Memory

Interview with Philippa Davies

Date: 12th July 2020; 14:00; MS Teams call

Attendees: Philippa Davies (Director, Public Spending); Simon Girdlestone, NR (Covid Corporate Memory team)

PART 1: Intro (15 mins)
Thank you for agreeing to have this interview as part of the Covid Corporate Memory project. This project has been set up to document and summarise HMT's response to the pandemic. We have gone out to all Groups in the Department, reviewed ~900 documents, and are in the process of developing a written summary of what happened. This interview supplements our document review and is intended to help us learn more about how we responded. Today we will ask you some general questions about how HMT responded to the pandemic (resourcing and governance) and also some specific questions tailored to you and your role. We don't expect to cover all questions provided below; these are shared to help steer the conversation and make a good use of time. Information provided to us will be treated sensitively. If you have any concerns about this please just let us know. After this interview we will write up notes from our call and share these with you for your approval.
How did HMT resource our response to the pandemic? • How did we move internal resource to respond to the situation? • What was the impact of homeworking, how did it impact our ability to give the CX and other ministers the service they needed? • It has been said that HMT used lessons learned from previous crises in managing our response. Was this your experience? What lessons do you think we learned / put into practice?
So, in the very early stages, for example when we first heard about COVID, when we were bringing UK nationals back from China, around late February time, it was sort of all being dealt with through one person in my team. We were pushing some of the spending stuff out to others where we could, for example the HO spending team if it was borders or FCDO spending on planes to bring people home. But I had one Range D working on it. In retrospect I think we were quite slow, as with the whole of government and outside of government, to recognise it was more than just an annoying health issue. I probably tried three, four, five times before it necessarily resonated with my Directors at the time or DGs to get some resource in for coordinating stuff. We were getting loads of stuff through from CCS on it and the one Range D leading on it naturally was very anxious. So in that initial stage we should have jumped on it quicker, and across the SCS we should have listened more. Then when we all recognised what it was, and that bit before Budget when the CX started to be interested, I think we were better. It was still ad hoc, I got multiple new people into my team, some

from Public Services, not all of them officially/permanently, but we got people and a lot of that was reprioritisation across the Group. I think we should have moved quicker at that point to have a central COVID team. It needed coordination. I remember sitting in meetings with Directors and DGs and there was no coordinating force. We should have realized sooner that SPB needed to be that coordinating function.

And then pandemic proper, April-May say, my team grew by 10 or 15 people, so about 60% growth. That is a big deal. HMT did move people, we got people from SPB, from the wider Group, which had an impact elsewhere if I'm honest, and we benefited from having 'health' in the name. What I struggled with at that stage was the lack of ability to keep people – SPB would move people in and out, for example my testing team didn't have permanent staff until September. We were taking up time running big recruitment campaigns, struggling to get decent long-term resource from SPB, and I know SPB resource isn't intended to be long-term, but you can't do it with people moving in and out every two or three weeks. So my major reflection would be permanency – you should have people in for 6 months or so.

Q: There was the HMT wide reallocation process - did that help?

I think I had two people from the reallocation which was really good. But again they were forced to return to their home groups around August. And we were preparing for the SR, we had only just got them up to speed on spending issues, but then we lost them before the SR. And I think, perhaps because of ministerial views, we acted as though COVID was over, and the people who had lent me staff were in the idea of getting them back in September, and that led to some difficult conversations.

Q: How was reprioritisation done within the team?

In my team we stopped literally all BAU work. In March, April, May, June we did no BAU and I moved the people who did capital onto ventilators and PPE, the people who did spending control onto testing. I did it by allocating sort of by strengths, but also who was around. I put a coordination function in within the team because there were so many briefing requests. We did no proactive policy for around 6 months, and I think that put us back a bit for the SR. Across the group, Will Garton and JC Gray the Directors at the time prioritised Health and Local Government which meant taking people out of Home and Legal, Education, Housing Planning and Cities, to sit in Health and Local Government. That meant actively not doing stuff in those other teams. So we genuinely stopped all of our proactive policy work. I have loads of emails at the time about delivering Supplementary Estimates, Main Estimates, because we had to, but that was it. We did the highest priority business cases, of which there were two, but we didn't do any policy work on for example social care or public health.

Q: What was the impact of the move to working from home?

I think it was better than I would've expected. It had a marked wellbeing impact on the team, but that comes alongside the massive uncertainty of COVID anyway and the fear people felt in their private lives. It's hard to unpick that. I did have people living on their own and before you could bubble were very literally on their own. So it was a wellbeing impact rather than a productivity impact. Home schooling wasn't such an impact – in a team of 32 I had maybe 2 parents. Neither of whom had the majority childcare role. I think working from home made us a better team in a lot of ways. We went from one team meeting a week and informal chats about how people are doing to a team meeting every morning for half an hour, our team-working improved substantially, I met our management

team 3 times a week, we did surveys on wellbeing, and have never talked about wellbeing more.

Hours-wise, people worked all the time because we had so much work. I actually think being at home was better for that. Particularly for example facilitating transactions of PPE late at night, it's better to be at home. So you can do what you want at 10pm and then be done. Obviously that has big impacts on work life balance but for the emergency immediate stage, I thought it was fine.

Q: Did you consider double running the team with another DD?
At the start, when we didn't understand self-isolation, when we were talking about having 50% of our staff off work, we just didn't have enough staff to properly double run. I've said to Will that I think they should have double run me early – Will would say he didn't think there was a good time, or that I wouldn't want to, and when I left he recruited two people to do the job. That's not a reflection on Will, there are lots of reasons it wasn't the right time. But I think we should have had a second DD.

How did we govern our response to the pandemic?

- What was the governance approach as you experienced it?
- Who were key decision makers?
- How transparent and robust was this approach?
- To what extent were the agreed formal structures followed in practice?

I think it went through stages – there was a bit when it was the health thing, and everyone expected me to know the everything about the path of the virus because I led the team working on health spending. We shouldn't rely on spending teams, if it's a policy crisis, to know everything about the policy. I don't think you could rely on spending teams for that. I remember sitting in CX meetings and talking about doubling infection rates and so on. After that I think the COVID boards, Kate knows this, got quite big and not decision-making. It felt like we were doing teach-ins for people and I wasn't sure what the forum was for big decision making. I'm not sure the COVID board was that. We've moved to COVID Directors meetings now which I think are better at making decisions. It wasn't awful, but there were various COVID sub-boards that we in the health team didn't participate in as we felt they were just work-generating. We did have some big decisions last summer about bed capacity in the NHS, and the NHS were putting to put in a lot more permanent beds which would be billions of pounds of baseline spend in the NHS, and there are lots of delivery and spending arguments there and whether it would especially help with COVID. We did our own analysis on bed capacity in the team, but I really worried around last September that the CX had gone in very heavy with the beds analysis we did, which was right and I stand behind, but was an incredibly spending-focused way of looking at the issue. And I think in retrospect looking at winter this year, if we had put billions in to buy more beds, might it have helped? It's hard to say because winter was so horrific that it would've helped, staffing would've been tricky for example, but it may have helped around the margins. But someone remarked to me, not from HMT, when I was beating myself up about it, that it isn't fair the spending team is the one voice in that debate – and I worry that the economic voices in HMT weren't heard enough there. It probably wasn't for me to be putting the economic arguments to the CX. Obviously he knew them already but it shouldn't have been for me alone to be putting those arguments.

Q: Is there a pattern of very vertical decision making, so it all going to the CX, and things like the COVID boards are essentially information sharing spaces?

Yes, and I think the only other place it all comes together is those hideous HMT email chains. We took

some hideous calls on email chains, e.g. do we mass test, do we do self-isolation payments where the CX had dug in, all of them where the main feed-in, apart from the few times we had meetings, was by getting Econ to comment on subs or getting Claire Lombardelli to jump in. That doesn't feel like the right way to figure out if you should invest £10bn in testing ultimately. And the CX ends up being the arbitrator as the only person who brings together spending and econ. There isn't a civil servant that brings together both sides. I'm not sure Tom should in his role, but in other depts it is the PermSec. This is no reflection on Tom but I've never thought about this – there is no civil servant who looks at both, it is just Cat and Claire talking to each other, there isn't someone that sits across both directly. We talk about it a lot, the finance ministry economic ministry line. They are hard circles to square. I felt the places it bit were mass testing, bed capacity. On PPE not so much, as you didn't get into the conversations about whether you should buy it, because there wasn't a debate there. And a little bit on social care, but that's the pervasive way with social care, people don't buy-in enough across government.

PART 2: Interview specific questions (25 mins)

Relationships with other departments

- How did you work with stakeholders including other government departments (DHSC, MHCLG, DfT, DfE etc) and delivery bodies (e.g. NHS, schools)?
- Specifically, in Health spending, it looks as though many decisions were being made at pace with little time for scrutiny by HMT (examples: senior appointments / Test and Trace decisions). What was your experience of this?
- How were funding envelopes agreed for health spending? How were the figures chosen?

I thought it was really good for our relationships in lots of ways – maybe because we said yes to loads of stuff and pulled out every stop to serve them well. I saw our role as facilitating rather than challenging, at least for the first few months, even on some contentious issues. We put things through in hours or even minutes. A lot of my team who are HMT through and through thought – what are we doing? We aren't doing spending control here, we are just supporting DHSC. But it felt like we were all in it together with the department, we had calls every day. It was harder with the NHS, they can be tricky, and it worked more on a personal level and could become more attritional, particularly when we came to the SR. The relationship was good but the department was hard to work with in terms of their performance – test and trace for example was a nightmare, their turnover was mad, and there were times when people in my team knew more about test and trace than they did, we were just working with new people every week.

Q: How did you agree funding envelopes for health, it must have been a bit different to normal?

Totally made it up, because there was absolutely no rule book. I worry that we haven't written down a rule book from this crisis, not a rule book per se, but we figured out how to facilitate spending really quickly in a crisis in a way that still meets Managing Public Money and was ok for our ministers, and that took a lot of trial and error, for example some of the early ventilator and PPE transactions. So we used all of the spending control that my team knew how to do to work out a proportionate way to do stuff, a way of setting universal budgets set on forecasts, although in loads of cases those forecasts were just so wrong – the PPE forecast for example, where we've probably got billions of it that will have to be disposed of.

Q: How did you get to the figures for the envelopes?

On PPE we worked with the department, they produced the forecasts that McKinsey had done for them, which were fairly inaccurate. They had Bain, McKinsey, others in. Lots of their headcount at points was consultancy. There was a lot of unapproved spend there that we had to deal with at Supplementary Estimates. But on envelopes, we used those forecasts, average costs projected forward, used an efficiency assumption, I think we reset the PPE envelope 3 times as they spent more and more on PPE. I think we just accepted it, the CST really hated it, but we were also being called like everyday from PM meetings, I had the CX on the phone about 3 times really angry that he was being told by SoS DHSC that we were blocking stuff. And it was never us, but the CX wanted to make sure it wasn't us. Setting these envelopes did make our ability to control spend really hard, and it's meant the testing programme has become a thing that will persist, a multibillion pound organisation that's going to persist, it has more staff than HMT, and I had 3 people focused on £34bn of spend. If that had been a small spending team it might've had more control, and I think it was absolutely right when I left for Will to put a DD in charge of PPE, testing, and vaccines.

Access to information and decision making

- Do you feel that HMT had the right information to be able to make good decisions?
- How did you approach the process of establishing spending controls / processes? To what extent were proposals for expenditure considered each in their own right as opposed to holistically across a portfolio?

No. We had as much info as we could get, maybe as much as DHSC could get, in order to make the best decisions we could. But on PPE for example you were taking decisions without any medical guidance, at the start, on what was required, without people having seen what was being purchased, without Commercial going over the contracts. It got more standardised and better but the information flows out of the NHS and social care are very poor, including sharing with government. So at the start the info didn't exist, and then we weren't getting the info that did exist. Whether there were other things we could have done - the CST writes to departments about data every month or so. No10 did eventually pull all the NHS data into a dashboard, owned by Ben and NR and the No10 team, a very impressive live dashboard where you could see live bed capacity, although we struggled then too to get access, I think we got it in September or October once CST had written three or so signed letters to Simon Stevens. That unlocked some data but it wasn't seamless.

PART 3: Close (10 mins)

What else do we need to be aware of?

This can be things you'd like to tell us now, documents to review, or a follow up conversation.

I am a bit worried about making sure we put down on paper what we've learned. Most of my team have moved on for example. There's also thinking about the opportunities from COVID, of which there are loads, for example we entirely changed staffing ratios in the NHS. A&E is another one, yes we put off some people who should have been going to A&E but we also kept out some of the people who tend to go to A&E when they shouldn't. On policy issues like that we tried to do some work on it ahead of the SR, we thought about getting in external people to work on it, whether consultants or the many people who are thinking about these things externally. Given we spent a lot of money

elsewhere, I think that would've been a pound well spent. And on wellbeing and support, I think HMT has done quite well, but I think a lot fell to DDs. I've never felt more responsible for a huge amount of policy plus the wellbeing of about 33 people. We hadn't thought enough about the concentration of pressure at E2 and DD level. The emotional impact was huge, I had a lot of tears on a daily basis from the team, I think I can deal with that stuff and I back myself as a leader. But it was hard, and it felt like the Treasury might not have recognised that. I think it comes down to who your DD is in HMT – I had managed teams before and I was able to ask people every day about how they were feeling, their wellbeing, but for a new DD I don't know how someone could have dealt with it. Particularly managing people virtually, or with Range Ds who have never worked or are in their first role. It all showed me that HMT doesn't care enough about leadership, still. There was a lot of peer support 100%, which is a good reflection on HMT values. There are lots of positive stories there. But I think we have probably celebrated the amazing people who did work for example on the COVID support schemes, but not the people who didn't work on COVID stuff for example but faced huge leadership tests.
Overall, what do you think HMT did well? What was more of a challenge?
Thank you for your time. • Our next steps include further interviews and document review, which will then be written up into our final outputs. A first draft of these is going to our Editorial Board on 19th July. • We may be in touch with further questions, and please do reach out to us if you have additional points to raise with our team.