

## Clare Moriarty



**Permanent Secretary at the Department for Exiting the European Union** April 2019 – January 2020

**Permanent Secretary at the Department for Environment, Food and Rural Affairs** August 2015 – April 2019

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### Defra before the referendum

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**UK in a Changing Europe (UKICE):** You came to the Department for Environment, Food and Rural Affairs (Defra) from the Department for Transport (DfT) in mid-2015, when Liz Truss was Secretary of State. What did you make of the state of Defra when you arrived there? It had been subject to pretty significant cuts under the Coalition. What sort of department did you think you'd moved into?

**Clare Moriarty (CM):** I started at the beginning of August. It was the middle of the holidays, and a lot of people were away, but it felt to me that the department wasn't functioning well. The relationship between my predecessor and the Secretary of State, Liz Truss, had been difficult and there was a lack of proper challenge in the system. Liz was very keen to downsize the Department dramatically, ahead of going through a process of thinking about what the Department was going to do in the future, how it needed to be organised, and how many people you needed. Before I'd even started at Defra, the HR team came to see me in DfT and told me that Liz wanted to have a voluntary

redundancy exercise to reduce numbers by 40%, and I had to say 'No, we're actually not going to do it like that'.

So the Department was in quite a difficult position, and over my first three months, I was trying to tease out how much of it was the consequence of the experience it had been through, and how much was departmental capability. My conclusion was that we needed to grow capability in three areas. First, perhaps surprisingly for a central department, in understanding Ministers. Because the Department was so focused on relationships with Europe, there wasn't such a high degree of attunement to how things happened in Whitehall and what Ministers thought and why.

Second was to become more comms savvy, seeing ourselves as the world saw us. We needed to avoid falling into the trap of finding a technical solution and pushing that as the 'right answer'. And third was to get better at making decisions in an orderly fashion and with that really, really rigorous exercise of judgement.

**UKICE:** Given how central Europe was to your work, did the referendum loom large for Defra in a way it obviously didn't for much of the Civil Service, pre-referendum? Was it a department that actually had to start thinking, 'My God, this is really going to matter?'

**CM:** It did. There was a lot of work on the referendum from about February onwards. When I started in Defra the horizon was dominated by the Spending Review. And lots of thinking was going into preparing for the EU Presidency that was due to happen in 2017. I couldn't tell you exactly when the referendum became the big issue, but certainly, there were teams in Defra who were utterly focused on the referendum from the beginning of 2016.

## Defra after the referendum

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**UK in a Changing Europe (UKICE):** If we then move to the immediate post-referendum position, what happened? You come into a Department which suddenly discovers its whole universe and the way it operates has changed, Maybe slightly taken aback by the result, or maybe well enough connected to not be so surprised. You've just seen the Prime Minister stand down, which is always quite a shock in the Civil Service when it's unanticipated. What did you

actually do on the day after?

**Clare Moriarty (CM):** It was a very, very interesting day, and one of those days that's absolutely etched on my recollection. We didn't see it coming. It was only on the day of the referendum that any kind of discussions had started about what might happen if the answer was a no. Because, as other people will have said, there was a specific prohibition on planning for a 'no' outcome, so that work hadn't been done.

Generally speaking, the assumption had been that, like the Scottish referendum, it would be a stay vote. I stayed up pretty much all night and I can remember, whenever it was – two-thirty or three in the morning – when it became evident that this really, really was going to happen, thinking, 'Right, okay. So, what is this going to mean for us?' At six in the morning, I stuck myself under the shower, thinking, 'I'm going to have to go to work and find something to say.'

The four things that I needed to say came to me with the hot water from the shower. The first thing was, 'This is change on a scale that none of us have ever seen before. We're used to changes of government, but this is much, much bigger than that'. The second was, 'Everybody craves certainty, and it's going to be a very long time before we get any kind of certainty about what's happening'.

The third thing was, 'It's okay to feel what you feel'. People in Defra had been so used to EU membership as 'this is the way the world works' for such a long time, that there was bound to be a huge emotional reaction.

Then the fourth thing was, 'And we need to put our arms around our colleagues who are non-UK EU nationals, for whom everything that we are feeling is going to be amplified about ten times'.

I went into the Department and watched David Cameron resigning on the television in one of the Ministerial Private Offices. Then I sat down with the comms team and talked about how we were going to communicate with the Department.

One senior colleague challenged 'it's OK to feel what you feel', saying 'What

we need to do is to tell people that they have to be very professional'. My response was 'actually, you don't have to tell civil servants to be professional. We've got a much higher risk of people being so professional that they bottle everything up, and then it will come out in other ways'.

So I did a Town Hall session, in Nobel House, for the London-based Defra folk. About 500 people came, which was a bigger Town Hall than we had ever seen before. We also did a dial-in for the wider Defra group and people based outside London. That had about 2,000 lines dialled into it and I discovered, afterwards, that quite a lot of people were sitting in meeting rooms. So I don't know how many people tuned in altogether.

I just gave these four very simple messages, and then waited to see what happened. People were certainly shocked, because Defra's world was so tied up with negotiations and discussions and interconnections, all rooted in the EU, and all of the systems were rooted in the EU. So people were just rocked back on their heels, asking, 'What's happening? What is this going to mean?'.

But I think, in Defra, possibly more quickly than anywhere else, and even at that very first Town Hall meeting on 24 June, people were starting to say, 'Well, we know that the Common Agricultural Policy and the Common Fisheries Policy are a bit rubbish. Left to our own devices, we could do some things that might be different and a bit better'.

The fact that people were so immersed in EU issues meant that they saw the problematic side of being within a system where everything has to be agreed by 28 countries, many of whom have quite weak political systems. So right from the start, there was a yoking together of an emotional reaction, an intuitive understanding – probably better than in most places – of the scale of change that was going to be involved in unpicking 40 years' worth of accumulated legislation and history, and a sense of, 'Yes, but maybe we could do this a bit differently'.

**UKICE:** Then you have a bit of a hiatus while the Conservatives set about choosing a new leader following David Cameron's decision to step down. With your Permanent Secretary colleagues, was there some sense of actually starting to get their arms around what planning this needed, what resourcing?

We had the unit set up under Olly Robbins and Oliver Letwin in the Cabinet Office. Was there serious progress on how the civil service might start to cope with Brexit going on during that period, or were you all just waiting to see who emerged as Prime Minister after that leadership contest?

**CM:** That was a three-week period, but of course we were expecting it to be a lot longer. When the leadership election started, the expectation was that they would run the hustings stage, get to the final two before recess and have the postal ballot of the membership over the summer with the result on 5 or 8 September, I think. So we were expecting it to be quite a long time before it was clear who would be the new PM.

Incumbent Secretaries of State started to think about some of the issues. In Defra we had had the 25 Year Environment Plan ready to go in February 2016. Then we were told we couldn't publish it during the referendum campaign, so we were going to publish it immediately after. With the decision to leave the EU we then said 'Yes, but we can't, because all of this is written in the context of EU membership. If we're not going to be a member of the EU, we need to stop and rethink'.

There was lots of stocktaking going on. Within Defra, we were quickly thinking about what sort of programme management we might need, and trying to scale the task. In terms of cross-Whitehall discussions, the Olly (Robbins) unit was set up, but there wasn't a concerted sense in those early weeks of, 'Now, this is how we're going to do the planning across government'.

There was an expectation of some machinery of government change when a new leader was elected, so everything was slightly being held in suspense. We were all starting to identify things that would need to change. It took a while for people just to get their heads round what had happened. People from the Foreign Office still felt, to us, to be stuck in a space of, 'this shouldn't be happening'. Whereas we, in Defra, moved on very quickly to, 'Well, it's happening. Now, how are we going to manage it? How do we deal with it?'.

**UKICE:** So when the Conservative leadership election collapsed and Theresa May became Prime Minister, you got Andrea Leadsom, who'd pulled out, as incoming Secretary of State. She'd been one of the big spokespeople, if you like, in the Leave campaign. I wondered whether, when she came in, she was

able to give the Department a degree of clarity about what she thought Brexit might look like?

**CM:** She was quite clear about what she thought Brexit would look like. Both sides, during the referendum campaign, were talking about the Single Market, on the basis that the UK would, somehow, stay within or continue to have the benefits of the Single Market. Andrea, from her arrival, was saying, 'No, we're not going to be in the Single Market, because the Single Market is a package, and we don't want that package'.

She was also starting to say, 'We're not going to be in the customs union' at a point when that just wasn't part of the language. I don't think people in Whitehall generally, at that point, appreciated the layers of distinction between the Single Market, the customs union and all these different types of relationships.

Andrea was very clear that leaving the Single Market and the customs union was a good thing, and that we should expect a trade deal to be straightforward to negotiate, because the balance of trade between the EU and the UK was such that the EU was selling a lot more into the UK than the UK was selling into the EU.

In the (Theresa) May Cabinet, with a mixture of Cabinet Ministers, from the very pro-Brexit to the very pro-Remain, the departmental character was set quite strongly by where the Secretary of State sat. Andrea was one of the most prominent pro-Brexit Cabinet Ministers, and she very much set a course that said, 'We're doing this, and we're doing it at the more 'clean break' end of the scale' – I don't think we used the term 'hard Brexit' at the time.

**UKICE:** I was going to move onto what you thought about the decision to set up DExEU. Had the machinery of government changes been discussed at, say, the Wednesday morning meeting, or anything like that? Had you been thinking about what an incoming Prime Minister might want to do in terms of machinery?

**CM:** I think there was probably some expectation that the Olly (Robbins) unit might turn into a department. There was more surprise about the creation of the Department for International Trade, when it happened, than there was

about the creation of DExEU. People recognised that there was going to be an almighty amount of co-ordination, as well as negotiation, to be done.

We had enough discussion to know that there was some debate about whether DExEU should be a freestanding department, or whether it should be a unit within the Cabinet Office. I think the pros and cons of creating it as a separate department were understood and accepted, even if the conclusion was not necessarily agreed with.

To be honest, at that stage, from Defra's point of view, I was less interested in whether DExEU was a separate department than what it was doing, where it was helping and where it was hindering. Of course, quite quickly, it acquired a whole infrastructure of people telling departments what to do.

I do remember the impact of the rhetoric around DExEU and of David Davis saying, 'This is the brightest and best of Whitehall'. That came over as 'This is our special, shiny group of people who are going to do everything that matters.' If you're in a line department, those things are always quite irritating, but they are also, to some extent, part of the landscape.

**UKICE:** In that period, we have various big events: Theresa May's 2016 party conference speech, the announcement of when the UK would trigger Article 50, and the period up to Lancaster House. What was the balance between what you were doing internally – assessing resource needs, understanding the scale of the task there – and your Department's involvement in the decision-making about the direction that the UK should take in those negotiations? Were you mainly focused internally, or were you trying to influence decisions across Whitehall?

**CM:** There was recognition that Defra was a hugely-affected Department. Previously we'd had to spend quite a lot of time fighting to get the agenda heard at all. Suddenly, from a Brexit point of view, everybody realised, very quickly, that Defra was going to be central to what was going on.

I think people knew, right from the middle of 2016, that fisheries was going to be the most problematic issue at the end of the day. As, lo, it proved to be. And trade: everybody knows, in inverted commas, that agriculture is the most difficult thing to resolve in any trade negotiation. So that was accepted quite

quickly, as was the fact that Defra would have a significant role to play in the negotiations. Relatively soon, people also started getting their heads round the complexity of agrifood and Sanitary and Phytosanitary (SPS) issues, in terms of trade, and the actual mechanics of trade.

Generally speaking, the amount of scope that anyone saw for people influencing those broader decisions – the really big decisions about what the shape was going to be, and when to trigger Article 50 – they didn't feel that there was a lot of influence being exerted by other Ministers. So we were more internally focused, partly just because of the scale of the stuff that we had to deal with. There were loads of things that just ran smoothly underneath the water in Defra, that no-one had ever really had to think about. No senior person had had to engage with the micro details of TRACES or export health certificates, or any of these things. There was a massive learning curve around operational systems and processes as well as negotiations.

There was a big battle over legislation. Andrea was very keen to have some bold, ambitious legislation on the replacement for the Common Agricultural Policy. That was a space in which she was being thwarted, partly because there was genuine pressure on the legislative programme, with just so much stuff that needed to be done. But it was also one of the ways in which power struggles were being played out.

We had several months of, 'What are the bids? What kind of legislation do you want? You want a huge, big programme. No, you can only have a little tiny bill. No, actually, you can only have three clauses in someone else's bill'.

So, there was a lot of inter-departmental wrangling around things that needed to be done. The way that the Prime Minister worked and the huge amount of secrecy that was wrapped around all of the discussions just meant that there wasn't a sense of people, either at Secretary of State level or at Permanent Secretary level, really being invited to be part of the decision process around the big strategy. The big strategy just popped up, and then we all tried to react to it.

**UKICE:** Areas you've mentioned – things like agriculture, fisheries, the environment – are notable for two things from Defra. One, that those are English responsibilities, and that within the EU framework, there are very

strong devolved interests. There's also this whole 'Defra family': a huge, complicated landscape of arm's length bodies (ALBs) that actually know a lot about detailed implementation, have lots of experts, and do the stuff on the ground.

So how were you engaging, both with the devolved governments and with the ALBs on getting ready for what was to come?

**CM:** Devolution was a fascinating issue because, as you said, agriculture and fisheries are devolved, but international trade isn't. For pretty much everything in Defra, you start off with a devolved policy area, and then it immediately bumps into something that is to do with international trade.

I remember going to talk to the Welsh Government, at one point, and they looked at me and sighed and said 'Why can't you be like Health, where they don't bother us at all?'. I said, 'Well, it's because all the things we're talking about have got a devolved element and a reserved element'.

The four nations couldn't each come up with their own agricultural policy, because as soon as you get to the position where you are trading with other people, you have to be able to guarantee a set of standards. You have therefore got to be able to enforce a common set of standards across the four nations, because it's the UK that enters into any international agreement.

We spent a certain amount of time, at the beginning, just having that discussion. Obviously, it played out differently with the three devolved nations. So in Scotland, it was very political, and in Wales, it was more pragmatic. Northern Ireland has the most devolved arrangements, but perhaps because by this time, they had no government – I'm trying to remember which year they lost their government.

**UKICE:** The Executive collapsed in January 2017.

**CM:** So they were, actually, keen to join up, and felt a bit less threatened, because they'd had more established systems.

Defra has always had big issues around devolution. At the December Fisheries Council of the EU, there is one seat for the UK. The Secretary of State for

Environment, or in reality, the Minister, takes that seat. But in order to credibly occupy the seat, they have to be constantly negotiating.

So traditionally, at the December Fish Council, you have the fish Ministers from the four nations who spend half their time locked in a room, negotiating between themselves, and the other half of the time with the UK minister negotiating on behalf of the UK. That experience meant that Defra was better prepared and people were, generally speaking, a bit more devolution-literate than many places in Whitehall. We scaled up our devolution team from half a person to, probably, 20 to deal with Brexit.

Defra had quite a big input into the Whitehall-wide framework for devolution issues. It set out principles, 'You have to be able to trade as the UK. You have to have a level playing field within the UK. You've got to be able to manage shared natural resources'. And there was a fourth one. Then we ground through goodness knows how many different bits of policy applying those principles. It was a very big plank of the Brexit programme and very hard work.

Consistently, both when I was there, and I still hear it a couple of years later, people said Defra was the department that did get devolution right by spending a huge amount of time doing it. But it was because we had to. I think it was easier for departments that were either all-in reserved or all-in devolved, or where the policies were a bit cleaner. They could take themselves in or take themselves out. Whereas, we had to have this debate. We couldn't either just do it ourselves, or leave it to be done.

Every strand of work had big chunks of ALB input. As so much became about 'how do you manage the practicalities of international trade, when you don't have the EU systems?', it was the people from the Animal and Plant Health Agency (APHA) who were doing the stuff in practice and could answer the questions.

The Centre for Environment, Fisheries and Aquaculture Studies (CEFAS) had a huge proportion of non-UK staff, because the UK is a very attractive place for marine scientists. So there were issues for the people working there, and lots of international committees where the UK had a leading role, and acted on behalf of the EU. Every individual ALB had its own massively complicated set of issues to work through, and then they were also part of the wider

programme governance.

**UKICE:** There was an enormous amount to be done. How did you, internally, go about figuring out your priorities? Organisationally, what did you do to set the ball rolling and try to get this coordinated?

**CM:** We kept thinking we'd got there, and then we realised that Brexit was a size bigger than we had previously imagined, and had to go back round again. We started by saying, 'We're going to need a Brexit programme. We need somebody to run a Brexit programme'.

Nick Joicey, who was the DG responsible for Strategy, Europe and Finance, took the lead at DG level. Emily Miles, the Strategy Director, became the Brexit Programme Director. We set up a programme office, and started, effectively, to try to do the census of all the things that were going to need to be worked through. After a few months, it became evident that the work was too big to fit into that mould.

In early 2017 we got the Infrastructure and Projects Authority to come in and give us some advice as the programme got bigger, and we realised we were going to need a heavier structure. They came in and said that we needed both what they called 'the strategic brain' and 'the rottweiler'. That is, the capacity to do the integrative thinking, and also, to have the mechanics of programme management in place to deal with something on the scale of the Brexit work.

Defra had virtually no project delivery muscle before Brexit. It wasn't a department that did project execution. It did policy. It did negotiations. It did crisis and incident response. It had the tiniest bit of commercial projects and major projects. So we were growing all of that from scratch, and coming up with lists of all of the different workstreams and all of the different things we needed to do within the workstreams. We organised the work, relatively quickly, into about five or six workstreams, but they kept growing.

So we had this review with the IPA, and realised we were going to need both more people and different sets of skills. In July 2017 we reorganised the programme, and the Department, to spread delivery responsibilities across the business areas.

David Kennedy was the Food, Farming and Biosecurity DG and became SRO for the workstreams in his area. Likewise Sonia Phippard, the Natural Environment and Marine DG, for fisheries and environmental workstreams. So they ended up with big portfolios sitting underneath them. Then we had a central mechanism for bringing it together. That structure lasted for a while but we went through at least one more turn of the wheel and eventually, in the spring of 2018, created a DG for EU Exit – that was Tamara Finkelstein – with a very heavy-duty portfolio office in her area.

After Michael Gove became Secretary of State in June 2017, we brought BCG in to give us some help reviewing and organising the portfolio. We ended up with, I think, 55 projects grouped under about 6 or 7 themes, and went through many cycles of saying, ‘Have we got enough people? Have we got enough project managers? Have we got enough project directors? Are enough people spending enough of their time just making all this stuff happen?’

**UKICE:** Did you find it difficult to get resources? Was that a barrier? Defra had been cut quite a lot over the time up to the referendum, and indeed, it had run quite a big redundancy round, losing some of the people who knew their way round the EU. So did you find it easy to get the resources, and indeed, the expertise you needed?

**CM:** We were quite lean at that point. We came out of the Spending Review with further reductions, on top of what the Department had already experienced in 2010 to 2015. When I arrived in Defra, the big agenda was about transformation and streamlining and modernising. We were looking at something like a 20% further reduction in the size of the Department over the spending review period.

So that was our context. We didn’t do the 40% reduction that Liz Truss asked for in 2015 but we did run various redundancy exercises, and we were carrying a certain number of vacancies at the point when we then needed to ramp up. I think, generally speaking, people were keen to come and work in Defra, because it had become a sexy, exciting Brexit place to be. So we attracted a lot of people from around Whitehall. Actually, vast numbers of people came in from all over the place.

We got a lot of people in from academia, and a certain amount from the private

sector, and quite a lot of people from the voluntary sector. I remember walking round Nobel House, and realising that the average age of the Department had suddenly gone down to about 22. We did still have the subject expertise, but we did have a huge influx of people. There was a lot of work involved in getting people up to speed, making sure they understood what you can and can't do in the Civil Service, and managing the degree of cultural change that's involved. Instead of absorbing people at quite a slow rate, we doubled the size of the Department.

For at least two years, we were recruiting at 1,300 a year, to a Department that was only 2,000 or so. Trying to get people in was a constant issue. We were organised and quick off the mark with getting money out of the Treasury to fund additional people. We had several rounds of, 'If we're going to deliver, this is what we need', and we never got out of the Treasury quite what we would've liked. But we did actually get significant additional resource, which allowed us to expand at the sort of rate that we needed to.

Resource was always an issue, because we were always trying to think about what the next thing was going to be. As I say, there was this persistent sense of, 'We think we understand how big it is. Oh, no, actually, it's still a size bigger, so we still need to go and get more people'. Then, of course, when we got into the no deal planning and the really big resource numbers that went with that, we went through some very significant internal reprioritisation, deferring everything that could possibly be deferred.

There was a big cross-government effort to lend people from other departments, so we benefited quite a lot from that. We were more successful than we could ever have dreamed, in terms of getting resources, but we were also constantly running hot. Particularly, the deep subject matter expertise in which Defra specialises was absolutely vital, and it was, in some cases, stretched quite thin. There just aren't that many people who absolutely understood fisheries and how the fisheries regime worked. You can't clone them. They can transfer skills to other people, but it's a process that takes some time.

## **Defra, June 2017 – April 2019**

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**UK in a Changing Europe (UKICE):** When did you realise that you ought to

be putting a lot of time, effort and resource into no deal planning? Did you really think that was an option you had to plan for, or was that a signal from Michael Gove, as Secretary of State, that the Government really seriously was contemplating no deal?

**Clare Moriarty (CM):** We actually started thinking about no deal at the end of 2016, very early on. We had sent off the various workstreams to think about what they were going to need to do. In order to concentrate minds, in December 2016 and January 2017 I did stocktakes with each of the workstreams. I can vividly remember sitting down with the teams at a time when the working assumption across Whitehall was, 'Let's think about what we would like to negotiate, and then let's assume that we're going to be able to negotiate it'.

On chemicals regulation, for example, what was most useful to the UK would be to remain in the European Chemicals Agency, so that was our negotiating objective. So plan A was developed on the basis of staying in the Chemicals Agency. Similarly, the system called TRACES is how the EU manages biosecurity of animal products coming in from abroad. We assumed that we would be able to negotiate continuing to use it as if we were part of the EU.

Then we started to say, 'Okay, so that's our optimum position, but what happens if we don't get it?' That led on to 'Well, if we don't get it, we're going to have to build our own system'... 'So when will we know whether or not our negotiation has been successful?'... 'Well, we all know that negotiations in these things go up to the wire'.

The inescapable conclusion was that we can't wait until we know whether or not we've negotiated plan A before we start preparing for plan B. We're actually going to have to start building these systems now, because if we wait for certainty we won't have time to build them.

So, we started rattling the cage in very early 2017, on the basis of, 'We do actually need to be thinking about no deal planning, because otherwise, it's all going to be too late'. At that point, I think Jeremy (Heywood) started trying to get the Prime Minister interested in thinking about no deal. The Prime Minister wouldn't, and the Cabinet wouldn't. I remember that we did have conversations about this in the Perm Sec group, and we were told that they

just said, 'That's not what we're going to do. We won't even have a discussion about no deal'.

I think Jeremy did, eventually, get them to have a Cabinet discussion, some time in the spring of 2017. So there was, after that, a slightly limp process of thinking about no deal. But during that period, it wasn't really taken very seriously.

We had two planning streams, deal and no deal. Within Defra, relatively quickly, we realised that we were never going to negotiate staying in the Chemicals Agency. So we didn't spend too long planning for an unrealistic, optimistic dream and instead moved on to, 'Well, what might we negotiate?'

But we never knew what we might get out of a negotiation. So in a sense, no deal, for us, was always a bit more concrete than the deal scenario.

By this time, the folk in DExEU had got their rhythm going, and they were constantly asking for returns on our deal and no deal planning. But they didn't understand what these two scenarios actually meant if you were planning for real life. So they kept asking for information which didn't bear any relation to what we had to plan for. We spent quite a lot of time banging our heads against that brick wall as we tottered on through 2017.

Secrecy was a real issue. Planning guidance was held so close that nobody was allowed to have a copy of it. So there was a document that said, 'departments must plan on this basis,' but you could only find out what was in it if somebody physically went to the MOD Main Building, where DExEU was based, and physically read it, and then came back.

We had rounds of saying, 'You cannot expect us, as line departments, to plan for something on the basis of planning guidance that isn't available to read'. I know, several times, Jeremy said to Olly, 'No, you've got to share the guidance'. Olly would say, 'Yes', but we wouldn't get it.

We did, eventually, get three copies, I think, which had to be locked away and could only be read in the Permanent Secretary's office. But that, at least, meant that they were sitting in our building, rather than sitting in Main Building.

The March Council, in 2018, which produced the political agreement on the implementation period, was the point at which we were told, 'There's going to be this implementation period, so you don't need to plan for no deal anymore'. We didn't stop planning for no deal, but we flipped over.

Effectively, up until that point, we'd had no deal as our primary planning scenario, and deal as a variant to it. Then, at that point, we flipped it over and said, 'Well, let's assume that we're planning for changes coming into effect at the beginning of 2021', but with a variant against that of, 'But actually, if we don't get a deal, we're going to have to do it much more quickly. Again, if we don't know until September or October that we've definitely got a final deal, that's too late to change course. We've got to be able to switch things on'.

You could take any one individual bit of the process, switch it on in October and be ready for March, but you couldn't switch on the entire suite of fifty-five projects in October. The thinking I was doing with my team, and Michael Gove's thinking, arrived at the same point at the same time, and in the late summer of 2018, we all went, 'Oh, blimey, we probably need to plan just on the basis that there is not going to be a deal. We can't wait for people to say, 'it's okay, we've finished. It's either A or B. Now, can you plan?'. Because we were never going to have time, after negotiations had finished, to plan for the things that we might need, if the outcome was unfavourable. And that was when we expected to have the outcome in October, before it became December and then just floated endlessly forward.

**UKICE:** When the Withdrawal Agreement was repeatedly failing in Parliament in 2019, what cross-Whitehall operation was there? Did you get the sense that Whitehall genuinely was ready for a no-deal exit then? Were all the right decisions being made? Did you have resources, if your contingency plans had been triggered, to manage that reasonably?

**CM:** In Defra, I had this concept of the virtual reality headset. In early September 2018, we put the virtual reality headset on the entire Department, and said, 'We are now going to assume that no deal is a certainty. For three months, we're just going to focus on delivering no deal and being as ready as we possibly can. Then, in December, we're going to lift up the virtual reality headset and have a look round, and say, 'Have we got a deal?' If we have, that's fine. We can put it all to one side. If we haven't got a deal, we'll put the

headset back on and keep going’.

So, we had put Defra into a mode where people could take decisions, without having to think, ‘Well, this might turn out to be the wrong decision if we do get a deal’. Michael (Gove) was very much in favour of that. We spent the autumn of 2018 saying, ‘We need to do this preparation properly’, while the rest of Whitehall was saying to us, ‘you’re being completely bonkers, because everybody’s saying we’re going to get a deal’.

But fortunately, we had absolutely solid Secretary of State backing, and because Michael was a very forceful character and he just drove ahead, we all just drove ahead. Gradually, towards the end of the year, realisation did dawn on the rest of Whitehall that, perhaps, we weren’t completely bonkers, and everybody else needed to be thinking about this more seriously.

Mark Sedwill set up EUXTP(O) from the very beginning of January 2019. We all sat in the COBR room for hours at a time in quasi crisis management mode, and there was then a lot of focus on, ‘What are the things that we need to do?’

The Department of Health and Social Care (DHSC) were very focused on the medicines issue, and a few other departments were very seized of the issues. Some less affected departments scratched their heads and looked a bit bemused by all of it. EUXTP(O) did bring focus to no deal planning but it was always hampered by the fact that this was supposed to be the ‘O’ committee for EUXTP. EUXTP was not really in the same space.

From where I sat, the Cabinet seemed to be divided into those who thought that no deal might happen, but actually, it wouldn’t be the end of the world, and those who thought that it was so terrible that it could never be allowed to happen. Neither of those views naturally led to a focus on no deal planning, so most departments were having debates with their Secretaries of State, where the department was feeling the need for more planning than the Secretary of State really wanted. And in EUXTP it meant there wasn’t a strong drive to take decisions. Mark (Sedwill) was valiantly trying to corral the official side into being as prepared as possible.

The curve went up very steeply in the first three months of 2019. Would the

country have been prepared if we had actually come out without a deal on 29 March 2019? I think the answer has to be no. As we got towards last December and all of the work that had been done, you could still see where the problems would lie. Of course, the massive elephant in the room, in March 2019, was Northern Ireland, for which there was no solution at all.

In Defra we were all diligently trying to get everything ready. We had six IT systems, which we had got to the point where they could have been deployed, though they would've been very fragile. But that was all on a GB basis, where we knew what was happening. The Irish border had not been resolved at that point, and none of us could answer the question of 'what will actually happen to agrifood products moving between the Republic of Ireland and Northern Ireland?'

The EU was declining to give third-country status to the UK, so it would not only have been complicated, but actually illegal to move a piece of meat from one side of the border to the other. There just wasn't a solution to any of that.

**UKICE:** What difference did it make having Michael Gove as Secretary of State? He clearly came in, having been exited from the Cabinet by Theresa May when she became Prime Minister, with quite a big forward-looking agenda, and was clearly trying to make his mark as a person keen to demonstrate the possibilities in Brexit through his Department.

How easy was it to focus on that big forward agenda, as well as making time for all these detailed, immediate consequences of exit planning?

**CM:** It was a real gear change for the Department when Michael arrived, mostly because of the clout that he carried in the Cabinet. His ability to make things happen was huge. As you say, he was very focused on Brexit, and he was genuinely engaged in what might go wrong. One of his mantras was 'Hope for the best, plan for the worst', so there was a lot of planning.

But he was very focused, as well, on the longer-term agenda. One of the things he did, the 25 Year Environment Plan, was a manifesto commitment in 2015. It was started under Liz Truss, and got quite a long way in the autumn of 2015, and there was a version that was ready to publish in February 2016. It then got held over because of the referendum. Liz Truss was replaced by Andrea

Leadsom. Further work was done but we couldn't get approval to publish the 25 Year Plan.

Michael arrived and made it his vehicle for the longer-term agenda. It went through not just a complete rewrite, but a major rethink. Early on, he did a lot of very forward-leaning stuff on the environment that was in quite a different space from where the Government had been in recent years. When I joined Defra, the perception was that the environment was a drag on the economy, and Defra was constantly trying to say, 'No, actually, if you want a healthy economy, you do need a healthy environment as well'.

But Michael picked that up, and it worked as both a big environmental agenda, and a big Brexit agenda, for him with the 'Unfrozen Moment' and 'Green Brexit' speeches. It always was the policy area where there was more opportunity than many others, because the Common Agriculture Policy is generally agreed to be not a desperately good way of supporting farmers, and certainly not of supporting the wider environment.

He charmed the green lobby. Their general position was 'The things that the Government does are mostly wrong.' I think their assumption, based on Michael's reputation from Education and Justice, was that he wouldn't be somebody they would get on with. But actually, there was an alignment of agendas. He's a great campaigner, and it feels quite like a campaign.

So there was a big picture, big speeches, positioning agenda, but it also played into plans for the Environmental Land Management Scheme which are now being worked through. The exam question for that is: how do you replace the Common Agricultural Policy with something which is more rooted in outcomes? A wider appreciation of the levers that Government has to make a difference to land and the environment, and how to deploy them.

Across the Department, there was a big negotiating agenda and a big practical preparation agenda for Brexit. Then there was a future policy agenda which was the vehicle through which an environmental agenda can be delivered.

**UKICE:** Michael Gove was also a very big political beast in Defra, did you feel like you were more at the centre of things with him at the helm than you had been previously?

**CM:** Yes, undoubtedly. The ability of a Cabinet Minister to make their mark in the Cabinet, to have the ear of the Prime Minister, all of those things make a huge difference to where a department gets to in its business. Before Michael's arrival some of our day-to-day issues, like, 'can we get the legislation that we need, in order to stop the entire system falling over', those things became skirmishes, because the way the Cabinet Office behaves to departments mirrors the position that their Secretary of State has in the broader pecking order. Michael was very high in the pecking order, and that definitely made a difference to what the Department was able to do.

**UKICE:** You've got a department that's got a massive workload, potentially very high risk, as you had for no deal, but also with an exciting new policy agenda. Was morale good, or were people under strain? How was it all?

**CM:** Well, I think morale definitely benefited from the feeling that the agenda was being taken seriously. Defra is a department where people care a lot about the subject matter. I don't think people in Defra ever felt that their own Secretary of State, at any stage, was not committed to the department's agenda, but there was definitely a sense that the Government's heart was not in it.

So the combination of policy being much more about the environment, and also, feeling that there was ministerial clout that could enable things to land, did a lot for people's morale, not just the people who were working on those policies, but more generally, across the Department.

There was a huge amount of strain as we went through the Brexit work, partly because it was technically difficult. And the constant uncertainty was hard for people. It creates a difficult environment where you're trying to do things which could possibly land, with the right negotiating skill and the right political climate, but where that really feels quite unlikely. And as people became embedded in and understood the complexity of the systems that they were dealing with, and what might go wrong, they felt they were carrying quite a lot on their shoulders.

Morale depended, a bit, on where in the Department people were. Of course, there were lots of other things going on as well as Brexit. The Salisbury poisonings were in March 2018, and Defra was the lead department for response on that through our responsibility for Chemical, Biological,

Radiological and Nuclear. And floods. You have a constant diet of floods. We had avian flu. People felt they were at the heart of something quite exciting, but also pretty tired a lot of the time.

**UKICE:** Personally, you spent a lot of time in front of select committees. There were quite a lot of MPs who were sceptical about Civil Servants. Jon Thompson, I think, said that he'd had death threats, because he'd been warning people that the border might not be functional quite as easily as Ministers were suggesting. Did you feel personal pressure from all of that, or was that parliamentary scrutiny helpful?

**CM:** We had quite a lot of Public Accounts Committee discussions of one kind and another. But actually, the National Audit Office got to the point where they would write into their reports, 'We have to call it as we see it, but we recognise that departments like Defra are trying to do something very difficult.'

I put quite a lot of time into building the relationship with the EFRA Select Committee, inviting them in, and trying to be as open as we could with them. Select Committees do relate differently to Ministers and to officials. I used to find if I was sitting at the EFRA Select Committee alongside a Minister, it was often a political jousting match. When you're doing it as an official, they are more just trying to get to the bottom of things.

I used to have regular meetings with Neil Parish and try to be as open as possible. The Committee were very interested in the IT systems that we were developing. So we invited them in, and we did them a little demo walkthrough of the IT systems that we were building. They felt that we were trying to keep them informed, and not pull the wool over their eyes. Generally I found that being a workmanlike, getting-the-business-done department was helpful in building those relationships.

## The Department for Exiting the EU (DExEU)

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**UK in a Changing Europe (UKICE):** What persuaded you to leave Defra when you did, and move to DExEU? What did you think the big task was when you moved in?

**Clare Moriarty (CM):** I started in DExEU on 1 April 2019, so my last day in

Defra was 29 March, which should have been exit day. There were two things that persuaded me to go. It was a really hard decision, because I love Defra. It's a great department, and we'd got over so many of the issues, and were in a really good position. But DExEU needed leadership. Philip (Rycroft) had always been clear about the fact that he was going to leave, and had in fact stayed longer than he'd intended. DExEU desperately needed to be held and led through the next phase.

Also, at the time, we thought that we were going to be moving into phase two, and DExEU was finally going to have its central role, supporting phase two of the negotiations in a way that it had never really been able to do in phase one. A lot of planning had been done on the basis that we would do the deal in October or possibly November of 2018, use the first quarter of 2019 to do the pre-negotiations, leave on 29 March, and be ready to go with phase two.

At the point when I was in discussion about going to DExEU, at the turn of the year of 2018 into 2019, we could see that things weren't turning out to be the smooth process that had been expected. But there was still an expectation, which lasted through until, I'd say, May, that the country, and therefore DExEU, would be able to put to practical, progressive use, all of the thinking that had been done about the different options and the different ways you could package things, in order to reach a landing point.

**UKICE:** Did you go on the basis that you would be the chief official negotiator? Was that the expectation?

**CM:** I wasn't expecting to be the chief official negotiator. My job was to run the Department. But the expectation was that there would be a chief official negotiator, who would be in DExEU. There was a certain amount of thinking about what structure might support that, and how it would dock in. The expectation was that the Europe Unit would have done its work, and would cease.

So DExEU would have a role as the focal point for both the negotiation and supporting preparation for the delivery side. That had been very focused on no deal, but needed to be repositioned to, 'This is what needs to be in place to operate in the new world'.

**UKICE:** So you arrive on 1 April and eventually, in April, we get a six-month extension to the Article 50 period. But Theresa May still hasn't got a Withdrawal Agreement through, and opens up talks with the Opposition. Were officials from DExEU at all involved in supporting those talks? Because you, after all, were responsible for the legislation to implement the Withdrawal Agreement.

**CM:** There was some DExEU involvement in supporting the cross-party talks. They started in the first week of April, which was my first week in DExEU. We had those odd 10 days, the very short extension, and within that time, the cross-party talks were announced and set up. They were segmented into different areas, and there were some bits that were supported by the Europe Unit, and quite a lot of technical things, where the expertise sat in DExEU. So, there was a mix and match arrangement for the talks.

**UKICE:** Those didn't get anywhere, and Theresa May gave notice that she was going to stand down. Then you get an incoming new government that changes the organisation, with David Frost taking over the negotiations very explicitly, and Michael Gove moving to take control of no deal preparations, supported through DExEU, working with the Cabinet Office, as far as you could see. How did things change sitting in the Department for Exiting the EU with that new set-up? Was it much easier to manage things, or was it still very complicated?

**CM:** It was complicated. In an ideal world you might have had a machinery of government change, or absorbed DExEU into the Cabinet Office but with only 100 days to go before the 31 October deadline that was not seen as feasible or desirable. So we ended up with an arrangement where some DExEU staff helped support the negotiations under David Frost, others were working on no deal planning and I spent quite a lot of time making sure that all worked as smoothly as possible.

**UKICE:** So during this time, I was just wondering, the one bit that you were very clearly in charge of was all the legislation. But you, as I understand it, sort of stood down quite big elements of your bill team. Then you kept on having to stand them up, potentially, for legislation in October, and then again, for legislation in January. How easy or difficult was that all to plan?

**CM:** It was very, very tough on the team. Through April 2019, they were working on the Withdrawal Agreement Bill (WAB). I think they first drafted the WAB in July 2018. So by the spring of 2019, they'd polished it and polished it. Then in May, before Theresa May resigned, she said, 'I'm going to bring forward the WAB'. They had a date for Introduction, and possibly, even Second Reading, so for a brief period we were in the mode of, 'We have to get ready to introduce it. We've got to do all this stuff', and they were ready.

I think it was introduced, but they didn't have Second Reading.

**UKICE:** I think it was never quite published, because when Andrea Leadsom saw it and saw that it hinted at something that might lead the way to a second referendum, she said she couldn't accept it, and resigned.

**CM:** Yes, that's right. So that got spiked. The poor team. I got them all down to my office, just to come and have a bit of a therapy session, because they'd worked so hard and they'd had several false starts before. I think they were the same people who'd supported the whole process of the meaningful vote. And they just asked, 'is anything ever going to happen?'

When Boris Johnson became PM in July, with his very clear drive towards exit on 31 October, the WAB was taken back out and repolished and shaken down. And then the Benn Act was passed, and the team had to think about what provisions might be needed under the Benn Act. There was the Saturday sitting, when they had the motion under the Benn Act. They were trying to wrap it up with the meaningful vote and also think about how quickly you could get the WAB through.

That involved lots of planning about how many days would be needed for each stage, and anticipating what the Lords might do. So the Legislation Team were constantly running upstairs to their office on the 4th floor, and running back down them again. Of course, eventually, when the WAB went through in January 2020, nobody even noticed it was happening. It had become boring.

**UKICE:** We had various times when the Government seemed to be running a bit close to the wire: prorogation, the repeated briefings from Number 10 that they would refuse to send the letter required under the Benn Act, and indeed, the Government was running its information campaign on no deal, saying that

the UK would definitely be leaving on 31 October.

Notwithstanding that, the Benn Act, at the very least, introduced a degree of uncertainty, as that date would have had to have been on the basis of the Government not asking, or the EU not agreeing to, the extension that that envisaged. Was that a problematic working environment for the Civil Service to deal with?

**CM:** Yes. That was difficult. But the fact that the Prime Minister did repeatedly say that he had no intention of breaking the law meant that individual civil servants did not need to feel they were being personally compromised.

## Abolition of DExEU

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**UK in a Changing Europe (UKICE):** Was it, therefore, clear to you that the writing was on the wall for DExEU, once we left and moved into phase two negotiations? When did that become clear, and how did you think that whole thing was handled by the Government?

**Clare Moriarty (CM):** During the election campaign, we did some quite detailed thinking with the Cabinet Office about different options in the event of a Conservative victory. Because it was fairly clear that they would want to think about how they organised things.

Most of the special advisors resigned when the election was called but David Frost stayed on and explicitly didn't campaign. So there was a certain amount of access to the sorts of things that they might be thinking. But we were certainly looking at a number of different options. It was a classic Cabinet Office-led-type process of saying, 'Here are some different models, this is what they might look like and these are the pros and cons. This is what the numbers might be'.

All of that was all packaged up into advice that went to the Prime Minister immediately post-election. On the Friday after the election, when the outcome was so clear, I asked whether there was a sense of when the PM might make a decision and got the answer 'Not until the New Year'. Then Saturday's and Sunday's newspapers said, 'A decision has been taken. It's done and dusted. DExEU is going to close'.

Clearly, DExEU was never going to go on forever. But until quite late on, the expectation was that DExEU would stay in existence to support the process through 2020. I had three DGs by that point. Simon Ridley and his team were working very closely with David Frost, effectively as a quasi minister. So it didn't seem unfeasible that those resources would stay in place for 2020, and then would disperse.

Then, suddenly, 'the decision has been taken. DExEU is going to be abolished at the end of January'. The reports said 'and there's going to be this small David Frost unit to replace DExEU' but the David Frost bit was only ever part of what DExEU did.

The Monday after the election was 16 December, the week before Christmas. I was faced with, 'do we make an announcement about the closure of the Department in the week before Christmas?'. Not great. Or, 'do we not make an announcement, and leave three more weekends of speculation over the Christmas period, with no ability to talk to people?'. I decided that telling people the Thursday before Christmas was the lesser of the two evils, and galvanised Mark (Sedwill) into agreeing that we would make an announcement, and say, 'Firstly, the Department is closing, and secondly, everybody will have a job'.

I don't know if there was a documented decision from the Prime Minister but anyway, Mark Sedwill and I stood up in front of DExEU on 19 December and said, 'This is what's going to happen'. We then had six weeks, two of which were Christmas, to close DExEU down.

At that point, the thinking that had been done was just about David Frost's negotiation unit. It hadn't extended into the rest of what DExEU did. I had 800 people in DExEU at the time.

**UKICE:** So how complicated was it? What do you do when you're told that you've got to guarantee jobs for 800 people, and only a very small proportion of them would go to the obvious successor body?

**CM:** There was some difficult messaging about picking the best from Whitehall for David Frost's unit, which, of course, carried the implication that the best from Whitehall were not currently in DExEU.

It was really hard for people working in DExEU, because on the one hand, the David Davis 'brightest and best' label was still around, and on the other hand, their lived experience was that a lot of hard work never saw the light of day, or somebody else took the credit for it. Then, at the end of that, to be told, 'we don't really need you any more'.

So I said to them, 'we're going to treat everyone as an individual. Eight hundred people's names is not too many to fit onto a single spreadsheet. So we'll put all the names into a spreadsheet, and we're going to track through what happens to every single person in the Department'. I put one of the three DGs full time onto managing this transition, and there was lots of very quick analysis of what people were doing and which departments they lined up with.

About half the people in the Department were loosely doing things to do with negotiation, and about half were doing delivery coordination or specific functions. We moved as many people as possible out to the departments where the work sat. I think 300 or so people were moved on mini MoGs (Machinery of Government changes), of various kinds.

For example, we had people in DExEU working on competition, and that work was still going to have to be done. If it wasn't being done by a central unit, it was going to have to be done by a department. The departments were all really pleased to have the people who knew the issues.

**UKICE:** Did they get the money as well?

**CM:** They got the money, yes. Somewhat to my surprise, because I was thinking, 'the Treasury is going to say 'you can't have the money''.

**UKICE:** That would have made it very problematic.

**CM:** Yes, exactly. It was much easier to transfer people with the money than it would have been otherwise.

David Frost's unit was going to do the negotiations. The other main area of discussion was arrangements for the other side of the house. The continuing portfolio management of the delivery effort, the Northern Ireland protocol, which, of course, was a massive issue, and legislation. Those functions ended

up in the Cabinet Office and some people moved there.

People who were on loan from other departments mostly just said to those departments, 'can you find me something to do?', and the departments said, 'yes, fine. Come back', because they were good people. But a lot of people had been recruited direct to DExEU. A clearing house was set up to find roles for everyone remaining, around Whitehall. That was the bit which worked least well. It's difficult to do and there wasn't enough challenge to departments over whether jobs really existed and were available.

A lot of people felt bruised and, rightly, quite aggrieved. The plan was for everyone to be dispersed on 31st January but in the end, unsurprisingly, you couldn't actually move everybody out of the Department that fast.

In reality, everybody was lifted and shifted into the Cabinet Office on 1<sup>st</sup> February. That left a bit more time for these departmental transfers to be worked out, and for people to be found homes. But it was a good example of things not being done well by the centre, I have to say.

I was the one person made redundant as a result of this exercise. I had not planned to do another Perm Sec job in government. When I went to DExEU, I'd expected it to be a job that would last a couple of years, rather than 10 months. Having been Perm Sec of two departments I wasn't looking to start over in another department, but neither was I expecting to leave as quickly as I did.

**UKICE:** Given the preparations you were doing in DExEU when you were there for the negotiations, when you looked at the deal that emerged on Christmas Eve, did you look at it and think, 'yes, they've taken and used lots of the work that we did'? Or did it look very different and unfamiliar?

**CM:** The whole model of the Johnson Government was completely different from the model of the May Government. All of the work that was done during the May years was about, 'how do we create something which is aligned? We want to create some room for manoeuvre, but broadly speaking, we think we're going to be negotiating about quite detailed things, and with a view to remaining quite aligned'.

The Johnson vision was, 'The most important thing is autonomy. We're going to be standing much further back. Zero (tariffs), zero (quotas) is as far as we want to go'. So I don't know. It would be interesting to go back and look at it, but I think much of the detailed work that was done by the negotiating teams in DExEU was probably dead in the water at the point when the entire strategy changed.

**UKICE:** You were in the Civil Service a long time, but you were then at the epicentre of managing this once-in-a-lifetime process, until we had another once-in-a-lifetime event happen. I just wondered, what does it show about the Civil Service? What did the Civil Service do well? What did it do differently, and should try to hang onto for the future? And what weaknesses, if any, were exposed, that really need to be addressed?

I wondered if you had any thoughts about the extent to which all that preparation, particularly for no-deal Brexit, helped the Government with managing the pandemic. Or actually, are you just seeing flaws that weren't addressed then repeated, as we've struggled with bits, at least, of the pandemic management?

**CM:** I think Brexit showed, as Covid-19 has done, that the capacity of the Civil Service to respond to massive new shocks is huge. Particularly looking at Defra, which went from being a department with absolutely no project delivery muscle to spinning up six IT systems, and an absolutely astronomical amount of process change and legislation on a scale never before seen.

One of the things that I liked about the way we did it in Defra was that we did actually create new processes and different ways of doing things. We had control rooms, and we did a lot of live management, and got better at project execution, as a result of doing it. I think it ramped up capability in DEFRA no end, and hopefully, leaves the Department better placed for the future. Because that is the world. You do actually have to deliver programmes and projects.

I think some of the things about the way the central process was managed were real learning experiences. The EUXTPO meetings that Mark instituted in the early part of 2019 weren't chaotic, but the lack of political direction was a real problem. We went from there to a much more systematic, organised

process in the XO meetings that Michael Gove chaired daily, during July to mid-October.

The fault line you could see in that process was between project delivery and secretariat approaches. DExEU had developed a good database, and a way of tracking and monitoring all of the deliverables. You could interrogate it by department or by how many days overdue actions were. That was mashed up with a much more traditional EDS process.

You literally had it playing out in the room. The EDS folk sat at the business end of the room, surrounding and behind the Chair, and with a lot of control over how the meeting ran. The DExEU people who looked after this very good tool, which (Dominic) Cummings and Oliver Lewis and all the Number 10 people were really keen on, were relegated to the other end of the room. The whole of the COBR room is a beautiful status gradient and DExEU's project delivery tool was definitely at the low status end of the room.

It would always be on the agenda, but we would always get to it five minutes before the end. We could have got much more out of it if Brexit had been recognised as a big, mega programme, rather than a big, mega crisis management process. There was a lot of potential that wasn't released.

When you flow some of that stuff through into Covid-19, I think one of the lessons they took, mistakenly, out of the Brexit experience was that you can run everything from the centre. Because the Brexit no-deal prep did broadly work, run from Michael's daily XO meetings. Covid-19, I would say as an outside observer, has not worked with an attempt to run it on a centralised basis.

There are elements of the no-deal model that you can apply, but Covid-19 was an order of magnitude bigger, even, than Brexit. Brexit was an order of magnitude bigger than anything anyone had tried to do before. The limitations of that way of working have been a bit brutally exposed.