

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Friday, 28th January 2011

(10.00 am)

Evidence of SIR GUS O'DONNELL

SIR JOHN CHILCOT: Well, good morning and welcome, everyone. Welcome to Sir Gus O'Donnell, our witness today, who has been the Cabinet Secretary since August 2005. This hearing follows those of two previous Cabinet secretaries, Lord Wilson and Lord Turnbull, who gave evidence on Tuesday.

Sir Gus and Sir Peter Ricketts, now the current National Security Adviser, have provided the Inquiry with a joint witness statement covering the current role of the Cabinet Secretary, the National Security Council and the Cabinet Office National Security Secretariat. That statement is being published on the Inquiry's website now.

The statement describes the current central national security and intelligence machinery and summarises the current position on implementing the recommendations of the 2004 Review of Intelligence on Weapons of Mass Destruction by a committee of Privy Counsellors chaired by Lord Butler of Brockwell, of which for the record I was a member.

It also sets out the recommendations of a Cabinet Office review of the Stabilisation Unit in which also

1 for the record the secretary of this Inquiry was
2 involved, and the statement reports on their
3 implementation.

4 Now in accordance with our terms of reference we
5 shall be asking questions about Sir Gus's role in
6 relation to the way in which the machinery of government
7 developed and implemented policy on Iraq and the lessons
8 which should be learned.

9 So we will not be addressing the Cabinet Office role
10 as sponsor of this Inquiry, nor the Cabinet Secretary's
11 role in relation to the operation of the Protocol
12 regarding documents and other written electronic
13 information agreed between the Government and the
14 Inquiry, and the correspondence between us which the
15 Inquiry published last week.

16 Now, as I say on each occasion, we recognise that
17 witnesses give evidence based on their recollection of
18 events and we, of course, check what we hear against the
19 papers to which we have access and which we are still
20 receiving.

21 As I do at every hearing, I remind each witness he
22 will later be asked to sign a transcript of the evidence
23 given to the effect that the evidence is truthful, fair
24 and accurate.

25 With those preliminaries out of the way, I will ask

1 Sir Martin to open the questions. Martin.

2 SIR MARTIN GILBERT: Sir Gus, when you became Cabinet
3 Secretary in August 2005 the situation in Iraq was by
4 all accounts dire and the possibility of what was called
5 strategic failure was being widely talked about.

6 Can you tell us your recollection of the position at
7 that time?

8 SIR GUS O'DONNELL: Certainly. There were a number of
9 meetings then mostly in the form of DOP meetings, and
10 Cabinet met and discussed Iraq a number of times. The
11 situation was very difficult, as you rightly describe,
12 and the planning about how you might get to drawdown was
13 at its very early stages, it is fair to say, through that
14 year. Also the question of getting from the transitional
15 government to the permanent government. So I think the
16 whole issue of getting to a situation where Prime
17 Minister Maliki was there with a permanent Iraqi
18 government was something that was hugely important and
19 was discussed at some length. So I think it wasn't
20 until you get into 2006 that you start getting into
21 discussions about drawdown and how you might get there.
22 Of course, then we got into interactions with
23 Afghanistan as well.

24 SIR MARTIN GILBERT: As Cabinet Secretary up to July 2009,
25 when our terms of reference end, how were you involved

1 in the evolution of our policy?

2 SIR GUS O'DONNELL: Right. It is worth noting here when
3 I came in, one of the things about the style of
4 government is that I'm arriving with a Prime Minister
5 who has been in post for eight years. The Prime
6 Minister has established a style it is fair to say by
7 then, Prime Minister Blair. Whilst you can influence
8 it, he has actually made up his mind how he wants to
9 manage most of the machinery of government issues, and
10 I think I changed things a little, but I wouldn't say
11 I changed them a great deal. He had a very clear view.

12 So I think there were a set of, as I say, DOP
13 meetings, Cabinet meetings. You have the records
14 I think of all of those. So you know his style and you
15 know the way he was operating. Certainly he did not see
16 me as his military adviser and I think that's clear.
17 When we discussed things, what he wanted of his Cabinet
18 Secretary was primarily to help him on domestic policy,
19 economic, financial, public services delivery. That's
20 what he pushed very strongly with my immediate
21 predecessor, Andrew Turnbull, but, of course, I was
22 interested, because my background was -- first of all, I
23 have been on the War Cabinet for the First Gulf War. So
24 it wasn't I was coming to this completely fresh.

25 Secondly, I have been on the boards of the IMF and

1 the World Bank. So I started with a personal, very
2 strong commitment to understanding that most of the
3 issues were really about economics in the end and
4 development, and, therefore, it was important to try to
5 bring together the sort of development aspects with the
6 security aspects. They are not -- they are very, very
7 closely linked, of course, because you can't get
8 economic development unless you've got a basic level of
9 security.

10 To return to your main point, during that first year
11 the key issue was the level of security was such that
12 you couldn't really get on with development.

13 SIR MARTIN GILBERT: To look specifically at one important
14 moment, January 2007, when President Bush announced the
15 imminence of the surge or policy of the future surge,
16 which was, of course, a significant change in American
17 strategy, do you recall whether there was a discussion
18 at that time about a review of our strategy?

19 SIR GUS O'DONNELL: I think we were -- I mean, obviously
20 there had been discussions about the surge between the
21 Prime Minister and the President. I think we took the
22 view that we would want to see how this worked. If it
23 was successful, it might well be such that we could get
24 to a situation where drawdown might be -- I mean, return
25 to a more feasible path, as it were.

1 SIR MARTIN GILBERT: I will come back to the question of the
2 surge later, but to turn to another issue, which has
3 very much been of our concern, that is the relationship
4 between our effort in Iraq and the growing needs of
5 Afghanistan. In your recollection did our growing
6 commitment to Afghanistan from 2006 have an impact on
7 the resources available for Iraq?

8 SIR GUS O'DONNELL: Well, there were discussions -- if my
9 memory serves me right, it was the Secretary of State
10 for Defence chaired a meeting where they looked at the
11 interaction between the two, and obviously there were
12 issues, because the Iraq drawdown -- there were plans to
13 move from five battle groups to four and in the end that
14 wasn't implemented. We stayed at five. That obviously
15 meant that -- this is in Iraq -- as you were thinking
16 about what resources were available in Afghanistan, it
17 was obviously going to stretch things more.

18 I think in the end the Secretary of State's view was
19 that this was doable, although it was -- certainly there
20 would be some pinch points, if you like.

21 SIR MARTIN GILBERT: Was there a sense that at a certain
22 point Afghanistan became the higher priority?

23 SIR GUS O'DONNELL: I think that there was obviously the
24 issue when there was the discussion about who was going
25 to deploy where, which, as you know, ended up with us

1 deploying to Helmand. So during that period I think
2 what was happening really was actually Iraq was leading
3 Afghanistan in the sense that the fact was we didn't
4 feel we could run down in Iraq as quickly as we had
5 previously planned. So that stayed where it was and
6 Afghanistan -- the decisions on Afghanistan came later.

7 I mean, in a sense that was one of the reasons that
8 we ended up with probably the most difficult part in
9 Afghanistan, because we ended up in Helmand, whereas
10 others likes the Canadians had got into areas where it
11 was somewhat easier.

12 SIR MARTIN GILBERT: When Gordon Brown became Prime Minister
13 in late June 2007, there was a review of how the Iraq
14 strategy was to be delivered culminating in his
15 October 8th statement to Parliament. Were you involved
16 in that review?

17 SIR GUS O'DONNELL: In the sense that I knew it was going
18 on, and also when Gordon Brown came in he wanted to look
19 at the committee structure. So we moved from having DOP
20 to having what we called NSID, National Security,
21 International Relations and Development. The
22 interesting part about that is it did reflect Gordon
23 Brown's particular interest in the development aspects.

24 So the structure changed of the machinery of
25 government around dealing with these issues. So in that

1 sense yes, I was involved.

2 SIR MARTIN GILBERT: With regard specifically to Iraq
3 strategy, were there any form of Cabinet or Cabinet
4 Committees considering our strategy, either to change it
5 or not, during the summer and autumn of 2007?

6 SIR GUS O'DONNELL: Summer and autumn of 2007? Can I just
7 look at my notes on that to be absolutely clear what was
8 happening?

9 Mostly the work was -- the strategy papers on Iraq,
10 7th December 2006 UK military plans for southern Iraq.
11 That was the DOP paper. Then one in January 2007.
12 Another one in March.

13 The next time there was an official discussion of it
14 is July 2008.

15 SIR MARTIN GILBERT: Were you involved in further decisions
16 on strategy between October 2007 and July 2009? You
17 have mentioned 2008. Was there just that one or ... ?

18 SIR GUS O'DONNELL: There was a Cabinet discussion -- well,
19 we were talking about both Iraq and Afghanistan quite
20 often, so it's difficult to separate them, but certainly
21 Cabinet when it was talking about it was thinking about
22 the interaction between the two strategies. That took
23 place I think April '08, it was a Cabinet discussion.

24 SIR MARTIN GILBERT: Thank you very much.

25 SIR JOHN CHILCOT: We would like to move on to the delivery

1 of strategy, Sir Gus, and I will ask Baroness Prashar to
2 take that up.

3 BARONESS USHA PRASHAR: We have heard from a number of
4 witnesses about the difficulties they faced in delivering
5 strategies without access to additional funding. With
6 Iraq some witness have suggested that the UK civil
7 departments faced particular difficulties, unlike the
8 military, because they had no access to the reserve and
9 in most cases work in Iraq was funded from within their
10 existing budget or the conflict prevention pool. It is
11 suggested that this resulted in incoherence between the
12 civilian and military effort and the bias was very much
13 towards the military to deliver an effect, whereas
14 civilians might have been more appropriate.

15 What are the arrangements now? What are the current
16 arrangements in relation to funding of civilian and
17 military effort? Have there been any changes?

18 SIR GUS O'DONNELL: Right. I take your point actually, and
19 it is one as Permanent Secretary of the Treasury and
20 then becoming Cabinet Secretary, I think it is right
21 there was a bias, because you have UORs -- sorry --
22 Urgent Operational Requirements -- I'll try not to use
23 acronyms -- which have automatic access to the reserve.
24 As I said, my background in particular made me realise,
25 and I stress the trip I made to Kabul, when I went out

1 specifically to demonstrate the need for everybody to
2 work together. So I went with the Permanent Secretaries
3 of Defence, Development and Foreign Office together to
4 visit Helmand and visit the frontline and see how the
5 two were working together.

6 I think there is a risk that they get out of sync.
7 Actually I would say in Afghanistan it is very well
8 developed in terms of the frontline in terms of having
9 DFID people, for example, right up there in the bases
10 with defence people. If you look at Kabul you have
11 people from a whole range of different ministries.

12 It certainly happened in Iraq. When I go back to my
13 time as Permanent Secretary in the Treasury I remember
14 being asked to release people to get involved in a very
15 substantial effort of launching a new currency for Iraq.
16 We sent Treasury officials, Jacob Nell, who actually got
17 injured out there, to do that and he did it very
18 successfully.

19 In terms of what we do now, your point, I think when
20 it came to the spending review this time I think
21 departments were clearly factoring in their requirements
22 for the development efforts in Afghanistan. Obviously
23 we are in a slightly different position, where for
24 a large number of the departments, you know, the
25 spending review process and all that stuff was going

1 through, DFID was in a different position, because it
2 was a protected department. The 0.7% commitment is
3 there, but it is fully built in for DFID to play
4 a significant role and indeed a growing role in
5 Afghanistan as we move towards a situation where I hope
6 we will move away from military involvement towards
7 a situation where Afghanistan's own army and police
8 takeover and we establish the development that goes
9 behind that.

10 To me the key of lasting success there will be: can
11 we establish a solid economic base.

12 BARONESS USHA PRASHAR: But that said, let me be clear: will
13 the civilian departments also have reserve funding in
14 terms of development in the way the military has UORs
15 and reserves?

16 SIR GUS O'DONNELL: They will in the sense that they built
17 them into their bids and plans for the spending review.
18 They won't in the sense of no, they will not have access
19 to the reserve.

20 BARONESS USHA PRASHAR: Do you think that will address the
21 issues that the witnesses identified to us, in terms of
22 you not being able to deliver because of resources and
23 lack of synergy on the ground?

24 SIR GUS O'DONNELL: Well, I think that's precisely where --
25 you know, if I was -- I am sure at some point we will

1 come to lessons. I would say that one of the key
2 lessons was this has to be built in and indeed when the
3 Afghanistan planning was underway, I would say the
4 biggest difference between the Iraq and Afghanistan
5 planning was the fact we had the Post Conflict
6 Resolution Unit, later to become the Stabilisation Unit
7 and they were built in from the start. I think
8 departments now realise this was absolutely crucial.

9 BARONESS USHA PRASHAR: You mentioned DFID. What about the
10 Foreign Office?

11 SIR GUS O'DONNELL: The Foreign Office the same. This will
12 be built into their plans. The reason I think about
13 DFID is because of money, to be honest. The larger
14 amounts might well be in terms of aid.

15 BARONESS USHA PRASHAR: How will the current arrangements
16 respond if anything unexpected happens, because you
17 can't anticipate? As you know, in Iraq unexpected
18 developments occurred.

19 SIR GUS O'DONNELL: Well, the reserve is there for
20 unexpected developments. I think that the Chancellor
21 would say they need to be truly unexpected. I think it
22 is up to departments as we go along to reprioritise. If
23 it turns out that Afghanistan becomes more difficult and
24 therefore we need to reallocate funds towards
25 Afghanistan away from other priorities, then that's

1 a decision Ministers will have to make, but I would urge
2 them to be forever juggling these priorities within
3 their programmes.

4 BARONESS USHA PRASHAR: Thank you.

5 SIR JOHN CHILCOT: Just on a bit of the history going back
6 to Iraq. DFID, of course, did not regard Iraq as a high
7 priority country. It was a middle income country.
8 Afghanistan is much easier for DFID to accommodate
9 within its base line. Historically that was a problem.
10 Do you recollect that?

11 SIR GUS O'DONNELL: Absolutely. Again going back to the
12 World Bank days, you would not have thought about --
13 there is Iraq. Plenty of oil. If you are in a world
14 where you have good governance this should be a middle
15 income country doing well where there should not be any
16 problems. It would not have been eligible for various
17 kinds of IDA, for example, International Development
18 Assistance -- sorry -- but Afghanistan is desperately
19 poor. You know, it is down there in the bottom few
20 countries. So it's a natural thing for DFID to be
21 involved in, but that doesn't mean to say that the
22 development issues in Afghanistan are actually typical.
23 They are not. They are particularly difficult, given
24 the conflict situation.

25 SIR JOHN CHILCOT: Yes. Thank you. I think the question in

1 our minds relates to the degree of flexibility of the
2 machinery and the funding and institutional arrangements
3 when the truly unexpected or unwanted happens.

4 Let's move on, though, if we may to the machinery of
5 government, and I will ask Sir Martin to pick this up.

6 SIR MARTIN GILBERT: You have served as Cabinet Secretary to
7 three Prime Ministers, three very different
8 administrations. We will come to the current
9 arrangement of Cabinet Committees which you described in
10 your statement shortly.

11 Before we do, can you describe the previous
12 arrangement and when changes were made and why?

13 SIR GUS O'DONNELL: Well, it's actually three as Cabinet
14 Secretary but I remember when I was on the Gulf War
15 Cabinet it was a fourth, John Major. They have all
16 had slightly different styles. You know in a sense of
17 the First Gulf War part it was a short, sharp conflict
18 with very clear requirements, UN resolutions. Get
19 Saddam Hussein out of Kuwait and stop, although there
20 were many who were arguing that we shouldn't have
21 stopped. That was absolutely right.

22 In terms of the different arrangements for --
23 obviously when the decisions were made to go into Iraq
24 I wasn't Cabinet Secretary, but you have gone through
25 and talked to Cabinet Secretaries who were there at the

1 time.

2 In terms of the evolution during my period I would
3 say there has had to be greater involvement of more
4 members of Cabinet, and I think that has evolved through
5 time, I'd say, with the move to doing Iraq and
6 Afghanistan they needed more coordination. I think
7 a point I have already made that the learning from Iraq
8 meant that when we were talking about Afghanistan there
9 was more involvement from the development side earlier
10 in terms of thinking about planning. Like I say, Gordon
11 Brown on coming in created NSID. That was an evolution,
12 trying to bring together more of the different aspects.

13 I think then under the coalition government the
14 decision to create the National Security Council was
15 an even further step, with a National Security Adviser.
16 I think that does change the job particularly of the
17 Cabinet Secretary, because there you have in the
18 National Security Adviser someone who is kind of
19 mimicking the Cabinet Secretary for a part of his work.
20 So just like I prepare the agendas, make sure the papers
21 are there, brief the Prime Minister for Cabinet, so
22 immediately after Cabinet we go -- short break and then
23 we go into National Security Council.

24 The National Security Adviser similarly sits next to
25 the Prime Minister, just as I do during Cabinet. He

1 sits next to the Prime Minister. He has prepared the
2 papers and the agenda for the Prime Minister for the
3 NSC. I also attend the NSC, because I think it is
4 important that we get -- that the Cabinet Secretary
5 remains engaged in these issues, but certainly the lead
6 is there from the National Security Adviser.

7 SIR JOHN CHILCOT: Sir Gus, we would like to come on to the
8 National Security Council in more detail in a moment,
9 but sticking for the moment with Sir Martin's questions.

10 SIR MARTIN GILBERT: You refer in your statement, if I could
11 quote "Ensuring that Ministers have sufficient time and
12 space to consider fully major issues."

13 You will see we have taken evidence on this from
14 your two predecessors.

15 Iraq was undoubtedly one of these major issues. In
16 retrospect do you believe in your time that Ministers
17 had the space and time to consider them fully?

18 SIR GUS O'DONNELL: Well, they certainly had the space and
19 time. The question is I guess do you mean did they do
20 it in collective ways, ie through standard processes and
21 I think this goes back to the style of the Prime
22 Minister. Like I say, he operated through Cabinet but
23 had a certain view about the Cabinet, and this reflected
24 I guess the amount that he thought he would get out of
25 collective discussion in Cabinet. I think one of the

1 things as Cabinet Secretary you want to do is to make
2 Cabinet a safe space, and picking up on the alternative,
3 how you generate the ability for Cabinets to be
4 challenging. So can you get a situation where there is
5 trust there so you can have conversations around the
6 table where people can put contrary views and at the end
7 the Prime Minister can sum up and explain the position
8 that will then be the position held by the whole of
9 Cabinet under the collective responsibility doctrine.

10 I think that's an important part. What stops that
11 happening is people's fear that Cabinet can't be in that
12 safe space. So the things I think are really
13 important -- these are lessons I have taken from it --
14 is to develop trust. You know, I think that's damaged
15 by leaks and it is damaged by -- we need to be able to
16 record what happens in Cabinet accurately and for that
17 to be kept safe as a record for a decent period of time
18 as well.

19 SIR MARTIN GILBERT: Is that the main area where fear comes
20 from or are there other aspects?

21 SIR GUS O'DONNELL: I would think it's -- no, I think the
22 main issue really is if you -- that you need that safe
23 space and you need for it to be private.

24 I mean, the point about the Cabinet is if it works
25 well people will feel completely open and able to

1 register their disagreements, let's say, with the
2 policy, and then know that that is being done, and then
3 afterwards they live by collective responsibility.

4 I think when that breaks down you have a problem.

5 SIR MARTIN GILBERT: Following that up from your central
6 perspective, and we have talked about the different
7 styles, the different machineries of government in each
8 administration, are there, on the other hand,
9 fundamental principles in our system of collective
10 Cabinet responsibility which don't change? And what are
11 these principles, the unchanging principles?

12 SIR GUS O'DONNELL: The unchanging principles. I think that
13 the Cabinet remains the ultimate decision-making body.
14 Indeed, I have tried to encapsulate these principles in
15 the Cabinet Manual. So I think they are all there.
16 There's relevant parts to this Inquiry, which I am sure
17 we might come on to, about the role of the Attorney
18 General.

19 I think a vibrant Cabinet Committee system is
20 massively important. It's not just Cabinet. Indeed,
21 I think you can be slightly kind of distracted by just
22 focusing on Cabinet. If the Cabinet Committee system is
23 working very well, then that makes Cabinet's life a lot
24 easier. When I looked back in preparation for this
25 committee to say, well, I am very much into the evidence

1 base, can you say anything about different Prime
2 Minister's styles by looking at the number of Cabinets?
3 Actually, they are remarkably similar when you look at
4 the averages for the Margaret Thatcher, the John Major,
5 the Gordon Brown. They are all virtually around 40
6 Cabinets a year as the average rate. The coalition
7 Government is going slightly above that and the Tony
8 Blair period slightly below it, but these are not big
9 differences. So I think just focusing on Cabinet is --
10 you know, there is more to it than that.

11 SIR JOHN CHILCOT: We have had evidence that the frequency
12 of Cabinet -- number of Cabinet Committees varied much
13 more than that over the different administrations?

14 SIR GUS O'DONNELL: That's right.

15 SIR MARTIN GILBERT: Thank you very much.

16 SIR JOHN CHILCOT: I think before we come on to the National
17 Security Council, Lawrie, you wanted to ask
18 a supplementary.

19 SIR LAWRENCE FREEDMAN: Yes. You mentioned that you weren't
20 in place for the 2001-2003 decisions on Iraq, though
21 presumably you had some vantage point as a Permanent
22 Secretary. So I would be quite interested, first, in
23 how you viewed it from the Treasury. Did you have
24 concerns about how the system was operating?

25 SIR GUS O'DONNELL: From the Treasury -- well, obviously

1 conflict is very expensive is the first point,
2 a Permanent Secretary in Treasury will tell you. You go
3 to a point -- Baroness Prashar made this point -- where
4 you lose quite a bit of control in the sense you have
5 urgent operational requirements which call on the
6 reserve. Obviously you want to meet those. So if you
7 are interested in controlling public spending this is
8 difficult for you, no question about that.

9 Therefore you are worried, you are always very
10 worried about circumstances where it involves military
11 engagement, but I wasn't close enough in the Treasury to
12 talk about anything other than the financial aspects.

13 SIR LAWRENCE FREEDMAN: During previous conflicts Permanent
14 Secretaries were brought together by the Cabinet
15 Secretary just to make sure that things were working.
16 Did anything like that happen?

17 SIR GUS O'DONNELL: As you know, Permanent Secretaries get
18 together every Wednesday at 10 o'clock. So we will have
19 been updated by Andrew Turnbull and Richard Wilson on
20 those sorts of issues, but I am trying to remember
21 precisely when I became Permanent Secretary at the
22 Treasury. That's why I'm hesitating. I certainly
23 remember discussions about Iraq and the unfolding
24 tensions there and how it might play out.

25 SIR LAWRENCE FREEDMAN: Then just sort of to your own period

1 as Cabinet Secretary, you were there, as you have
2 already discussed, for decision-making which led to our
3 involvement in Helmand.

4 Now, as you will be aware, the decision-making
5 leading up to Iraq in 2003 has been criticised in
6 a number of areas, whether there was sufficient due
7 diligence, risk assessment, stress testing, these sorts
8 of words.

9 Do you think that in the decision-making that led to
10 Helmand that we got over those sort of problems?

11 SIR GUS O'DONNELL: It is "The Iraq Inquiry" up there, not
12 "The Afghanistan Inquiry".

13 SIR LAWRENCE FREEDMAN: It is lessons learned and whether
14 lessons were learned from one conflict for another.

15 SIR GUS O'DONNELL: What I would say is that the main lesson
16 that was in my mind when those discussions were taking
17 place was understanding that these operations are not
18 expressly military operations, that actually they are
19 not even primarily military operations. You are not
20 going to get to a situation where you have a military
21 victory. The nature of what was going on in Afghanistan
22 was about trying to get yourself to a situation where
23 you reduced the threat, the terrorist threat to the UK
24 from Afghanistan, and that meant trying to get to
25 a situation where you did not have Taliban control. So

1 there was a lot of talk about -- I remember the Cabinet
2 meeting quite vividly where the proposal on Helmand was
3 put firstly by the Secretary of State for Defence.

4 If I remember rightly, we then went on to quite
5 a long discussion about development aspects, about
6 aspects of society in Afghanistan. I remember one of
7 the teachers who had been teaching girls had just been
8 beheaded. That sort of issue came up. There was quite
9 a lot of talk about how you would manage the
10 non-military issues in Afghanistan. How you would
11 support education, for example, was one of the big
12 issues.

13 SIR LAWRENCE FREEDMAN: I appreciate this is not
14 an Afghanistan Inquiry, but you will be aware there has
15 been a lot of criticism, a suggestion that we were not
16 well prepared for the actual experience in Helmand
17 when we got there.

18 So I am just curious as to whether, given we don't
19 seem to have fully prepared for Iraq when we got
20 there, whether things might have been learned from that
21 experience that would have helped us in 2005/6?

22 SIR GUS O'DONNELL: Indeed it was a very different situation
23 in the sense that there you were going in as
24 a multi-national force. We had had a presence there and
25 we were just talking about increasing our presence. The

1 kinds of challenges we were facing in Afghanistan were
2 very different. As I mentioned, this is an incredibly
3 poor country. For a part of the population to be in
4 Helmand one of the significant ways of earning your
5 living was growing poppies.

6 The solution really had to be about persuading
7 farmers that you could protect them and they could, if
8 they grew wheat, take it to market. So there was
9 a lot of differences there.

10 I think what we learned was the importance of
11 getting the Post Conflict Reconstruction Unit involved
12 early on. I think it is fair to say that with hindsight
13 that Helmand proved to be more difficult than expected.
14 There is no question about that.

15 SIR LAWRENCE FREEDMAN: I think some of those questions on
16 stabilisation will arise later. I think we had better
17 move on.

18 SIR JOHN CHILCOT: Okay. Can we turn on to the National
19 Security Council. Roderic.

20 SIR RODERIC LYNE: In the foreword to last year's National
21 Security Strategy written by the Prime Minister
22 and the Deputy Prime Minister it says that:

23 "The last government took little account of the fact
24 that Iraq and Afghanistan had placed huge and unexpected
25 demands on Britain's national security arrangements."

1 It talks of "lamentable planning" and it says that:
2 "The machinery of government failed to adapt to the
3 new circumstances, lacking both the urgency and the
4 integration needed to cope with the new situation."

5 Now you were talking just now about the need to have
6 a safe space, was the term you used, in Cabinet in which
7 you could have trust, you could have challenging
8 discussions.

9 Did a safe space of that kind exist within
10 Mr Blair's Cabinet?

11 SIR GUS O'DONNELL: Well, I think that's one of the reasons
12 why the Prime Minister I think was reluctant at times to
13 take as many Cabinet discussions as possible, because he
14 felt that they would become very public very quickly.

15 SIR RODERIC LYNE: Could he have had a safe space within
16 a Cabinet Committee, because, as we have heard, the
17 Cabinet Committee never met to look at Iraq in the year
18 and a half leading up to the conflict?

19 SIR GUS O'DONNELL: Well, I think many of the same issues
20 would have applied.

21 SIR RODERIC LYNE: Even in a Cabinet Committee, a small
22 group of Ministers?

23 SIR GUS O'DONNELL: Well, it depends on how many Ministers
24 you had, but I think you have to understand, you know,
25 why would he not go for these meetings. I think it was

1 because he would have thought that that wasn't a safe
2 space.

3 SIR RODERIC LYNE: Now what should a Prime Minister do to
4 create this very important safe space in which you can
5 have effective decision-making?

6 SIR GUS O'DONNELL: I think it is all about developing team
7 spirit, collegiate approaches and a feeling that
8 everybody is listened to, a feeling that challenge is
9 welcomed, but a very strong feeling that that challenge
10 for it to be accepted and open has to be kept private,
11 and that you have to in the end come to a single
12 position which Cabinet will stick by.

13 SIR RODERIC LYNE: I mean, what you are implying in this is
14 that it is not systemic. It is more a question of the
15 personalities in the room?

16 SIR GUS O'DONNELL: I think there is obviously a personality
17 aspect to this, but -- and, you know, the different
18 interaction of personalities as well, but I wouldn't
19 say -- I don't think you can solve all of these problems
20 by changing processes. You know, I think people -- when
21 I look back on lectures about golden eras, I kind of
22 look at them and think there were pretty good processes,
23 let's say thinking back to the '60s and '70s, but it was
24 a period of the UK going through relative economic
25 decline. So I think good processes can help. They are

1 necessary but by no means sufficient for good decisions
2 to be made.

3 SIR RODERIC LYNE: But if you are leading a government and
4 you can't trust even an inner group of a Cabinet
5 Committee dealing with critical questions of peace and
6 war and security, because you can't trust the
7 personalities, what should you do about that to create
8 trust? You say that's not a machinery of government
9 issue.

10 SIR GUS O'DONNELL: No, I think it is --

11 SIR RODERIC LYNE: How do you do it? It is obviously very
12 important to have it for the reasons you have given.

13 SIR GUS O'DONNELL: All I can say is what I have been trying
14 to do in my period as Cabinet Secretary is to be
15 absolutely clear we need to be ruthless about leaks. We
16 need to very strongly engender the concept that
17 challenge and being open to challenge is absolutely
18 fine, that challenge is useful, positive and
19 constructive, but it needs to be made in the right way.

20 SIR RODERIC LYNE: Presumably, therefore, you need to select
21 people who you can trust?

22 SIR GUS O'DONNELL: That's right, and trust is a two-way
23 process.

24 SIR RODERIC LYNE: Did the situation change under the next
25 Prime Minister, under Gordon Brown?

1 SIR GUS O'DONNELL: I would say the new Prime Minister came
2 in very keen to -- I remember the first Cabinet meeting,
3 a very long Cabinet meeting -- to use Cabinet, and he
4 was very clear about wanting a clear strategy on Iraq,
5 hence his statement to the House.

6 So I think there were, I would say, more collective
7 discussions. It is obviously -- when you think about
8 strengths of Prime Ministers, strengths of Prime Ministers
9 are a function of a number of things and the
10 relationship between Prime Ministers and Cabinet. One
11 is how they got there and the other I think -- I would
12 stress is size of majority.

13 When I look back on the John Major time, for
14 example, taking over from, you know -- a change of Prime
15 Minister within the same party, you will obviously have
16 within Cabinet some people who were supporters of the
17 previous Prime Minister. That's a requirement for
18 a Prime Minister then to try to bring the Cabinet
19 together after that change. I think that has happened
20 in my experience now twice where you have had a change
21 of Prime Minister within the same party. Strength of
22 majority is important.

23 I think one of the strengths Tony Blair had as Prime
24 Minister was having a strong majority behind him.
25 Similarly with the coalition. For John Major post the

1 '92 election he had a rather small majority. That means
2 even more than ever you need to bring the Cabinet
3 together.

4 SIR RODERIC LYNE: But from what you have said in your
5 statement and what you said earlier there are certain
6 factors that are critically important to get good
7 decision-making: trust, this space you talk about,
8 challenge, open, free discussion but within
9 an atmosphere of trust, and that, presumably, remains
10 true whether the Prime Minister has a big or small
11 majority and irrespective of the character of the Prime
12 Minister himself or the position of the Prime Minister
13 himself or herself. It is a question of how good
14 decisions are made. I mean, that's the implication of
15 what you have said. You have set out some very sound
16 principles of decision-making.

17 Now clearly, as you also said, this didn't operate
18 under Mr Blair. He had established his style by the
19 time you became Prime Minister¹. As we have heard,
20 it was not a collective use of Cabinet. What was lost
21 as a result of that style?

22 SIR GUS O'DONNELL: Well, that's an interesting question,
23 because obviously Prime Ministers then will go about
24 things in different ways. We are talking about Prime
25 Minister Tony Blair. He had other ways of working so he

¹ Secretariat note: Sir Roderic meant Cabinet Secretary

1 would work with smaller groups.

2 I think what happened is, as the evidence you have
3 got, the nature of formality was diminished. If you
4 reduce the formality you don't have such good records of
5 what has happened, and when you come to do audits, as
6 you are, it's not as complete as I think any Cabinet
7 Secretary would want it to be.

8 So I think you lose something there, but I think by
9 virtue of that some of the people that are excluded from
10 decisions can feel just that, excluded, and therefore
11 you don't get the full contribution of everyone to
12 a joined-up decision.

13 That's not to say that the Cabinet Office won't be
14 working very hard to get the different departmental
15 positions and deliberate them into a single position
16 that the Prime Minister can take to things like European
17 Councils and the like. So that work is carrying on and
18 that's essentially what a lot of Cabinet Office
19 officials do.

20 SIR RODERIC LYNE: It has been argued to us that the
21 decisions would have come out much the same whatever
22 process you had used.

23 Do you feel, first of all, whether or not that's
24 actually accurate and, secondly, whether a more robust
25 procedure of challenge and stress testing would have

1 strengthened the policy? You have said it would have
2 made people feel more included. Would it actually have
3 meant that the decisions themselves were stronger
4 decisions if they had had that challenge?

5 SIR GUS O'DONNELL: I think it's incredibly hard to prove
6 that one way or the other, to be honest. I think one
7 can have a presumption that a better process might well
8 lead to better outcomes, but if you were talking in
9 terms of, you know, we haven't got controlled
10 experiments here -- the idea that you are going to face
11 the same set of circumstances with different kinds of
12 processes and then look at the outcomes and see if they
13 are better, that that would be great, but we just do not
14 have that. I think that's entirely a matter of
15 judgment, but I have a presumption that better processes
16 will lead to better decisions.

17 SIR RODERIC LYNE: That leads us really to the National
18 Security Council. I quoted earlier from the foreword
19 and what that said about the machinery of government
20 under a previous Government. This was written by two
21 politicians from a different party so it is not
22 impossible that politics played a part in the wording of
23 that paragraph from which I quoted, but is this
24 essentially why the NSC evolved? Is that what it is
25 there for, to fill that gap?

1 SIR GUS O'DONNELL: I think if you look at the evolution,
2 when Prime Minister Brown set up NSID, I think that
3 was -- you know I think we as officials were searching
4 for ways we could learn the lesson of bringing the
5 development side and all of the different players into
6 one key council and that was NSID.

7 The point is the difference between NSID and the
8 National Security Council is that the National Security
9 Council is chaired by the Prime Minister and meets every
10 week and looks at Afghanistan, for example, every
11 fortnight. So you have the continuity there and you
12 also have the substructure. You know, we brought
13 together not just -- and I think people were saying,
14 "What is the National Security Adviser ---isn't it just
15 Nigel Sheinwald?" It is not. This brings together
16 foreign policy, the military, the security, the
17 intelligence, the counter-terrorism, the civil
18 contingencies. It is much bigger. The structure under
19 it brings together lots of different aspects of the
20 Cabinet Office including new things like cyber. To me
21 this I think is a very welcome development.

22 There is something, though, which I think we need to
23 do next, and I talked to the Prime Minister about this
24 and he has agreed that the National Security Adviser and
25 the JIC Chairman will review the process, because we

1 have added in the National Security Council. I think
2 now we need to look at the relationship between the
3 National Security Council and the JIC. I think we need
4 to look at the way in which intelligence comes to the
5 Prime Minister. Also I am keen on looking at how we
6 align all the different intelligence capabilities, given
7 the NSC priorities.

8 So he said to me that I can get the National
9 Security Adviser and the JIC Chair to look at these, and
10 we will be doing this work, reviewing it internally, but
11 then hopefully getting some external input, but if it
12 would help the Committee I could send the terms of
13 reference for that review to you, because I think it is
14 germane to the kind of lessons learned, and we would
15 quite like to learn from -- well, I am not sure when you
16 will report, but we are talking about reporting from
17 this in the summer, bring those two -- aligned. The
18 thing that's different for us is we now have a National
19 Security Council. It is working well. The question is:
20 What are the implications of that for the rest of the
21 security machinery?

22 SIR RODERIC LYNE: So you have now moved from what you say
23 far away from the very personalised system of
24 decision-making under the previous government and back
25 more into much more collective decision-making such as

1 one had under the pre-1997 governments.

2 To what extent do you feel this is the result of
3 having a coalition in power, which more or less forces
4 that to happen?

5 SIR GUS O'DONNELL: I think there is always an opportunity
6 when you have a new Prime Minister. New Prime Ministers
7 want to do things in a different way. So if there had
8 been just a change of Prime Minister and it had been
9 a single party there would still have been
10 an opportunity to think about these things, and indeed
11 the Conservative Party were recommending a National
12 Security Council. So I think even if there had been
13 a single Conservative Party government, we might well
14 have moved this way.

15 As you say, it's reinforced I would say, by
16 a coalition, because coalition requires you -- when you
17 look at the make-up of the National Security Council,
18 which is attached to my submission, you will see that
19 there is a good mix there of Conservative and Liberal
20 Democrat Ministers. It follows the rule we have been
21 following for all Cabinet Committees of Chairs of one
22 party, Deputy Chairs of another.

23 So I think it is a good example where -- this is
24 something I think would have happened with a change of
25 administration to a single Conservative Party. It has

1 happened in a somewhat different and probably reinforced
2 way, given a coalition.

3 SIR RODERIC LYNE: As you look past the present government
4 and into the future against the background of your own
5 personal experience working very closely with four Prime
6 Ministers with different decision-making styles, and you
7 set that against the sort of evidence and arguments that
8 have been presented to us: on the one hand, that
9 personalised decision-making by a strong, charismatic
10 leader, as one witness described him, allows you to take
11 decisions very quickly; on the other hand, collective
12 decision-making has quite a number of other advantages.
13 And this to some extent reflects the dichotomy between
14 a more Presidential style of government and a more
15 Cabinet style of government with a primus inter pares as
16 Prime Minister. Where do you come out on that?

17 SIR GUS O'DONNELL: I am very much of the Prime Minister as
18 primus inter pares. He is in my book the chair and not
19 the chief executive officer. The thing people need to
20 remember is also there is a lot of talk about strong
21 Prime Ministers, but when you look round that Cabinet
22 table the Prime Minister has probably got access to the
23 smallest amount of resources actually. The rest of them
24 have big departments. He has, you know, 200-odd people
25 in Number 10. The Cabinet Office itself, you know,

1 varies around the 1,000 to 2,000 mark. These are not --
2 whereas you are sitting there with the Home Secretary
3 who has tens of thousands. There is a great difference.
4 I think that's the first thing to say. So in that sense
5 they have to be chairmen rather than chief execs.

6 I think Tony Blair, like other Prime Ministers, in
7 that sense had to be a chairman. He found that
8 frustrating at times. At times he wanted to be a chief
9 operating officer, I think, when he went into delivery
10 mode, but it is one of those tensions that you have,
11 that actually to deliver for Prime Ministers they have
12 to deliver mostly through departments. So it's really
13 important that that team sense works well.

14 SIR RODERIC LYNE: Just to round off on the arrangements
15 that we now have with the NSC, if we were having to look
16 at possible involvement now in yet another military
17 conflict overseas, are you confident that the NSC,
18 subject, as you say, to the review that it's going
19 through at the moment, would provide the space you were
20 talking about earlier, would provide stress testing for
21 policy and also would now be able to do this in
22 a sufficient atmosphere of trust, and you have two
23 parties in here, free of leaks that it really could
24 operate effectively?

25 SIR GUS O'DONNELL: Yes, I think it could, although there is

1 two things that I would add to that. One is you never
2 know what the next -- you know, I think there is a great
3 danger for us of developing a system that will work if
4 Iraq came along again. I am much more interested in
5 developing a system that will work whatever comes along.
6 It needs to be flexible in that sense. You might need
7 to have some smaller groups. I am certainly clear about
8 that.

9 You might, coming back to what you said earlier,
10 need to be sure that you have great processes but they
11 don't stop you from operating in a timely fashion.
12 There can be occasions, I would say, when you actually
13 need a decision-making process that can move into top
14 gear really, really quickly.

15 SIR RODERIC LYNE: But in the age of rapid communications,
16 virtual communications, teleconferencing and so on,
17 presumably that can be achieved, or more easily than in
18 the past?

19 SIR GUS O'DONNELL: Certainly more easily than in the past,
20 but I think when you are taking these big decisions, and
21 they are big and highly sensitive decisions, ideally you
22 will get the key people round the table.

23 SIR RODERIC LYNE: You say in your statement that government
24 policy on future military interventions would be settled
25 in Cabinet.

1 Now we have been talking about effectively what is
2 the Cabinet Committee, NSC. At what point would these
3 decisions move to Cabinet and what would be the role of
4 the full Cabinet in taking such a decision?

5 SIR GUS O'DONNELL: Well, I think if you are talking about
6 military engagement then that absolutely would have to
7 go to Cabinet. That's completely in line with the
8 Ministerial Code about important decisions going to
9 Cabinet.

10 The way I would envisage it happening is that the
11 National Security Council would meet first, and indeed,
12 having had meetings at official level first, because
13 Peter Ricketts chairs the Perm Secs group that underpins
14 it, they would prepare the work for the National
15 Security Council, which would then come to views which
16 they would then take to full Cabinet.

17 SIR RODERIC LYNE: Would you anticipate that the full
18 Cabinet would be given sufficient papers that they
19 understood the background to this, even if the most
20 sensitive aspects were not in those papers?

21 SIR GUS O'DONNELL: Yes.

22 SIR RODERIC LYNE: And could therefore have an informed
23 discussion about this.

24 SIR GUS O'DONNELL: Yes. I mean, my view would be --
25 I would want to ensure it happened. The point about the

1 National Security Council officials meeting is that that
2 would say, "Okay. What are the issues? What are the
3 papers we need for the National Security Council?"
4 Those papers would go to the National Security Council.
5 There will be discussion there. In the light of those
6 discussions those papers might well be modified, but
7 there will be a clear paper for Cabinet, and, for
8 example, if there were legal issues involved, then, you
9 know, I would be absolutely clear that the Ministerial
10 Code makes it clear that if there is a legal issue that
11 the full text of the AG's opinion should be attached to
12 any such paper.

13 SIR RODERIC LYNE: The full text?

14 SIR GUS O'DONNELL: The full text.

15 SIR RODERIC LYNE: So in March 2003 they would have had the
16 Attorney General's full advice of 7th March rather than
17 the text of a Parliamentary question -- the answer to
18 a Parliamentary question?

19 SIR GUS O'DONNELL: Like I say, for the future that would be
20 my view, very strong view that that's the way it should
21 be.

22 SIR RODERIC LYNE: Do you think that it was fair in March
23 2003 to ask the Cabinet to take collective
24 responsibility for a decision to go to war without having
25 had a single Cabinet paper available on the subject in

1 the preceding year and a half at least?

2 SIR GUS O'DONNELL: All I can say is that I was not Cabinet
3 Secretary then but the Ministerial Code is very clear
4 about the need, when the Attorney General is giving
5 his written advice or when there's a paper which refers
6 to that, that the full text of his advice should be
7 added to it.

8 SIR RODERIC LYNE: But not just the Attorney General.
9 That's one aspect of it, but a paper describing the
10 policy as a whole and the options and so on. Is it
11 surprising that not a single paper was presented to
12 Cabinet in the year and a half?

13 SIR GUS O'DONNELL: This reflects slightly different --
14 again a different style of the way Cabinet operates, and
15 there has been an evolution from lengthy, dare I say it,
16 somewhat turgid papers to presentations which have
17 tended to be oral presentations.

18 I don't think by necessity there is anything wrong
19 with that, but I think that what you need is to make
20 sure that those papers, hopefully clear concise papers,
21 are available to Cabinet Ministers at the same time. It
22 is not that you necessarily need to speak to a paper at
23 Cabinet.

24 SIR RODERIC LYNE: Thank you very much.

25 SIR JOHN CHILCOT: We were going to come to the Attorney

1 later, but since we are on it, just a supplementary.

2 Do you have a view about whether the Attorney
3 General -- practice has varied in the past -- should or
4 should not attend Cabinet as a routine matter as opposed
5 to when there is a serious legal matter on the agenda?

6 SIR GUS O'DONNELL: This, as you say, in the old-fashioned
7 use of the word "nice", is a nice question. Different
8 Prime Ministers have come to different conclusions. I
9 think on the one hand -- well, let me state my position
10 first of all. The Attorney General needs to be there
11 whenever there is an issue, to which the legal advice
12 is an important component. I think that absolutely
13 goes -- that's definitely -- and I would draw the
14 definition of when legal advice is needed quite broadly.

15 On the other hand, I can completely understand why
16 some Prime Ministers have decided not to have the
17 Attorney General there as a member of the Cabinet like
18 anybody else in that I think what's different about the
19 Law Officers, and the AG as one of the Law Officers, is
20 that they need to be independent and they need to take
21 this independent legal view.

22 So I think there is a case for them being somewhat
23 separate and not like every other Cabinet member. So
24 I would go for the -- involve them whenever there is
25 a discussion which is legal or might well stray into

1 that territory, but not have them there all the time.
2 SIR JOHN CHILCOT: We have had evidence from one witness
3 that the evolution of the make-up of the House of
4 Commons is tending to make it more and more difficult
5 for practicing QCs to also take on the responsibilities
6 of being a Member of Parliament, which means that the
7 pool from which you can find a politically experienced
8 and involved Attorney General is diminishing. You have
9 to look outside the political community for future Law
10 Officers more and more.

11 Does that say something about attendance or
12 non-attendance?

13 SIR GUS O'DONNELL: Indeed it would be an issue, although
14 you have the House of Lords as well, but it would be
15 an issue.

16 The one thing I would say is it is not just --
17 I think we were talking about military conflict.
18 I mean, that's one thing, but if I think about recent
19 events, things like detainees, control orders, the whole
20 set of issues where the rule of law is important, and so
21 it could -- whilst I want the situation where they are
22 not going routinely, they may well end up going quite
23 often.

24 SIR JOHN CHILCOT: Thank you. I'd like to pick up some
25 questions about the new machinery. We have to come to

1 some account and assessment of how things worked on Iraq
2 in the past, with lessons for the future. I very much
3 take note of your comment about flexibility and not, as
4 it were, installing new machinery that simply reflects
5 a past situation that may not recur.

6 That said, your statement regarding the role of
7 the National Security Adviser says and I am quoting:

8 "Now provides the Prime Minister with a direct and
9 personal source of foreign policy and defence advice."

10 How is that different from what the Prime Minister's
11 Foreign and Defence Policy Adviser provided? Is it
12 a matter of the scope or is it a matter of supporting
13 structures or both?

14 SIR GUS O'DONNELL: It is scope. You take a Nigel Sheinwald
15 or David Manning, they are very much in that foreign
16 policy area. They varied in terms of how much access to
17 Cabinet Office Secretariat groups they had. Peter
18 Ricketts has an overview of the whole of the
19 Secretariat. They are a much larger group, which
20 involves things like foreign policy, but it also covers
21 defence, security, intelligence, as I say, crisis
22 contingencies.

23 So the National Security Council -- if, for example,
24 we had another foot and mouth issue, that certainly
25 wouldn't have been Nigel Sheinwald or David Manning, but

1 that is absolutely Peter Ricketts, and I stress there's
2 an issue about location that matters, which I think
3 people have raised before and you'll get the whole dual
4 hatting. I am very much of the view that I think the
5 right solution is having them based in the Cabinet
6 Office with access to the Secretariat, but advising the
7 Prime Minister.

8 The reason I say that is some practical reasons
9 really. I discussed this with Peter Ricketts at some
10 length before he came in as National Security Adviser.
11 He has the office next door to mine so that we can
12 liaise very, very closely. I think that's crucial, but
13 he's not there at the beck and call of the Prime
14 Minister minute by minute. I actually think that's
15 rather important, because there is a great risk if you
16 do that, that you become a kind of -- and I remember
17 this going back to the Charles Powell days -- you become
18 the Private Secretary for Foreign Affairs. He was
19 a very important and influential person in that role.
20 I think it is a different role and I think it is
21 important that we have a Private Secretary that plays
22 the role of Private Secretary and we have Advisers that
23 play the role of Advisers, and two-way. They advise into
24 the Prime Minister but they also hear from all of the
25 other relevant groups, the intelligence agencies, the

1 different departments, and can kind of -- the word the
2 securocrats use is "deconflict" that advice. I think of
3 it as bang their heads together and come up with
4 a single view and then be clear, put that to the Prime
5 Minister.

6 SIR JOHN CHILCOT: I'd like to return to that in a moment.

7 Looking back to the Iraq experience, you had through
8 much of the run-up to 2003 and for a bit afterwards two
9 very different tracks and timetables running:
10 a diplomatic one, looking to the United Nations
11 particularly; and a military planning one. Getting
12 those two together in a balanced and coordinated way
13 obviously was very difficult in the Iraq experience.

14 Do you regard the new set-up, the National Security
15 Adviser and Council, as mending that?

16 SIR GUS O'DONNELL: Well, I would say it has the potential
17 to mend it, and I think it's been very fortunate in that
18 it's had the opportunity to conforge those links,
19 because you can imagine just putting someone in charge
20 and saying "Right, you are going to do this" -- how much
21 will they able to coordinate this group? They had the
22 perfect opportunity of creating those bonds in doing the
23 Strategic Defence and Security Review. So they had to
24 bring all of the people together. They had to think
25 about a national strategy. They had to think about the

1 really tough issues of trade-offs and compromises. How
2 much are we going to give to the intelligence agencies,
3 how much are going to give to defence, to foreign
4 policy? Those decisions were not just kind of vague
5 decisions. They were actually all backed up with
6 amounts of money that have gone to the different
7 departments and an understanding -- coming back to
8 Baroness Prashar's question -- about the way in which
9 the DFID budget will be used to help in areas like
10 Afghanistan.

11 SIR JOHN CHILCOT: Yes. There are two I think probably
12 important words drawing on your statement and what you
13 have been saying, which is about the relevant National
14 Security Secretariat and the Adviser. Oversight on the
15 one hand, overseeing development and implementing
16 policy, and on the other hand coordinating activities of
17 departments.

18 Are those two things the same or do they describe
19 different relationships with departments? You talked
20 about banging heads together when needed.

21 SIR GUS O'DONNELL: I think you need a bit of both. I mean,
22 you are coordinating in the sense of if you're taking --
23 thinking about a future position, you know, the Prime
24 Minister going off to a NATO Council, you have -- he
25 can't go there and say "My Treasury thinks this. My

1 Foreign Secretary thinks ..." He has to go with a clear
2 united, "This is the government view".

3 So there is that. Then, of course, there is whole
4 areas where there has been a decision made that
5 a certain approach to let's say the way in which troops
6 are deployed in Afghanistan evolves through time. Well,
7 that's very much an MOD issue. Then you are in
8 oversight. What the National Security Adviser will be
9 doing is getting regular read-outs, making sure that
10 troop deployments are on track, that they fit. If
11 there's a desire for any changes, then to be sure that
12 everybody understands why those changes need to be made
13 and has approved them.

14 SIR JOHN CHILCOT: There is an eerie echo to a term that was
15 used in Iraq for the military operation during and
16 through the transition: overwatch.

17 Is the new National Security Secretariat something
18 that actually has a running interest in the activities
19 of individual departments in the defence and security
20 area all the time, as well as coordinating at need or
21 banging heads at particular moments?

22 SIR GUS O'DONNELL: Yes. What you have is -- let's take
23 their workload at the minute. The kinds of things they
24 are doing is every fortnight they are talking about
25 Afghanistan. So you are kind of looking at this in very

1 great detail.

2 SIR JOHN CHILCOT: And you have a specialist team within the
3 Secretariat?

4 SIR GUS O'DONNELL: And we have an Afghanistan/Pakistan team
5 within the Secretariat. So there is a lot of detailed
6 work there.

7 On the other hand, that's not the only issue we
8 face. So, for example, there will be -- the NSC will look
9 at individual country discussions, Russia, for example,
10 and they will look at specific issues, cyber threats,
11 for example. These are things that sometimes -- when
12 you are looking at a country issue, you might well have
13 a Foreign Office paper that starts the discussion. If
14 you are looking at something like cyber, it may well be
15 something the Cabinet Office have put together.

16 SIR JOHN CHILCOT: Within the National Security Secretariat,
17 within the Cabinet Office, is there full and final
18 ownership of some policies that straddle or can't find
19 a natural home in any single department? I am wondering
20 about cyber, for example.

21 SIR GUS O'DONNELL: I think at the moment that's right.
22 I think the issue that I have tended to run with from
23 the Cabinet Office is actually our role ideally is
24 coordination and doing these things. Ideally you would
25 have a lead department running all of those issues.

1 Quite often we are in what we call incubation mode. We
2 will take an issue. A lot of departments are working on
3 it. We will try to make sure it is working effectively
4 and then put that issue out. I suppose in the
5 non-military era I would say regulation and
6 de-regulation. A lot of work done in the Cabinet Office
7 and then handed out now to BIS.

8 SIR JOHN CHILCOT: Just one other relationship question
9 which you may have answered already in part in
10 describing the National Security Adviser's role
11 vis-a-vis the Number 10 staff. You have got the
12 National Security Secretariat in the Cabinet Office.
13 You still have staff in Number 10 working on national
14 security issues, not just a Private Secretary or two.

15 How does that relationship work?

16 SIR GUS O'DONNELL: I'd say the vast majority of the staff
17 are in the Cabinet Office, but obviously you need
18 Private Secretaries and Number 10 needs some capacity,
19 but I would say this Prime Minister feels very
20 comfortable about operating through the National
21 Security Council, and the bulk of the work will be the
22 work that comes up through that route. You need some
23 capacity in Number 10, because you need to handle those
24 urgent issues as well.

25 SIR JOHN CHILCOT: The 24/7 kind of issues that come up all

1 the time?

2 SIR GUS O'DONNELL: Exactly, yes.

3 SIR JOHN CHILCOT: So it is partly about timescale and the
4 depth of the policy involved?

5 SIR GUS O'DONNELL: Indeed. For a serious long-term look at
6 an issue it should be the National Security Council that
7 does it.

8 SIR JOHN CHILCOT: Could I just take one last point before
9 moving on to something else, which is the --

10 SIR GUS O'DONNELL: Sorry. Could I just add one thing? Of
11 course, there is a difference now. You are talking
12 about Number 10 versus Cabinet Office. Coalition is not
13 like that, because we have the Deputy Prime Minister as
14 well. So we need to make sure that we have, if you
15 like, that word, coalitionised everything. So there is
16 an aspect that adds a degree of complication.

17 SIR JOHN CHILCOT: I was going to ask one more, but I think
18 I am going to try for two.

19 The first is you mentioned, not I think with
20 complete approval, the word "deconfliction" as a term,
21 but as a role this is where there are properly based
22 differences of interest in resources, in policy between
23 different departmental interests.

24 Does the Cabinet Office when doing that act, as it
25 were, as the chairman of the Cabinet's staff, or is it

1 serving the Cabinet as a whole in having to get
2 deconfliction settled?

3 SIR GUS O'DONNELL: Right. This is the heart of, if you
4 like, dual-hatting. In a sense when you look at -- you
5 know, what is the Cabinet Office for? I stress when
6 I talk about Cabinet Office I think of Number 10 as part
7 of the Cabinet Office, which it is. You look at what
8 the Cabinet Secretary's role is. It is to support the
9 Prime Minister, support the Cabinet, strengthen the
10 Civil Service.

11 Well, those first two, support the Prime Minister,
12 support the Cabinet, obviously it works both ways. So
13 when you are in a Cabinet Office secretariat you have
14 a number of views from different departments, but you
15 also have a rather important person called the Prime
16 Minister who has a view, and it's important that the --
17 that that is fed in when you are trying to work out what
18 the government position is.

19 So you need to manage this process both ways, which
20 is why I say I think the ideal way is having those
21 ministerial advisers close to the Prime Minister but
22 located in the Cabinet Office with a Cabinet Office
23 secretariat that can do the bringing together of all the
24 departmental views.

25 SIR JOHN CHILCOT: This is the last supplementary on this.

1 Is there a ready and general acceptance around the whole
2 of the Whitehall system in departments at official as
3 well as Ministerial level, that that is the proper role
4 of the Cabinet Office and that is what the Cabinet
5 Office can be expected to do?

6 SIR GUS O'DONNELL: Yes. I think they recognise that it has
7 to do both. Obviously there will be different periods.
8 There will be times when you have a Prime Minister that
9 personally wants to drive through a particular policy,
10 and then you are in slightly different mode, as it were.
11 You are working with -- ideally with that department to
12 try to deliver jointly that policy, but most of our work
13 has to be around the coordination and bringing together
14 the views of all the departments and the Prime Minister,
15 and coming to a single view and making sure that if you
16 can't -- that it goes to the right forum to discuss it.

17 SIR JOHN CHILCOT: Thank you. I think in a few moments we
18 will take a break, but before we do I will ask
19 Sir Lawrence to pick up one question.

20 SIR LAWRENCE FREEDMAN: Two, if I may?

21 SIR JOHN CHILCOT: Well, two.

22 SIR LAWRENCE FREEDMAN: You can take two I can take three.

23 Can I just follow on the previous discussion? If
24 you look back at what happened with Manning and
25 Sheinwald, they were seen to meet a need that the Prime

1 Minister had for somebody not only to advise but on
2 occasion to act as his agent?

3 SIR GUS O'DONNELL: Uh-huh.

4 SIR LAWRENCE FREEDMAN: So it was David Manning who was
5 conducting regular conversations with the American
6 National Security Advisor.

7 SIR GUS O'DONNELL: Uh-huh.

8 SIR LAWRENCE FREEDMAN: And you can see that that was often
9 reflecting quite a personal view of the Prime Minister
10 when doing so.

11 Now you have somebody now who is labelled National
12 Security Adviser and therefore might naturally expect to
13 talk in the same sort of way with the American National
14 Security Advisor, who is nonetheless responsible -- the
15 product of the Presidential system.

16 Does this new arrangement create a tension there?
17 Despite the change in label, actually Peter Ricketts
18 will not play the same sort of role David Manning or
19 Nigel Sheinwald could play, because his administrative
20 and Cabinet hat is a much larger one?

21 SIR GUS O'DONNELL: Well, I think you are right. The
22 context has changed through time. I think you have seen
23 the growth of leaders getting involved in many more
24 issues. I think of G20, for example, as an evolution.
25 So lots of -- there are lots more European Councils.

1 when I look back and compare the Major era with now,
2 there are much more things go to leaders. As a result
3 what has happened is that the leaders have, you know,
4 created groups, sherpa groups, sometimes formally,
5 sometimes not, who do the preparation for these things.
6 So in that sense yes, a David Manning or a Nigel
7 Sheinwald were going as that sort of Prime Ministerial
8 envoy.

9 What we have in our system is Peter Ricketts will do
10 that, but the advantage of Peter's position is he is
11 very embedded within our Secretariat structures, very
12 aware of, you know, where other departments are and
13 obviously is meeting regularly with his National
14 Security Council officials group, those people.

15 So he will take that role as Prime Ministerial envoy
16 and, for example, on the economic side Jon Cunliffe will
17 do that, but they need to be tied into the General
18 processes for managing government.

19 So you can't get away from the situation where there
20 will be one person in the US who wants to talk to one
21 person in the UK, and it can't always be Prime Minister
22 to President. So you have an officials group.

23 What you need to do is make sure that that is --
24 whilst that channel has to exist, that it also can work
25 for departments. It doesn't get in the way. It didn't

1 become something which is remote from the rest of
2 government.

3 SIR LAWRENCE FREEDMAN: So would you say the effect of this
4 would be to reduce the extent to which a Prime Minister
5 can operate an independent foreign policy?

6 SIR GUS O'DONNELL: I think it ensures that the government's
7 foreign policy is pursued vigorously and in a joined-up
8 way.

9 SIR LAWRENCE FREEDMAN: I am sure that's what will happen.
10 Can I just ask quite a small question but it is
11 puzzling from the figures. At the moment -- this is
12 going from one level to a completely different level --
13 at the moment you have, I think you say in your
14 statement 195 --

15 SIR GUS O'DONNELL: Yes.

16 SIR LAWRENCE FREEDMAN: -- people in the Secretariat?

17 SIR GUS O'DONNELL: Yes.

18 SIR LAWRENCE FREEDMAN: Of which around 25 work in the
19 Foreign and Defence Policy team?

20 SIR GUS O'DONNELL: Yes.

21 SIR LAWRENCE FREEDMAN: Which is about 12 to 13%.

22 SIR GUS O'DONNELL: Yes.

23 SIR LAWRENCE FREEDMAN: Then you say in the statement you
24 provided us that:
25 "Resource implications of the cuts will mean that

1 the Defence and Foreign Policy team will be 20 to
2 25%."

3 Now there are two possible -- well, a number of
4 possible questions. One is are you assuming the Defence
5 and Foreign Policy team will stay about the same size?

6 SIR GUS O'DONNELL: Yes.

7 SIR LAWRENCE FREEDMAN: So you are assuming quite
8 a substantial cut around them?

9 SIR GUS O'DONNELL: What happened with the team is they had
10 one very special peak activity, which was the Strategic
11 Defence and Security Review. So we brought in extra
12 resources for that and we will now redeploy those
13 resources or lose those resources. So the 25 there will
14 pretty much stay the same.

15 SIR LAWRENCE FREEDMAN: And you are still having two Deputy
16 National Security Advisers and the five teams as you
17 described them after the cut?

18 SIR GUS O'DONNELL: That's -- that's work in progress
19 I would say. I mean, we need to get to a situation --
20 the Cabinet Office has a third reduction in its admin
21 budget so I am not going to make any promises, but we
22 need to look at our resources very carefully and are in
23 the process of doing that to live within our spending
24 review settlement which starts from April 2011. We will
25 need to look very carefully at the composition of that team.

1 There will be some reductions there.

2 SIR LAWRENCE FREEDMAN: You say in your statement that the
3 NSS could be reinforced from departments in the
4 event of a crisis. Now you have indicated how it is set
5 to happen with the defence review, which wasn't quite
6 a crisis, but has it happened with a big international
7 crisis so far?

8 SIR GUS O'DONNELL: Not yet, but it could do. I would think
9 if we are -- if we did do something which required us to
10 have people on a sustained basis, then it would.
11 I think there have been times when there have been
12 stresses. I am getting into quite difficult territory
13 here, because they are related to counter-terrorism in
14 general. All I would say is the system has proved very
15 flexible so far.

16 I think the good news is departments very much see
17 it in their interests for them when there's an issue to
18 second people in to the National Security Adviser's
19 Secretariat.

20 SIR LAWRENCE FREEDMAN: Okay. Thank you very much.

21 SIR JOHN CHILCOT: Just before we break, there have been two
22 Deputy National Security Advisers covering different
23 parts of the territory. It occurs to us that the
24 National Security Adviser, Peter Ricketts, will have to
25 be away travelling a great deal of the time so that the

1 deputy layer is going to be very important. Do you
2 expect that to continue irrespective of any reshaping or
3 cutting down?

4 SIR GUS O'DONNELL: I mean, you know, Peter does get to go
5 to Australia and New Zealand and I get to go to Norwich.
6 We have slightly different travel plans, but yes, for
7 that reason he has to have at least one deputy.

8 SIR JOHN CHILCOT: At least one?

9 SIR GUS O'DONNELL: At least one, yes.

10 SIR JOHN CHILCOT: Right. Let's take a short break and then
11 come back. Ten minutes.

12 (A short break)

13 SIR JOHN CHILCOT: We'd like to turn in a moment to issues
14 surrounding the JIC and the Assessments Staff. Before we
15 do there is one further point we would like to raise
16 about the Attorney General. I will ask Sir Roderic to
17 deal with that one.

18 SIR RODERIC LYNE: It is just a rather specific point. It
19 is a question of who is the Attorney General's client.
20 Lord Goldsmith said he regarded the Prime Minister,
21 ultimately, on Iraq, as his client. Lord Wilson, your
22 predecessor but one, felt that legal advice should be
23 provided to the lead department or departments. In this
24 particular case he thought that the Foreign Secretary
25 and Defence Secretary should have, as it were,

1 commissioned the advice and received it and then
2 presented it to the Prime Minister and the Cabinet.

3 Which route do you think advice from the Attorney
4 General should flow down?

5 SIR GUS O'DONNELL: I think to me it is fairly clear,
6 absolutely clear. The Attorney General is the adviser
7 for the Government and what that means is for Cabinet.
8 It's the decision-making body or the decision-maker
9 that's crucial. So when it's a Cabinet decision the AG
10 is providing the advice to Cabinet. There are many
11 other areas where he is providing advice to a specific
12 Secretary of State, in which case that's fine and it
13 goes to them, but in general if it's a Cabinet issue
14 then the Attorney General is giving advice to Cabinet,
15 and it is laid out in the Ministerial Code and in the
16 Cabinet Manual as well.

17 SIR RODERIC LYNE: But is he giving his advice through the
18 departmental Minister or Ministers responsible for the
19 subject going to Cabinet?

20 SIR GUS O'DONNELL: Well, again it depends on the nature of
21 the decision. I think when there's something very
22 specific to one department and it only covers one
23 department, then I would put it through that specific
24 Secretary of State. If it's an issue that covers
25 a number of departments it might well be that the

1 Attorney General goes to Cabinet and presents that to
2 the whole of Cabinet.

3 SIR RODERIC LYNE: Therefore, you wouldn't expect it to go
4 on a private channel from the Attorney to the Prime
5 Minister, not initially copied to anybody else, for the
6 Prime Minister then to decide what to do with it, which
7 is what happened over his advice on Iraq?

8 SIR GUS O'DONNELL: Well, there's nothing wrong with the
9 Prime Minister asking for advice whilst he is thinking
10 about how to formulate things. I think there's
11 obviously going to be some interaction there. I mean,
12 the Prime Minister while his position is evolving -- I
13 am thinking of some future event, not necessarily the
14 past -- could well say, "Well, what are the legal
15 aspects of this? You know, here are different options
16 of policies we might do. Tell me about the legality of
17 the different ones." There is that sort of issue that
18 could come up, but when you get to a stage where there
19 is a Cabinet meeting where you are going to discuss
20 something where the legal aspects are absolutely
21 crucial, then I would say the Attorney General is
22 providing advice to Cabinet.

23 SIR RODERIC LYNE: In the circumstances you have described
24 where the Prime Minister might be wanting to know what
25 the legalities were on a particular issue would you not

1 expect that the Attorney in providing that advice to the
2 Prime Minister would provide it at least simultaneously
3 to the departmental Minister handling the subject?

4 SIR GUS O'DONNELL: Yes.

5 SIR RODERIC LYNE: Okay. Thanks very much.

6 SIR JOHN CHILCOT: Let's turn to the JIC. Lawrence.

7 SIR LAWRENCE FREEDMAN: You mentioned before the break that
8 there's a review being set in motion about the
9 relationship between the Assessments Staff and how it
10 fits in with the Secretariat and so on. You probably
11 won't want to anticipate the conclusions of that, but
12 I would interested in just setting a sense of your view
13 about the future of the JIC and the Assessments Staff.

14 What sort of prompted this review? Where would you
15 expect it to lead?

16 SIR GUS O'DONNELL: Well, I think we obviously have the
17 Butler Report which gave us certain clear messages about
18 things we should do, and I think for me it was about
19 professionalisation of intelligence, it was about
20 bringing different sources of intelligence together. He
21 also made some specific recommendations about making
22 sure that the JIC Chair was someone very senior, someone
23 in their last job, and about separation and
24 independence.

25 Now that was obviously in a world where an NSC did

1 not exist. Now we have the NSC and that's working I
2 want to sort of go back and look at this. I have no
3 doubt in doing this I will want to consult my learned
4 predecessor, Robin Butler, because I think there are
5 some interesting issues in a world where -- let's talk
6 about intelligence, for example, getting to a Prime
7 Minister.

8 There are obviously some issues -- I think people
9 haven't -- I know this, because I have discussed this
10 with Robin Butler. People have misinterpreted his view
11 about the intelligence, because one of the things you
12 are obviously interested in is when there is direct
13 access to a Prime Minister for specific bits
14 intelligence.

15 On the other hand, I need to manage a world, and
16 having come in just after 7/7 and the experience I have
17 had since, where there are certain terrorist issues
18 which actually need to -- Prime Ministers need to be
19 involved in the intelligence straightaway. These are
20 not things that you can wait around for. These could be
21 involving situations where they are immediate, we also
22 have situations where Presidents of the United States
23 are getting intelligence briefings daily, hourly at
24 times, weekly.

25 Now I am not saying we need to go to their system,

1 but I think we need to sort out a situation where for
2 operationally urgent issues on intelligence we can meet
3 the needs as I see in this world which move incredibly
4 quickly for Prime Ministers to be briefed.

5 On the other hand, we also need to be incredibly
6 careful, and this is the point I think Robin was getting
7 to in his report, that we don't get into a situation
8 where you have single source, possibly uncorroborated
9 intelligence getting to the Prime Minister. How do we
10 reconcile those two things? That's going to be quite
11 tough and I think that's something we need to sort out
12 in a world where we have a National Security Council as
13 well.

14 SIR LAWRENCE FREEDMAN: I suppose one of the issues in that
15 is the nature of assessment itself, that if we look back
16 at stuff I've dealt with, for example, in the Falklands
17 as well, when you are trying to produce an agreed
18 assessment and the information is very uncertain, there
19 can be quite serious delays in that passing through. So
20 presumably there's a situation of urgency whereas what
21 you seem to be saying is the JIC system may be better
22 for things where you are feeding into policy and you
23 have a longer view?

24 SIR GUS O'DONNELL: Exactly. A practical example. Let's
25 say we were looking at Iran and the possible development

1 of nuclear weapons in Iran. That's I hope a medium
2 term issue, not tomorrow's issue. There will be various
3 sources of intelligence on that issue, and it is
4 absolutely right that this is classic JIC territory.
5 They should look at this, think about it carefully and
6 feed in a kind of carefully worked paper where they have
7 balanced all the arguments and come to various
8 conclusions.

9 If on the other hand, you have a threat and you know
10 about a possible counter -- a possible terrorist
11 operation that might come at any moment, you can't
12 operate in the same way.

13 Where we are managing that at the moment is that at
14 the start of National Security Council meetings the
15 Prime Minister has a particular style of how he wants to
16 run these. He says "Right, I want to hear from the
17 experts first". So he will ask officials to come in.
18 So he will ask when it comes to the intelligence the JIC
19 Chairman to say, "Right. What does the intelligence
20 tell us about this particular subject?" If it is on
21 a military deployment issue he will ask the Chief of
22 Defence Staff to give his view. Quite often in terms of
23 introducing a subject he will ask the National Security
24 Adviser to introduce it.

25 So in a sense you get, as it were, the officials

1 coming in first and you tend to have a policy discussion
2 thereafter where the Foreign Secretary, the Defence
3 Secretary, the Deputy Prime Minister, Prime Minister,
4 the Chancellor will all come in, and that will lead us
5 to a set of conclusions, which is a different way of
6 operating, but I think it works very effectively.

7 SIR LAWRENCE FREEDMAN: Within that can JIC take
8 an initiative and alert government to a developing
9 problem, or is it going to be tasked by a department
10 because it is a policy issue that they are worried about
11 and they want to see what JIC advises?

12 SIR GUS O'DONNELL: Can JIC?

13 SIR LAWRENCE FREEDMAN: Take an initiative?

14 SIR GUS O'DONNELL: Absolutely they can. They are
15 independent and I would expect the JIC Chair to be
16 saying -- let's say they might a couple of years ago
17 have said "Actually we are not paying enough attention
18 to cyber threat. We should do some more work on that"
19 or "We have underestimated --". I think the JIC were very
20 good in thinking of issues to do with Yemen, for
21 example, and were putting Yemen on our radar screen very
22 early.

23 SIR LAWRENCE FREEDMAN: So in terms of the sort of degrees
24 of urgency you are suggesting the system could work
25 pretty well at the moment in terms of alerting Ministers

1 to something that may be coming up to responding to
2 concerns of Ministers, but not necessarily so well in
3 the middle of a crisis?

4 SIR GUS O'DONNELL: Well, in the middle of a crisis you
5 can't use the JIC apparatus of bringing everybody
6 together and taking the different sources and -- well,
7 there will be times when you just don't have time to do
8 that is what I am saying. In the real world you have
9 a terrorist threat that you had not expected. It has
10 come out of nowhere and you need to move very quickly.
11 So it is the problem of how do you do that without
12 getting yourself in a situation where you are working on
13 something that, you know, by its nature you are not
14 going to be able to cross-reference and scrutinise as
15 well as you would for a standard JIC product.

16 SIR LAWRENCE FREEDMAN: But in the real world it is not just
17 terrorist threats that can burst on you very quickly.
18 Without going into the detail of current assessment
19 there is a crisis developed in North Africa rather
20 suddenly?

21 SIR GUS O'DONNELL: Indeed.

22 SIR LAWRENCE FREEDMAN: Do you think the system is able to
23 respond well to the sudden development of instability in
24 that part of the world?

25 SIR GUS O'DONNELL: Yes, that's precisely where we would

1 expect the National Security Advisers to be thinking
2 about this. I mean, it's a classic where -- in just
3 last Wednesday's Permanent Secretaries' meeting we would
4 have talked about Tunisia and talked about what's going
5 on in Egypt. That sort of thing will be very much on
6 the agenda. The National Security Council will consider
7 those sorts of issues and, if necessary, move them up to
8 Cabinet. I'd stress that when we think these things are
9 serious, the fact that Peter and I sort of sit next to
10 each other, we can come to a view as to whether this
11 issue is one that Cabinet should discuss and move to
12 that very quickly.

13 SIR LAWRENCE FREEDMAN: Is there a tolerance in these
14 circumstances of very different views coming out from
15 within the JIC? I mean, one of the issues that was
16 raised by Butler, and our Chairman will be asking some
17 more particular questions on Butler soon -- but one of the
18 issues that came up was this question of having
19 an agreed view.

20 Now is it useful, without naming a particular
21 country, that the government is being told "There is one
22 view that says this. You should be aware of another
23 view maybe with a low probability says that". Is that
24 the sort of thing you will need more of?

25 SIR GUS O'DONNELL: Yes. If I can take -- there was

1 a recent National Security Council discussion of
2 a particular country where they did lay out the costs
3 and benefits of different sorts of approaches, you know,
4 in general you are facing this issue of when a country
5 is in a difficult area do you engage more or less? What
6 form should that engagement take? So absolutely. The
7 idea that there is a single view I think is -- you know,
8 quite often you are looking at, say, the economic and
9 political prospects for countries that are -- I mean,
10 quite often we are talking about countries that are in
11 really serious difficulties. So you will get different
12 views but I think it's important that you feed in the
13 different views.

14 You know, what does the IMF and the World Bank say
15 about this country, you know? What are the financial
16 markets telling you? Plus, you know, what do we know on
17 the ground about political and foreign policy military
18 aspects?

19 SIR LAWRENCE FREEDMAN: I mean, the evidence we have seen
20 suggests that JIC assessments consistently gave a more
21 balanced picture of what was happening on the ground in
22 Iraq after the conflict than either diplomatic or
23 military reporting.

24 Do you think that that will still be the case? I am
25 talking about the quality of diplomatic or military

1 reporting, but do you think they are still getting
2 a good sense of the --

3 SIR GUS O'DONNELL: In a sense that is what you would
4 expect, isn't it? I mean the JIC have the time to look
5 back, stand back, see the different assessments made by
6 these different bodies plus the body of open
7 information, which is usually quite large, and what
8 other countries are saying. So they have the ability to
9 look at a greater set of material, I'd say, than either
10 of those other bodies. So I would personally put more
11 weight on the JIC view than any of those independent
12 views.

13 SIR LAWRENCE FREEDMAN: Just on the diplomatic side, I mean,
14 it has been decided that progressive cuts in the Foreign
15 Office have reduced their ability to do the sort of high
16 quality political reporting that used to be the case in
17 the past, and some of the analytical capabilities are no
18 longer as strong as before. Is that a concern?

19 SIR GUS O'DONNELL: I'm very jealous of the settlement that
20 the Foreign Office have got in the spending review.
21 I think compared to departments like the Cabinet Office
22 they've done very well.

23 SIR LAWRENCE FREEDMAN: But they have had -- we are talking
24 about the effect of a decade of spending settlements?

25 SIR GUS O'DONNELL: I would say I have not seen a drop-off

1 in their -- the quality of their political reporting.
2 I think there is a point that I have made a number of
3 times, I wish they had a stronger economic content in
4 their reporting.

5 SIR LAWRENCE FREEDMAN: When you have crises of the sort
6 that have emerged in North Africa, but going back to
7 what happened in Iraq in 2003/4, a lot of this is about
8 movements on the ground, about protest movements, about
9 popular feelings and on. Do you think that the JIC has
10 the capacity to pick up on that sort of thing rather
11 than looking at government policy -- the policies of
12 foreign governments, if you like, which is a different
13 sort of question?

14 SIR GUS O'DONNELL: Absolutely. I think that's a very
15 topical issue when we look at what's happening as we
16 speak in Egypt. The use of the Internet, the use of
17 Twitter, the way protest movements developed -- look at
18 what happened in Iran as well. This is a different
19 world and we need to be much more tied into that sort of
20 world. I think we have to go a bit further in terms of
21 picking up on that sort of area, because I think the
22 Internet has profoundly changed the way movements can
23 come out of -- you know, individuals can come together
24 in a way that I think in the past was more difficult.

25 SIR LAWRENCE FREEDMAN: The terms of reference of JIC do

1 mention now open source intelligence. Do you see this
2 as a trend because of these sorts of social networking
3 sites and so on, that you need a very different sort of
4 intelligence operation to take advantage of all of this?

5 SIR GUS O'DONNELL: Yes. I have strongly and always been of
6 the view that we probably underestimated open source.
7 By its nature I think the secret agencies tend to want
8 to push the secret stuff. There is a massive amount out
9 there now. I think GCHQ's work is really important
10 because they are obviously a crucial player in this as
11 well. So bringing all of that together. Again that is
12 one of the things that the JIC can do.

13 SIR LAWRENCE FREEDMAN: There has always been a tendency in
14 JIC to concentrate on areas where secret intelligence
15 makes the difference and create an aura around them. Of
16 course, it wasn't until '82 with Franks, that the actual
17 existence of the JIC was acknowledged. A letter from
18 one of your predecessors urging an Inquiry such as this
19 not even to mention such a thing.

20 Does that mean that the JIC has to move itself into
21 a world where it is not quite as protected by this aura
22 of secrecy, that it should in a sense engage much more
23 with say the academic world?

24 SIR GUS O'DONNELL: I mean, you are in a sense asking me to
25 pre-judge a bit of this Inquiry.

1 SIR LAWRENCE FREEDMAN: I am indeed.

2 SIR GUS O'DONNELL: I mean, one of the questions I will be
3 asking of the JIC Chair and the National Security
4 Adviser to look at in this is: are we tapping into all
5 the best available information that's out there in
6 an open sense, and the academic community is a very good
7 example, the information that's available on the
8 Internet, you know, now it is amazing what you can get
9 on open source now if you actually use the right search
10 engines to find the material.

11 SIR LAWRENCE FREEDMAN: Just finally, governments still use
12 a variety of sources of information. You have described
13 an area where the JIC operates and an area where you may
14 have to use the agency working directly with the
15 National Security Council.

16 Are there other sources that government can use that
17 can help illuminate these issues or do you -- is there
18 sort of a problem in appearing to circumvent the JIC?

19 SIR GUS O'DONNELL: No, not at all. I mean, I think if you
20 have a policy issue, it is very interesting to me that
21 actually asking people, it turns out to be a really good
22 way of finding out information. If you get senior
23 officials to talk to other senior officials in other
24 countries about specific issues, if you get your Prime
25 Minister to ask questions of other leaders, quite often

1 something that you were kind of fretting about you will
2 get a very clear answer to.

3 Now you will want to check that, of course, but
4 I think we underplay the amount of information that we
5 can get directly and that that needs to feed in as well.

6 SIR LAWRENCE FREEDMAN: What you are suggesting, there are
7 a number of ways whereby information is coming from
8 a variety of sources, and the sort of notion of secret
9 intelligence itself is no longer as critical as just
10 making sure that you are taking every bit of information
11 that you can get and making sense of it. It's
12 a different sort of process and might -- the question is
13 will this encourage a greater engagement more generally
14 between the intelligence agencies and the rest of
15 government and the outside world?

16 SIR GUS O'DONNELL: Yes, and I think that's the way, to be
17 honest, the agencies themselves are moving, but it is
18 certainly the case, I would stress, that if you look
19 at -- just take the Internet. There is a mass of
20 information there. The really difficult bit is how do
21 you search for it? I mean, it comes up with respect
22 to -- one of the issues is record-keeping. I must admit
23 when you put different things into a search machine you
24 get very different answers. My staff put in "Cabinet
25 Secretary" before this hearing and they got 2 million

1 hits. If they put in "Secretary Cabinet" you get
2 21 million hits. Precisely how you ask the question
3 gives you access to different sorts of information. The
4 problem with the Internet is there is actually too much
5 information. The issue for us is really about search
6 engines and being able to find the things you need
7 without being swamped with the things that are
8 irrelevant. That's the technological part that we have
9 to work on.

10 SIR LAWRENCE FREEDMAN: And giving context and analysis to
11 the information?

12 SIR GUS O'DONNELL: Context and then the understanding of
13 the reliability of that information.

14 SIR LAWRENCE FREEDMAN: Thank you.

15 SIR JOHN CHILCOT: I'd like to pick up a few points about
16 the Butler Committee report and what followed. Can
17 I first thank you for the very helpful update in your
18 statement following the last government's initial
19 response in 2005. So I will not go over that ground in
20 detail. We also note you have your own review results
21 to come later in this year, but there are one or two
22 questions.

23 One that was at the heart of the Butler Committee's
24 report -- as I said for the record, I was a member of
25 the Committee -- was about the independence, which you

1 have mentioned yourself, of Chairmen of the JIC,
2 successive Chairmen.

3 Looking to the next JIC chairman appointment or
4 Chair appointment, do you see that still weighing as
5 heavily as it did in 2004?

6 SIR GUS O'DONNELL: I think that the independence was tied
7 in with all of those other issues about intelligence,
8 and where I'd start from isn't something like
9 independence. It will be about the outcomes we want.
10 So from this review I would be wanting reliable,
11 accurate, timely information and certainly handling the
12 issues that I think we have from possibly over-reliance
13 on single source information.

14 SIR JOHN CHILCOT: You don't see the same criticality in
15 insulating the JIC and its Chair from political or even
16 policy department's influence on the assessments that
17 the JIC is asked to make? That did seem in 2004 very
18 important for obvious historical reasons.

19 SIR GUS O'DONNELL: Yes, indeed.

20 SIR JOHN CHILCOT: Now with the structure of the NSC, the
21 National Security Adviser and everything else, do you
22 see that as in a sense something from the past?

23 SIR GUS O'DONNELL: That's one of the things in a sense
24 I want this review to look at. You know, has the NSC
25 and the way it is operating meant we could change the

1 JIC? JIC independence sounds wonderful and I completely
2 understand why you would want it, and you do want
3 someone who is not going to be influenced by "What does
4 the person that I am writing this for want to hear?"
5 You have absolutely got to do that. The question is
6 what is the best way of achieving that objective, which
7 I think we all share.

8 SIR JOHN CHILCOT: And ensuring the outcomes of the JIC are
9 relevant to policymaking?

10 SIR GUS O'DONNELL: Absolutely. At the moment I think
11 they're incredibly well in the sense that, as
12 I described the way the NSC operates, the Prime Minister
13 turns to the JIC chair and says "Right. Tell me what
14 the intelligence is". He doesn't turn to the agency
15 heads, although the agency heads are there and can add
16 any specific nuances they want to to that point.

17 I think we have got -- I think the importance is we
18 need someone in that role who is of stature and has the
19 ability to be very strong and stand up to people.

20 You know, when I came in as Cabinet Secretary I put
21 Richard Mottram into that chair, because the one thing
22 you know about Richard -- I have massive respect for
23 Richard -- he is not afraid to stand up to people and
24 say exactly what he thinks. Obviously the same is true
25 of Alex Allan. So that to me was the most important

1 thing. I did something that was not entirely Butler
2 compliant in the sense of bringing the two together.
3 Mr Brown was very clear he wanted to separate them and
4 we did that later when Richard retired.

5 I think we do need to look again at this issue, but
6 I don't want us to repeat the mistakes of the past as
7 well.

8 SIR JOHN CHILCOT: Recalling discussions within the Butler
9 Committee, one of the precious things about the JIC as
10 contrasted with departments, be it FCO, MOD, Home
11 Office, who are engaged with trying to handle real
12 crises, there is no inbuilt motivation in the JIC system
13 to over-optimism or to aspirationalism.

14 SIR GUS O'DONNELL: Yes.

15 SIR JOHN CHILCOT: Its proper place is a very neutral
16 balance between worst, best case.

17 Do you see, looking perhaps to the end of your
18 review, the NSC is helping to insulate the JIC from the
19 thrust and drive that leads to over-optimism?

20 SIR GUS O'DONNELL: Very much. I think that's why, as
21 Sir Lawrence said, this business about optimism on the
22 ground as to how well the military were doing and all
23 the rest of it, I mean, inevitably if you are asking the
24 Chief of Defence Staff "How well are the military going
25 to do?", you know, he is going to have a certain view

1 I think. If you are asking the JIC "How well are things
2 going?", they can balance out the different views, the
3 military views, the foreign policy views. I would hope
4 more often the views of what's happening on the ground.
5 What's the economy doing? You know, a broader set of
6 issues on the basis of all of that and I would say "If
7 you want to understand what's happening to the security
8 situation in a town in Afghanistan, go down to the
9 market". Is it vibrant? Is it safe? That will tell
10 you an enormous amount about the security situation.

11 SIR JOHN CHILCOT: Thank you. One of the other things in
12 Butler was a strong recommendation that the discipline
13 of intelligence analysis, the analysts who conducted,
14 should be more professionalised, better trained and
15 better shared.

16 How far has that gone, that process of
17 professionalising? You mentioned it yourself earlier.

18 SIR GUS O'DONNELL: Indeed. I would regard this as
19 an absolutely crucial recommendation. This is one where
20 I would say we must do this. There is no question about
21 that. I think circumstances have not changed at all in
22 that sense. If anything, they have got more important
23 but different. When you were talking about
24 professionalisation, I think that was within the sphere
25 that would normally be regarded as what a security

1 analyst would do.

2 I think coming back to my exchange with
3 Sir Lawrence, actually it's a different set of skills in
4 part that we need now. I would like someone there who's
5 much more comfortable dealing with open source material.

6 SIR JOHN CHILCOT: Or picking up your earlier thread,
7 economic analysis as a contributor?

8 SIR GUS O'DONNELL: Indeed. A broader set of issues.

9 SIR JOHN CHILCOT: When the last government responded to the
10 Butler Committee report, it promised a review of the
11 Assessments Staff itself to be completed by 2007.

12 I know what's lying ahead, but did that review actually
13 happen?

14 SIR GUS O'DONNELL: I think so. I would have to check to be
15 honest, but certainly there were changes made to the
16 composition of the JIC and their staff and I think they
17 were strengthened. I think there was a Head of
18 Profession and all the rest of it put together.

19 SIR JOHN CHILCOT: Yes, that did happen. The Assessments
20 Staff, like everybody else, will have been affected by
21 the recent spending review and may be affected again by
22 the outcome of your own review later?

23 SIR GUS O'DONNELL: Uh-huh.

24 SIR JOHN CHILCOT: Is there anything you can tell us more
25 generally about the current state and size and the

1 quality of the Assessments Staff?

2 SIR GUS O'DONNELL: I think it's very good. I mean, when
3 I've talked to Alex Allan about this, we are attracting
4 very good people. They are -- the one area I would say
5 is still difficult actually is getting economists in
6 there, because it's seen as not entirely mainstream, and
7 I think we need to change that aspect, but we have got
8 good economic input actually currently in there. So it
9 is definitely, I would say, an improvement on where it
10 was before.

11 We are going to be in a situation where resources
12 are tight, and my plea in that area across the whole of
13 the Civil Service is "We are going to have to do better
14 with less", and that's the nature of the game and that's
15 about working more effectively, about using the Internet
16 better and all of those areas. So I don't think it's --
17 we are probably going to end up in this area as in
18 virtually every other area in the Civil Service with
19 fewer staff.

20 SIR JOHN CHILCOT: There was one specific event which came
21 to the Butler Committee's notice where a particular
22 report from SIS was withheld from the professional
23 analysts in the Defence Intelligence Staff, as it then
24 was, a decision that was made by people without the
25 technical or professional background to assess the

1 intelligence, and the recommendation was made that the
2 technical experts, the analysts, should be the people to
3 make the judgment as to who should see what.

4 I understand that arrangements were put in place to
5 ensure that it wasn't simply an up the line managerial
6 decision but rather a professional decision.

7 Do you happen to know is there a system in place
8 that ensures that that error, and it was an error back
9 in 2002/3, doesn't recur?

10 SIR GUS O'DONNELL: Yes, I think so. I am not aware of --
11 I mean, I recently went for a kind of walk round of the
12 JIC staff and certainly they seem very happy with their
13 access to papers and they didn't feel that there were
14 things that they couldn't see any more, and indeed, you
15 know, the whole relationship between JIC and JTAC seemed
16 to be better. There was an exchange of staff and those
17 sorts of things. I certainly haven't heard any of those
18 complaints.

19 SIR JOHN CHILCOT: Okay. In a moment I would like to turn
20 to Baroness Prashar. She wants to talk about the
21 Stabilisation Unit. One stray thought in a sense.

22 You were distinguishing in responding earlier
23 between the measured and careful assessments which the
24 JIC can offer and the very high speed urgent, real world
25 things that sometimes crop up. The setting up eight,

1 nine years ago now of the Joint Terrorism Analysis
2 Centre, JTAC was meant to shorten the timescale and
3 speed on analysis on current terrorist issues. Can you
4 say anything about how JTAC is supposed to relate to the
5 NSC? Is it a direct line of reporting into the National
6 Security Council or would it go through, for example,
7 the Home Secretary or the Foreign Secretary or Defence
8 Secretary?

9 SIR GUS O'DONNELL: It normally goes through the Home
10 Secretary I would say, but I would stress that --
11 I don't want to mislead you here, I think when you
12 are -- quite a loft of the issues you are talking about
13 on the terrorism side operate at a faster pace than
14 that.

15 SIR JOHN CHILCOT: Okay. Let's turn to the Stabilisation
16 Unit.

17 BARONESS USHA PRASHAR: Sir Gus, the issue of the
18 Stabilisation Unit which has been held up as quite
19 an innovation, and what I really want to establish is
20 how it is actually working in practice, because in your
21 statement at annex C you give an update on the progress
22 with the Stabilisation Unit.

23 SIR GUS O'DONNELL: Uh-huh.

24 BARONESS USHA PRASHAR: I think you have given some figures,
25 where you say that in December there were 150 police

1 officers and civilians deployed in countries. What I
2 want to know is what is the broad balance between civil
3 servants and non-Civil Service volunteers within these
4 figures?

5 SIR GUS O'DONNELL: Good question. Just to start, I think
6 this is a really significant change, and I think Prime
7 Minister Gordon Brown, his kind of challenge to us was
8 get a Stabilisation Unit 1,000 strong -- get it working
9 as quickly as possible. There were some issues at the
10 start about trying to get the quality of people, and
11 then once we had got the right people with the right
12 skills, training, you know, to work in hazardous
13 environments, the issue then became duty of care. Could
14 you deploy them in the right place?

15 Deployments happening, the example I would give is
16 Haiti, where I think they got people out within
17 twelve hours. So it is not just about post-conflict.
18 It is often about post-natural disaster where they're
19 operating, as you know.

20 The mix between -- you asked about the mix between
21 civilian and ...?

22 BARONESS USHA PRASHAR: Non-Civil Service volunteers.

23 SIR GUS O'DONNELL: I don't have the exact numbers here.

24 BARONESS USHA PRASHAR: Do you have a broad idea what is the
25 balance?

1 SIR GUS O'DONNELL: Well, I went to speak to them recently.
2 A lot of them are people who were in the Civil Service
3 for a while, may now be working as consultants on the
4 military side or the capacity side. So there are
5 certainly a lot of non-civil servants in there, but
6 I don't know -- I don't have the exact balance. I can
7 give it to you.

8 BARONESS USHA PRASHAR: But you are confident we are
9 building up a culture of civil servants with appropriate
10 expertise and experience within the unit?

11 SIR GUS O'DONNELL: It is expanding all the time. I always
12 worry when I hear the word "consultant", to be perfectly
13 honest, because I wonder if we are transferring the
14 skills to us, but it is -- so I would want there to be
15 a lot more civil servants. Don't get me wrong. So
16 I hope we will build up more of these skills, because
17 I think this is the way of the future. I think this is
18 where we need to increase our capacity and capability,
19 no question about that, and it is happening, because one
20 of the best ways of getting good people like this is for
21 them to have actual experience and to do it.

22 I think, you know, we will never really develop
23 a good cadre if we are just training people and keeping
24 them on hold, as it were, for deployment. We actually
25 need to have a large cadre of people who have been

1 deployed. In that sense in Afghanistan there are a lot
2 out there in PRTs who are doing real work.

3 BARONESS USHA PRASHAR: Obviously, yes, you say people learn
4 from experience, but how long do you think they will
5 spend in the country? Is there a period which they are
6 required to serve?

7 SIR GUS O'DONNELL: It varies. If you -- when I was out in
8 Helmand, we're talking about DFID staff who are there
9 for actually shorter periods sometimes or different
10 periods from the military, and I think all of us would
11 like the -- from an effectiveness point of view I would
12 like the tours to be longer, but obviously there is
13 an issue about -- you know, we are taking people away
14 from their family and putting them in dangerous places,
15 and, you know, there's that aspect that we need to
16 balance, but --

17 BARONESS USHA PRASHAR: All this is part of a duty of care
18 and we have heard during the course of the Inquiry about
19 different departments having different standards.

20 Has that been addressed and have you had
21 a discussion about the balance between duty of care and
22 the length of service so that they can acquire the
23 relevant expertise?

24 SIR GUS O'DONNELL: I mean, this, as I think I mentioned,
25 came home to me very early on in my career when having

1 a party for the Treasury officials who had come back
2 from Iraq, and Jacob Nell had been doing the currency
3 thing and had got a rocket grenade through his hotel
4 bedroom and been injured.

5 The duty of care is absolutely essential, and that's
6 why the development and security have to go
7 hand-in-hand. You can't simply have a situation where
8 we have not assessed the security issues. Let's put it
9 that way, but it's -- you are absolutely right.

10 After that trip with the Home Secs of MOD and FCO
11 and DFID I said to them, "One of the issues we really
12 need to sort out here is terms and conditions for people
13 sent abroad and the duty of care issues". They have
14 gone off and done that. They are not completely
15 harmonised, but they are in a place where I think it is
16 a lot better than it was.

17 BARONESS USHA PRASHAR: So it is work in progress?

18 SIR GUS O'DONNELL: It is not finished yet, but I think it
19 has made a lot of progress.

20 BARONESS USHA PRASHAR: You also make reference to
21 a database. How will the database that you mention in
22 your statement be refreshed and revised as circumstances
23 change?

24 SIR GUS O'DONNELL: Right. The plan is to keep this up to
25 date by keeping a record of people's experience, so

1 people who have actually been deployed. We will -- so
2 that database is a living document, if you like, and we
3 will obviously add people as we get new volunteers and
4 they get trained and take people off who decide they
5 don't want to do it any more, but I think the part --
6 I mean, going beyond just the database, we need to think
7 about: what are the skill sets that we need? Sometimes
8 they are quite unromantic and different skill sets.

9 I mean, if I were to say, "What is the biggest need
10 in development terms for countries like Afghanistan,
11 Pakistan?", it would be: how do you get a revenue base?

12 One of the most important issues for them is
13 actually people from Revenue & Customs. It is not --
14 and people rarely talk about those skills. Actually
15 they are really important, and we do have people from
16 Revenue & Customs in Kabul.

17 BARONESS USHA PRASHAR: Because in response to an earlier
18 question you said you would want to develop a system
19 whatever -- you wanted to develop a system for whatever
20 comes along. Who is responsible for ensuring this
21 database is refreshed and revised?

22 SIR GUS O'DONNELL: This will come under the National
23 Security Council. It is absolutely within their area,
24 and they will look at this and see how well we are
25 doing. At the moment, you know, it started off and it

1 was very much into bringing the new coalition government
2 up to speed on a whole set of issues and doing
3 the Strategic Defence and Security Review. This aspect
4 will be on their future programme and I think is
5 a crucial part of developing our capacity.

6 BARONESS USHA PRASHAR: The other area I'm interested in is
7 the Stabilisation Volunteer Network.

8 SIR GUS O'DONNELL: Uh-huh.

9 BARONESS USHA PRASHAR: How successful has it been in
10 deploying volunteers outside the Civil Service for
11 stabilisation posts?

12 SIR GUS O'DONNELL: Volunteers outside the Civil Service?
13 You mean the consultants, as it were?

14 BARONESS USHA PRASHAR: Yes.

15 SIR GUS O'DONNELL: Yes. I think the trip to Haiti was
16 an example of deployment there. There were non-civil
17 servants in that group.

18 BARONESS USHA PRASHAR: And they were volunteers?

19 SIR GUS O'DONNELL: Volunteers.

20 BARONESS USHA PRASHAR: How do you actually seek all the
21 these volunteers? What is the network you use for
22 seeking out volunteers?

23 SIR GUS O'DONNELL: This is a world where most of the people
24 know each other. They have worked together. They have
25 come across each other in various places, in Sierra

1 Leone to Kabul to Helmand, and it's a world where once
2 you have gone through the training -- what I find is
3 people get very addicted to it. We need to make sure
4 that they don't -- you know, this is not just what they
5 do, that they do other things as well, and go from one
6 place to another, because I think it is important to be
7 grounded in something else.

8 BARONESS USHA PRASHAR: Can I move on to the question of
9 reservists, because again in Annex C you state that:

10 "In consultation with the Stabilisation Unit, FCO,
11 DFID and MOD wrote a paper setting out options for the
12 recruitment and deployment of reservists in civilian
13 roles. Its recommendations were endorsed and the MOD
14 and the Stabilisation Unit continue to discuss the best
15 ways of identifying reservists", and so on.

16 Can you just tell me what were those
17 recommendations?

18 SIR GUS O'DONNELL: Sorry. The recommendations of ...?

19 BARONESS USHA PRASHAR: This is the Defence Strategy & Plans
20 Group where they are discussing the question of
21 identifying reservists for civilian skills. There was
22 a recommendation that:

23 "MOD should rapidly identify members of the armed
24 forces volunteer reserves with relevant skills who
25 would be available to deploy as part of the CSG."

1 SIR GUS O'DONNELL: Yes, and that has been taken forward.

2 BARONESS USHA PRASHAR: Has it been taken forward? Okay.

3 Can you just tell me what were the recommendations?

4 SIR GUS O'DONNELL: Well, it was just literally that, that
5 they should identify the people who have got the right
6 sorts of skills. I mean, when you are thinking about
7 what are the things you are after, quite a lot of these
8 things we are talking about skills in training, police,
9 army, those sorts of areas.

10 BARONESS USHA PRASHAR: Finally, your statement says that:

11 "The Stabilisation Unit is now the single Her
12 Majesty's Government delivery unit for civil effect."

13 Is it also responsible for coordination between
14 civilian and military stabilisation work?

15 SIR GUS O'DONNELL: No, not really I would say. Between
16 civilian and military stabilisation work, that's the
17 kind of thing you would take a bit higher I would say.

18 I mean, the unit is about deploying, but you need
19 someone to have decided somewhat higher up about how
20 those things will work. They are really the front line
21 of the process.

22 BARONESS USHA PRASHAR: But we heard a great deal of
23 evidence about difficulties of coordination in Iraq,
24 particularly on the civilian/military interface. So
25 when you say it is taken higher up, is attention being

1 paid to that interface between civilians and military?

2 SIR GUS O'DONNELL: Absolutely. The interesting part, and
3 it does flow out of the problems in Iraq, if you were to
4 go to Afghanistan, you would see it on the ground, and
5 it is completely different.

6 I mean, when I went out there and Hugh Powell was in
7 charge, I mean, that was an interesting thing in itself,
8 a civilian Foreign Office person in charge in Helmand,
9 but with -- you know, I will go to meetings and there
10 will be DFID, military, Foreign Office staff there. It
11 was a genuinely joint group, and they are genuinely
12 trying to solve issues together.

13 So the DFID staff will be going out with patrols to
14 talk to the farmers about what the issues were, about
15 how they could plant more effective -- get greater
16 yields on their wheat, for example, and get things to
17 market.

18 BARONESS USHA PRASHAR: You are talking about this happening
19 on the ground. What I am interested in is how is the
20 Stabilisation Unit ensuring this is something which is
21 planned for, that there is a better interaction between
22 civilian and military?

23 SIR GUS O'DONNELL: I think it is not the unit that will do
24 that. It's the National Security Council itself or
25 subgroups thereof that will look at the issue of whether

1 these things are working well together, and then the
2 Stabilisation Unit will be the part that -- it will be
3 two-way obviously. They will report back on issues that
4 aren't working on the ground and that will feed into the
5 NSC probably at officials level, first of all, to try to
6 solve those issues, and to take a bigger picture look at
7 whether we have the right resources, whether the
8 problems the civil Stabilisation Unit are having is
9 because of wider policy issues that are not going -- you
10 know, because quite often the ability of the
11 Stabilisation Unit to operate is very, very dependent on
12 what the host government is doing, and that can be
13 a problem.

14 You know, for example, in Afghanistan we had the
15 issue of withdrawal of security, private security
16 groups, and that can make a massive difference to civil
17 effect. Now that's the sort of thing that will have to
18 be discussed at National Security Council level, not by
19 the Stabilisation Unit.

20 BARONESS USHA PRASHAR: Can you then describe for me what is
21 the relationship between the Stabilisation Unit and the
22 National Security Council, because you seem to be
23 implying they are working very closely together?

24 SIR GUS O'DONNELL: Yes. They will -- basically as a unit
25 I would see them as, as it were, one of the tools, one

1 of the levers by which the National Security Council
2 operates. So, if you like, they're sitting round there
3 and they have the military, they have the intelligence
4 agencies. They can deploy these to effect, so task them
5 to do certain things. It's in exactly the same way the
6 Stabilisation Unit I think should be thought of as this
7 is a way of delivering effect on the ground. One of the
8 things they should be thinking about is tasking the
9 Stabilisation Unit to get involved, for example, in
10 different parts of the world as different things happen.

11 BARONESS USHA PRASHAR: I mean, as I said earlier, we heard
12 a lot of evidence about difficulties of coordination in
13 Iraq.

14 SIR GUS O'DONNELL: Uh-huh.

15 BARONESS USHA PRASHAR: Do you believe that the new system
16 would have prevented these failings occurring, because,
17 you know, everybody held out the Stabilisation Unit is
18 the answer? Do you think it provides the answer?

19 SIR GUS O'DONNELL: It's -- fundamentally -- I come back to
20 this point about how much work you can do on development
21 depends on the security situation. If you get the --
22 it's a bit chicken and egg. If you get the security
23 situation right, then you can go in. The Stabilisation
24 Unit can be deployed effectively.

25 BARONESS USHA PRASHAR: I am concerned about the capacity

1 within the Stabilisation Unit to actually do that.

2 Let's say security is done, but --

3 SIR GUS O'DONNELL: Right. Then do we have ...?

4 BARONESS USHA PRASHAR: Yes.

5 SIR GUS O'DONNELL: I think we have a much, much better

6 capability now and I think when I have asked, you know,

7 "How does this compare internationally?", we are told it

8 is world class and the US and Canadians look at what we

9 have and say, "Actually this is a very high quality

10 group".

11 BARONESS USHA PRASHAR: I mean, how does that work in

12 Afghanistan? Do you think the problems encountered in

13 Iraq have been resolved in relation to Afghanistan?

14 SIR GUS O'DONNELL: Resolved I think would be going a bit

15 far. Again the security situation varies in different

16 places in Afghanistan, so there is not a single answer

17 to that. I think where the conditions are right we are

18 able to exploit good conditions, and the Stabilisation

19 Unit can play a part in that, but for something like

20 Afghanistan where we are there for a long time, we need

21 to, as it were, get the right people in the right

22 places. I think where the Stabilisation Unit will be

23 particularly effective is where something new happens

24 and we are sending people into a country where there is

25 an immediate need to send people within 24 hours, Haiti

1 an example, but I am sure there will be others. That
2 could be in a post-disaster, but it could also be in
3 a post-conflict role, where you are needing a whole set
4 of different skills.

5 BARONESS USHA PRASHAR: So what you are really saying is
6 that the Stabilisation Unit provides you with the
7 ability to send the right
8 people at the right time
9 fairly quickly?

10 SIR GUS O'DONNELL: Yes. Absolutely.

11 BARONESS USHA PRASHAR: As a situation arises?

12 SIR GUS O'DONNELL: Yes.

13 BARONESS USHA PRASHAR: And you feel you are able to refresh
14 that capability and you have got the means, the
15 mechanism to do that?

16 SIR GUS O'DONNELL: Indeed, but it's got to be flexible, and
17 so what we've got is a lot of people who are on 24 hour
18 notice who will be able to deploy, and increasingly we
19 have got people who have the skills and who have
20 actually done it before, so we know that there will be
21 a use for right from the start.

22 BARONESS USHA PRASHAR: Have you done any assessment of how
23 it's working in relation to Afghanistan or Haiti? Are
24 there any issues that have come up in terms of its
25 operation?

1 SIR GUS O'DONNELL: I think there are always issues about
2 whether -- when people get there, it's the operating --
3 you are not there alone. I think one of the biggest
4 issues is -- Haiti was a classic example where you have
5 a lot of different groups going in, and you have to try to
6 coordinate, find what is the specific value that you can
7 add. Obviously in Haiti we had the added problem that
8 the UN was for obvious reasons not playing its
9 traditional role in terms of coordinating. So it was
10 a very confused situation.

11 So I think when you do the evaluation you have to
12 obviously take into account the situation you are going
13 into, and by definition all of these situations are
14 somewhat chaotic. What you need is people who have
15 a lot of initiative to try to respond and see how they
16 can help in the most effective ways, and sometimes it
17 will be quite limited.

18 BARONESS USHA PRASHAR: You mentioned the word "initiative".
19 When you appoint people to work, or recruit them for the
20 Stabilisation Unit, what have you learned in terms of the
21 skills you require and the process by which you choose
22 them, because in a way in Iraq it was people
23 volunteering to go out?

24 SIR GUS O'DONNELL: Yes.

25 BARONESS USHA PRASHAR: Has that changed?

1 SIR GUS O'DONNELL: Getting a lot more experience. What you
2 don't want is the sort of gung ho, "This is incredibly
3 glamorous. I like being in a war zone" people. To be
4 perfectly honest you want people with the right skill
5 set who understand the risks, but want to mitigate them,
6 want to minimise them really and who see this as
7 an opportunity to make a real difference and be
8 effective. It is not about glory hunting. It is really
9 actually extremely hard work, and yes, it's dangerous,
10 but if you're attracted to it by the glamour you are the
11 wrong sort of person.

12 BARONESS USHA PRASHAR: Thank you.

13 SIR JOHN CHILCOT: I think we are drawing this hearing
14 towards a close. I just have a couple of questions of
15 my own and then I will invite your reflections, having
16 asked my colleagues if they have any final questions
17 first.

18 One thing that we heard from Lord Turnbull earlier
19 this week about Iraq was that there was no
20 cross-government lessons learned exercise conducted
21 before he retired in September 2005, and I don't think
22 we have come across one since until this Inquiry was set
23 up 18 months ago. Is that right as far as you know?

24 SIR GUS O'DONNELL: I think we always knew that as soon as
25 the troops were out that there would be an Inquiry and

1 that was going to be the lessons learned exercise.
2 I think we haven't just waited for it, though. Things
3 like the Stabilisation Unit is an example where there is
4 something very clearly that needed to be put right and
5 we couldn't wait for an Inquiry like your own to come up
6 with things, because we knew in Afghanistan it would be
7 an issue. So we tried to work on those things. We also
8 haven't kept the structures static. Gordon Brown
9 evolved them towards the NSID and, you know, I think he,
10 as it were, pioneered some of these ideas about bringing
11 together different Ministers for crisis situations.

12 The National Economic Council, for example, was
13 an interesting example of him -- it wasn't a military
14 crisis but an economic and financial crisis and using
15 that to bring people together in a different way again
16 with this structure of set of officials Perm Secs
17 meeting preparing papers that go to a set of Ministers
18 to work and then the key issues going to Cabinet.

19 I think that has been a really important development.

20 SIR JOHN CHILCOT: Acknowledging, and we have had a great
21 deal of evidence in the last year and a half, about
22 lessons that were taken from Iraq and applied in
23 Afghanistan, but looking from now to the future do you
24 want to suggest to us to help us to do our work any
25 particular lessons that are still outstanding?

1 SIR GUS O'DONNELL: I thought you might ask me this
2 question. Well, I think the first point -- well, coming
3 back to what you said, I think the National Security
4 Council has I think been an interesting development that
5 is proving very valuable and it does move on from NSID.
6 I think the engagement of the Prime Minister's regular,
7 frequent meetings with a clear structure and clear set
8 of papers, I think that's a good underpinning.

9 I would say in terms of when I look back on what
10 happened, what lessons have I got, wherever possible get
11 Parliamentary approval. We have not really talked about
12 Parliament here, but I think there is a big aspect and
13 there is stuff in the Cabinet Manual about that, but
14 getting Cabinet and Parliament operating ahead of
15 military deployments on the right basis, on the basis of
16 the right papers and, as I say, with full written advice
17 from the Attorney General, I think is a lesson for me.

18 I think Prime Ministers -- I will encourage Prime
19 Ministers to build Cabinets where you are not afraid of
20 challenge, where you build trust amongst people.

21 I think the lessons which the Butler Committee drew
22 for us on intelligence I think are important, as it
23 were, again necessary but not sufficient. I think
24 there's further work to go there picking up on; are we
25 getting our intelligence sources from all the right

1 areas? Are we making the most of open source? Good
2 record-keeping. Vital.

3 National Security Adviser is a very good
4 development, but I would say my experience of this is
5 the Cabinet Secretary has to stay engaged. That's why I
6 have gone to National Security Council meetings,
7 virtually all of them. I think that is important.
8 I think you do need to stay engaged because it spills
9 over into the domestic area in so many ways. Whilst it
10 is absolutely great for me to have a National Security
11 Adviser, it is again not enough.

12 I finish with the points that Baroness Prashar was
13 pushing. This comes back to my background in
14 development and IMF and World Bank. I am a bit of
15 an economic determinist, if you like. The solutions to
16 these things are virtually always -- resolve trying to
17 get to a situation where at the end of the place there
18 is a stable government and that's based on a reasonable
19 economy.

20 Now Afghanistan, you know, is a desperately poor
21 country. Your expectations have to be quite low, let's
22 be clear, but actually trying to get yourself to
23 a situation where that's sustainable and it does involve
24 things like trying to raise their revenue base. So
25 there's that lesson, but it comes back to the heart of

1 making sure in the planning you are thinking about the
2 development, economic, political, governance aspect.
3 You are doing that early on and you are thinking about
4 that in the context; what is the situation before? What
5 will be the impact of any military engagement? And then
6 as you are in that post-conflict world, which may be
7 very different -- sorry about that -- how you have got
8 the structures as you exit that you are leaving behind
9 a sustainable government and a sustainable economy.

10 SIR JOHN CHILCOT: Thank you. I ask my colleagues if they
11 have any last points they want to raise?

12 SIR MARTIN GILBERT: Yes. What would be the role of the
13 Cabinet Office in ensuring that the parliamentary
14 dimension was adequate?

15 SIR GUS O'DONNELL: Well, I think -- you know, there are
16 some discussions in the Cabinet Manual about should
17 there be a convention that Parliament is always
18 consulted before military deployment. There are pros
19 and cons of that, because sometimes these things have to
20 be done very quickly, but I think there's an aspect
21 there, but I think sorting out how we engage in
22 Parliament is -- I think the Cabinet Office's aspect to
23 that is actually what we establish as the conventions.

24 SIR JOHN CHILCOT: Right. Lawrence.

25 SIR LAWRENCE FREEDMAN: Just on the intelligence but also if

1 we are talking about more open source intelligence,
2 issues of presentation of the bases of government
3 decisions also possibly become more possible, and
4 obviously I am thinking back to the role of the dossier
5 in September 2002.

6 Can you think of ways in which in the future it
7 might be possible to present bases -- intelligence bases
8 of government decisions without running into the same
9 sort of problems that were run into then?

10 SIR GUS O'DONNELL: This is a very interesting question. It
11 does take me back to the interesting decision by John
12 Major, as he then was as Prime Minister, to put me as
13 his Press Secretary on the War Cabinet, because I think
14 whenever you are fighting a war there are presentational
15 aspects to it that are absolutely crucial, but you also
16 need to guide against misuse of information.

17 So I have always taken the view that presentation
18 and policy go together, that you shouldn't have a world
19 where you do a policy and then someone thinks about "How
20 do we present this?" Actually it should be integrated
21 right from the start.

22 I think it is absolutely important, and this is the
23 case where in considerations about Afghanistan we are
24 thinking all the time about the presentational aspects
25 of that policy at the time. I think that does have

1 implications for composition of groups and the
2 structure of things they should talk about.

3 You know, for example, in Afghanistan: what are our
4 success measures? What are the things that we want to
5 actually get out there publicly to explain what's going
6 on? I think this Government's decision to have
7 a monthly update and regular reports to Parliament is
8 an interesting innovation, which I think is one where
9 you have troops deployed is a very sensible one.

10 Bringing the two together is the key to it.

11 SIR LAWRENCE FREEDMAN: Just following on from what you are
12 saying, you have in that sense of openness and
13 transparency been prepared to indicate where the policy
14 is not working, where things are going wrong?

15 SIR GUS O'DONNELL: I think that's the nature of when you
16 are reporting regularly you have got to assess things,
17 and there will be times, you know, when these things are
18 never smooth. There will be times when there are more
19 casualties, and there are times when your strategy is
20 not working as well as you would like and there are
21 times when you may have to change your strategy, but
22 I think it is important to have openness and
23 transparency and clarity about why you are doing those
24 things to take people with you.

25 SIR JOHN CHILCOT: Usha, you have a point.

1 BARONESS USHA PRASHAR: Can I just ask a question about the
2 Stabilisation Unit and its relationship with other
3 multilateral agencies, because it has been suggested to
4 us that in the future any stabilisation and
5 reconstruction has to be done through other agencies as
6 well?

7 I mean, is the Stabilisation Unit developing links
8 with other multilateral agencies working on
9 reconstruction?

10 SIR GUS O'DONNELL: This is a very good question, because
11 sometimes the other agencies are there and sometimes
12 they are not. Sometimes you are deploying in a world
13 where the UN won't go. So you need those links but you
14 need to be able to operate independently of them as
15 well. So I'd say the links are very important when
16 you're talking about operating, say -- well, in
17 countries where there's a World Bank programme, for
18 example, you'd want to be very close to the resident
19 representatives of the World Bank to understand their
20 view about what was happening on the ground and what the
21 key issues were, and similarly if there was an IMF
22 person there.

23 So I think it is important that we have developed
24 those links, but, like I say, quite often you will be in
25 a situation where some of those international agencies

