



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

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The Rt Hon Michael Gove MP

Chancellor of the Duchy of Lancaster and Minister for Cabinet Office

31 August 2021

*Dear Michael,*

I am writing to you in my capacity as Chair of the Advisory Committee on Business Appointments (the Committee) to bring your attention the correspondence I have exchanged with Lord Hammond of Runnymede, enclosed.

The Business Appointment Rules (the Rules) are set by the government, with the policy owned by the Cabinet Office. The Committee is independent, with a remit to consider applications received under those Rules, consider the risks and advise on the conditions that should apply.

It was reported in recent press articles<sup>1</sup> that Lord Hammond contacted his former department, HM Treasury, on behalf of OakNorth Bank in July 2020. Lord Hammond had previously sought and received advice from the Committee on his role with OakNorth Bank before taking up the role in January 2020.

The government's Rules, and the conditions imposed, include provisions which seek to prevent any reasonable suggestion that a former minister's employer may be offered unfair access or influence within the government as a result of their former role. As you will see from the correspondence enclosed, I have no doubt Lord Hammond sincerely believed his contact with his former department was appropriate

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<sup>1</sup><https://www.telegraph.co.uk/news/2021/08/07/former-chancellor-accused-breaching-ministerial-code/>  
<https://www.independent.co.uk/news/uk/politics/tory-lobbying-investigation-hammond-bank-b1900934.html>

and you might wish to take this into consideration when formulating your view of the matter.

However, I consider there is a reasonable concern that direct engagement with the Second Permanent Secretary at HMT was only made available to OakNorth Bank as a direct result of his time as Chancellor. I do not consider it was in keeping with the letter or the spirit of the government's Rules for the former Chancellor to contact HMT on behalf of a bank which pays for his advice.

It is the Committee's policy to act transparently, including making public any failure to follow the Rules, or the Committee's advice, that it is made aware of. It is now a matter for you to decide what appropriate action to take.

Yours ever  
Sue Pickles

The Rt Hon Lord Pickles

Copied to: Darren Tierney, Director general, Propriety and Ethics, Cabinet Office and Chloe Smith MP, Minister of State for the Constitution and Devolution.