



Lord True CBE
Minister of State

Cabinet Office 70 Whitehall London SW1A 2AS

Rt Hon Lord Pickles
Office of the Advisory Committee on
Business Appointments
G/08 Ground Floor
1 Horse Guards Road
London
SW1A 2HQ

Our reference: MC2021/17666

By email: acoba@acoba.gov.uk

26th November 2021

Dear Eric,

Thank you for your letter of 31 August, regarding Lord Hammond's work with OakNorth Bank. The Government has carefully considered this matter.

The Business Appointment Rules play an essential part in protecting the integrity of government, while allowing for movement to roles outside of government. As you are aware, the Government is committed to continuing to improve the operation and efficacy of the Rules and the Cabinet Office is working with your Committee to achieve this.

We have reviewed the engagement between Lord Hammond and HM Treasury. We note your view that the communications from Lord Hammond to the Second Permanent Secretary at HM Treasury were not in keeping with the Business Appointment Rules. We have also reviewed the correspondence from Lord Hammond, which you have transparently published on your website.

The business appointments approval letter of 4 December 2019 stated that Lord Hammond should not become personally involved in lobbying the UK Government on behalf of OakNorth, nor make use of Ministerial contacts to influence policy or secure business on behalf of OakNorth.

We note the following points from the correspondence between Lord Hammond and your Committee:

- 1) Lord Hammond stated in his letter of 16 August that this was a pro-bono offer of support to the government during the covid pandemic (helping identify businesses and sub-sectors of the economy most at risk during the pandemic). Lord Hammond stated that this was not commercial lobbying with the intention of securing any financial benefit, nor was it seeking to influence policy.
- 2) Your letter of 31 August stated that even though the initial contact was made without Lord Hammond's involvement, it was an unwise step for Lord Hammond to contact senior officials at the Treasury on OakNorth's behalf.
- 3) Your letter of 1 September concludes that this was not a deliberate attempt to breach the Rules.

In that light, although we concur with your conclusion, we do not believe further sanctions should be taken given the particular circumstances of this case. We also note there has already been public criticism from your Committee.

I would also make the following observations:

- a) Such a communication and offer would not have been disallowed if it had been made by another representative of OakNorth. However, it would have been more appropriate if this had happened.
- b) The broader context was, at this time, the Government was actively seeking to co-opt the support of both the voluntary and private sector during a national emergency.
- c) Lord Hammond's interests have at all times been transparently declared via the public Lords Register. In his communications, Lord Hammond was open on whom he was representing.

More broadly, we recognise that the Rules, and the process surrounding them, should be strengthened and clarified. We will take steps to highlight to departments that in their communications they should be conscious of the restrictions on direct engagement with those subject to business appointment conditions.

I look forward to continuing to work with you to improve the operation and efficacy of the business appointment process.

I would be grateful if you could place this letter on your website, to help ensure full transparency. I am copying this letter to Lord Hammond.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Lord True', with a stylized flourish at the end.

Lord True CBE