



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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The Rt Hon Lord True CBE
Minister of State
Cabinet Office
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Dear Lord True

Thank you for your letter dated 8 June 2022 about the government's work to reform and improve the business appointments system. Your personal commitment to reform is very reassuring. I know you share my frustration at the lack of progress in the last twelve months.

I firmly support the government's view that interchange between the public and private sectors is vital to modern government offering a better service to the public. With that comes the need for clear and unambiguous transparency on propriety to reassure the public.

I welcome the small incremental changes being made to support the current system which you refer to in your letter. Similarly, the Advisory Committee on Business Appointments (ACOBA) has made incremental changes to streamline the process to one based on risk and certainty for applicants. However, without further reform, there is an ever-present risk of another scandal which the system is ill-prepared for. The aim of any reform must be for the government to assure itself that it has the right system in place to protect its interests when someone leaves, after having privileged access to government information and contacts.

ACOBA has suggested some basic changes to the current system, these have been with the Cabinet Office for many months, some of which are outlined below. One of the

advantages of this approach is they do not need to wait for legislation and can be implemented in a matter of weeks.

Setting a clear risk profile

The Rules should set clear expectations on what the government regards as acceptable risk when individuals leave office. For example, stipulating that the most senior Crown servants and ministers should not take up roles to join lobbying firms; or where a conflict with their time in government service is likely to arise due to their responsibility for matters affecting the sector and/ or employing organisations directly.

The Rules should also stipulate what sort of roles are considered low risk and are acceptable on leaving office, subject to some basic conditions to protect the integrity of government. For example, unpaid applications and those within academia or delivering a service to the citizen within the public sector.

Introducing a clearer sanctions regime

The government's Rules are rightly criticised for being 'toothless'. In recent weeks there have been small but significant improvements with the introduction of consultation with ACOBA on honours, and similar consultation with the House of Lords Appointments Commission and on public appointments to follow. Even with these improvements, without a recognisable compliance regime including sanctions, the Rules will not get over the threshold of credibility in the public's eye. I therefore welcome the recent changes to the Ministerial Code which outline, for the first time, graduated sanctions including the ability to impose financial penalties. This could now apply where there is a breach of the Ministerial Code in respect of the Rules. I also welcome the government's commitment to strengthen civil service employment contracts accordingly.

Reform of the Rules will be wasted unless they get over the threshold of credibility. To achieve this two things are necessary: a sanctions regime is plainly present; that former ministers and civil servants receive equal treatment.

Providing assurance across government departments, below ACOBA level

Transparency is slowly improving, and you note the need to properly focus on more junior grades given increasing movement in and out of government and the private sector. I am concerned there remains a lack of assurance about individual departments' application of the Rules below ACOBA level (which are the great majority). This negatively impacts the system as a whole. I have said before that with the right resources ACOBA could be well placed to share best practice and raise awareness. However, it is the result of this work that I am focussed on and not where it sits.

This assurance work should result in sharing best practice and providing targeted support and guidance where it is needed most. Perhaps most importantly this work has to be led from the top, creating a culture of compliance and transparency in line with the Seven Principles of Public Life.

I thank you for your time and efforts to move forward with this programme of work. In particular, I look forward to an update on the work to set clearer consequences for the result of non-compliance.

Yours ever
Sue Pickles

The Rt Hon Lord Pickles

Copied to: Darren Tierney, Director General, Propriety and Ethics, Cabinet Office and
The Rt Hon Steve Barclay MP, Chancellor of the Duchy of Lancaster