



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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February 2023

BUSINESS APPOINTMENT APPLICATION: Sir Tom Scholar, former Permanent Secretary for His Majesty's Treasury. Unpaid appointment with Bruegel

1. Sir Tom sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on taking up a role with Bruegel as a Member of the Board. The material information taken into consideration by the Committee is set out in the annex.
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during Sir Tom's time in office, alongside the information and influence he may offer Bruegel. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. The Rules¹ set out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's Consideration

5. When considering this application, the Committee² took into account this role as a Member of the Board is unpaid. Generally, the Committee's experience is that the risks related to unpaid roles are limited. The purpose of the Rules is to

¹ Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The King's Regulations and the Diplomatic Service Code.

² This application for advice was considered by Andrew Cumptsy; Sarah de Gay; Isabel Doverly; Jonathan Baume; The Rt Hon Lord Eric Pickles; Dr Susan Liataud; Richard Thomas; Mike Weir; and Lord Larry Whitty.

protect the integrity of the government by considering the real and perceived risks associated with former ministers using privileged access to contacts and information to the benefit of themselves or those they represent; and to mitigate the risks that individuals may make decisions or take action in office to in expectation of rewards, on leaving government. These risks are significantly limited in unpaid cases due to the lack of financial gain to the individual.

6. HMT has a relationship with Bruegel and pays a membership to the think tank and as Permanent Secretary he would have had overall responsibility for the allocation of the department's budget. HMT confirmed it has held this membership since 2005, and it would have been administered on a much more junior level. Sir Tom would have also had overall responsibility for decisions affecting the economic industry, which Bruegel monitors and reports upon - however the Committee noted this was a general overlap, and Sir Tom had no influence over any decisions affecting the prospective employer itself. As such, the risk this unpaid role is a reward for actions taken in government is significantly limited.
7. As the former Permanent Secretary the Committee noted Sir Tom would have had access to privileged information. Specifically the Committee noted that due to his role he would have access to sensitive information regarding fiscal and economic policy. The unpaid nature of the role and the nature of the organisation is relevant here - Bruegel is a think tank looking to better inform economic policy making it more effective and sustainably, its work aligns with the government's interests.

The Committee's advice

8. The Committee did not consider this appointment raises any particular proprietary concerns under the government's Business Appointment Rules. Whilst there are inherent risks associated with Sir Tom's access to sensitive information and contacts, the standard conditions below, preventing him from drawing on his privileged information and using his contacts to the unfair advantage of his new employer, will sufficiently mitigate in this case.
9. Further, as the former Permanent Secretary for HMT, you are subject to the standard three month waiting period.
10. The Committee advises, under the government's Business Appointment Rules, that this role with the Bruegel should be subject to the following conditions:
 - a waiting period of three months from your last day in Crown service;
 - He should not draw on (disclose or use for the benefit of himself or the persons or organisations to which this advice refers) any privileged information available to him from his time in Crown service;
 - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government on behalf of Bruegel (including parent companies, subsidiaries, partners and clients); nor should he

make use, directly or indirectly, of his contacts in the government and/or ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage Bruegel (including parent companies, subsidiaries, partners and clients); and

- for two years from his last day in Crown service, he should not provide advice to Bruegel (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK government.
11. The advice and the conditions under the government's Business Appointment Rules relate to Sir Tom's previous role in government only; they are separate to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.
 12. By 'privileged information' we mean official information to which a Minister or Crown servant has had access as a consequence of his or her office or employment and which has not been made publicly available. Applicants are also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.
 13. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant/Minister "should not engage in communication with Government (Ministers, civil servants, including special advisers, and other relevant officials/public office holders) – wherever it takes place - with a view to influencing a Government decision, policy or contract award/grant in relation to their own interests or the interests of the organisation by which they are employed, or to whom they are contracted or with which they hold office."
 14. I should be grateful if you would inform us as soon as Sir Tom takes up employment with this organisation, or if it is announced that Sir Tom will do so. You must also inform us if Sir Tom proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him to make a fresh application.
 15. Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

Yours Sincerely,

Isabella Wynn
Committee Secretariat

Annex - Material information

The role

1. The website states it is an economic think tank. It was established in 2005, and states its '...mission is to improve the quality of economic policy with open and fact-based research, analysis and debate'. Bruegel's membership includes EU Member State governments, international corporations and institutions.
2. Bruegel has a number of supporters and active participants including state members, corporate members, and institutional members. The United Kingdom is one of its state members - most EU countries are members.
3. Sir Tom said he will take up an unpaid, part-time role as a member of the board. He said the Board decides on Bruegel's strategy and adopts the research programme and budget. It does not bear responsibility for research results, this remains with individual researchers, under the editorial oversight of the Director. Sir Tom confirmed board members do not receive compensation from Bruegel. He said his role will not include contact with government.

Dealings in office

4. Sir Tom said the UK has been a 'state member' of Bruegel since it was founded in 2005. Since Bruegel is an economics think tank it is HM Treasury which 'owns' the relationship, and pays the annual membership fee.
5. He confirmed he was not involved in decisions specifically affecting the Think Tank and had no access to information that would provide an unfair advantage.

Department Assessment

6. HMT confirmed the details Sir Tom provided and confirmed it is a member of Bruegel, and pay an annual membership fee. It stated As former Permanent Secretary, the applicant would have had overall responsibility for the allocation of the department's budget to the £200,000 annual membership fee, though the department has held this membership since 2005, and it would have been administered on a much more junior level, so the risk that this appointment is offered as a reward for this membership is negligible.
7. As the former Second Permanent Secretary at HMT, Sir Tom did have significant influence over decisions affecting the economic industry, which Bruegel monitors and reports upon -however this is a very general overlap, and Sir Tom had no influence over any decisions affecting the prospective employer itself.
8. Due to the seniority of Sir Tom's former role, he may have had access to government economic policy in development which could be perceived to be of assistance to his future employer, given Bruegel's focus is economic policy and reporting. However, HMT said given the changes in both political leadership

and economic policy direction of the UK government in the months since the applicant was in role, it is highly likely that the currency of such information would have significantly degraded, and no longer be able to advantage Bruegel. Moreover, Bruegel's commercial interests (limited as they are by the company's corporate objectives) would be highly unlikely to be unfairly advantaged by this appointment - they are focused on discourse, analysis and reporting of publicly available information, and do not have market interests in the UK.

9. HMT confirmed it did not have any concerns and recommended the standard conditions.