



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Sir Charles Roxburgh KCB, former Second Permanent Secretary at His Majesty's Treasury (HMT). Paid appointment with Shell PLC.

1. Sir Charles 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 his proposal to work with Shell PLC (Shell). 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. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during Sir Charles' time in office, alongside the information and influence a former Second Permanent Secretary at HMT may offer Shell.
3. The Committee considered whether this work was unsuitable given Sir Charles' former role as Second Permanent Secretary at HMT and the nature of Shell's work - which has some potential to overlap with his time in office. The Committee also considered the information provided by the department.
4. The Committee has advised that a number of conditions and a waiting period be imposed to mitigate the potential risks to the government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of the former Second Permanent Secretary at HMT taking up this role with Shell in any other respect.
5. 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 of the risk presented

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.

6. When considering this application, the Committee² noted as an energy company there is a stakeholder relationship between Shell and HMT. Sir Charles met with Shell as part of wider HMT consultations with the industry on the UK retail market; on Shell's plans to invest more in UK energy supply; and was kept informed by Shell on its decision to relocate its head office to London. The Committee noted there is no funding relationship between HMT and Shell and HMT does not have a regulatory relationship with Shell. HMT is responsible for taxation, including oil and gas taxation policy and business tax policy. Sir Charles was aware of but not personally involved or responsible for this policy work. He did make decisions on sanctions concerning Russia following the invasion of Ukraine. These decisions impacted whole sectors not just Shell. As a result there is no evidence Sir Charles made any decisions in expectation of this role.
7. Given Sir Charles' former role as Second Permanent Secretary, he will have had oversight of a wide range of information and policy that may provide an unfair advantage to a broad range of organisations. The Committee considered there is a risk that Shell may be considered to gain from his privileged insight that is unavailable to its competitors.
8. The Committee took into account there are a number of mitigating factors that help to reduce the risks associated with Sir Charles' access to information and insight that may be seen to offer Shell an unfair advantage:
 - HMT informed the Committee that its policy moves quickly as it evolves and is finalised and published (for example, regular budgetary announcements). HMT previously advised the Committee any policy matters Sir Charles was involved in will have moved on within 6 months of his last day in Crown service - not least as a result of there being significant changes in the Prime Ministers, Chancellor of the Exchequer and the Cabinet in September and October, after Sir Charles left office in June 2022
 - Sir Charles had no involvement or responsibility for business or oil and gas tax and energy policy is the responsibility of the department for Business, Energy and Industrial Strategy, not HMT.
 - The government has set, and then revised, a new direction for UK tax policy after Sir Charles left his role and HMT confirmed he has no privileged information about the current government's economic strategy.
 - Sir Charles is prevented from drawing on privileged information and has an ongoing duty of confidentiality.
9. Given Sir Charles' role at the very centre of HMT, there are risks attached to his potential to offer unfair influence or access to government. This is especially relevant as Shell has an active interest in UK government policy that is currently under discussion. The Committee noted there is already a relationship between the organisation and HMT and is a key stakeholder in its policy work. The Committee considered there was a risk Sir Charles will be seen to have significant influence within government due to his time at HMT.

The Committee's advice

10. The Committee thought it was necessary to put a significant gap between Sir Charles' access to information and him joining Shell. The Committee noted there are a number of mitigating factors as outlined above. In particular, the relevant policy has either been

² This application for advice was considered by Isabel Doverty; Jonathan Baume; The Rt Hon Lord Pickles; Dr Susan Liataud; Richard Thomas; and Mike Weir. Lord Whitty was unavailable. Andrew Cumpsty and Sarah de Gay were recused.

published or significantly moved on when Sir Charles proposes to take up this role (in the first quarter of 2023). However, he held a senior and pivotal role within HMT and there remains a risk Sir Charles has privileged insight and influence that could be seen to offer an unfair advantage. The Committee considered a six month waiting period from his last day in Crown service would be appropriate - alongside the conditions below, to mitigate the risks under the Rules in relation to insight derived from any information he had access to as Second Permanent Secretary at HMT.

11. Sir Charles has confirmed there will be no lobbying of the government in this role, in line with the expectations set out in the Rules. However, there is a risk he could be seen to be offering Shell unfair access and influence in this role - particularly given the current crisis around energy costs and availability. The Committee's advice is therefore that he should have no direct engagement with the government on behalf of Shell. The Committee also advises that he must not be involved in any work Shell may seek to take up with the government, whether commercial bids for work, or for funding.
12. In the circumstances, the Committee's advice in accordance with the government's Business Appointment Rules is that this work with Shell PLC should be made subject to the following conditions:
 - a waiting period of six months from his last day in Crown service (6 months from 30 June 2022);
 - 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 and its arm's length bodies on behalf of Shell PLC (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Shell PLC (including parent companies, subsidiaries, partners and clients);
 - for two years from his last day in Crown service, he should not provide advice to on behalf of Shell PLC (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 or any of its arm's length bodies; and
 - for two years from his last day in Crown service he should not have any engagement on behalf of Shell PLC and its other businesses (including parent companies, subsidiaries, partners and clients) with the UK Government and its arm's length bodies.
13. The advice and the conditions under the government's Business Appointment Rules relate to Sir Charles' 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 individual's responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.
14. 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.

15. 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*'.
16. You must inform us as soon as Sir Charles' appointment is live or is announced. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether he has complied with the Rules. You must also inform us if Sir Charles 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.
17. Once this appointment has been publicly announced or set 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. Sir Charles said he wishes to take up a paid, part-time role with Shell as a Non-executive Director. Sir Charles said Shell is an energy company. The website states Shell is a global group of energy and petrochemical companies headquartered in London, England. It is a public limited company with a primary listing on the London Stock Exchange. He said he would also join the Board's Audit Committee which assists the Board in maintaining a sound system of risk management and internal control and oversight over Shell's financial reporting.
2. Sir Charles said as a NED, his responsibilities would be as outlined within the UK Companies Act and to contribute to the overall governance of Shell PLC in line with the Board's responsibilities under the UK Corporate Governance Code. Sir Charles said his role will not include contact with government.

Dealings in office

3. Sir Charles said he held a number of virtual meetings and phone calls with Shell (known as Royal Dutch Shell plc at the time) during the period from July 2021 to March 2022. These covered three different issues:
 - July to November 2021. At the request of the then PM's then Chief of Staff, he was designated as the 'point person' for Shell's communications with HMG during the

Board's process of evaluation and ultimate decision to relocate its HQ to London. He said his role '*...was to be a senior 'single point of contact' so that Shell could keep HMG informed of the process as the board considered whether to relocate the HQ to London. There was no policy work involved in this. There were no financial or non-financial incentives offered to Shell. The decision to move to London reflected the Board's view that it was necessary to simplify the corporate structure in order to execute its energy transition more effectively*'.

- January 2022 he said he contacted '*...Shell in order to discuss developments in the UK retail market, where Shell is an important participant. This call was one of many that [he] made at the time to energy providers*'. He said these calls were made at the request of the then Chancellor in order to gather market information to inform the Chancellor's decisions on the energy support programme.
 - March 2022, he said he contacted '*...Shell at the request of the then Chancellor in order to discuss Shell's plans to invest more in UK energy supply. The Chancellor was keen to understand more about UK energy firms' plans to invest in the UK. Other colleagues contacted other energy majors to have similar discussions*'. Shell provided him with a summary of information that was already in the public domain about their investment plans for the UK.
4. Sir Charles said 'most energy policy decisions are the responsibility of the Department for Business, Energy and Industrial Strategy (BEIS)'. He said he was not involved in any BEIS policy decisions relating to Shell's UK or global operations. He said HMT is responsible for oil and gas taxation policy and overall business tax policy. However, he said he was not personally involved in this policy work and the relevant policy teams did not report up to him. He said he was aware of the advice that this team gave the then Chancellor on oil and gas tax policy. This advice resulted in the introduction of the Energy Profits Levy on oil and gas companies in the Spring Budget was 2022 and was also '*...aware (though not directly involved) in the policy work that led to the increase in Corporation Tax to 25% announced in March 2021. That decision was reversed by the Chancellor Kwarteng but has since been reinstated by Chancellor Hunt*'.
 5. As part of his broader responsibilities at HMT, he said he was involved in HMT's longer term policy work on the energy transition, including co-chairing the work on HMT's Net Zero Review which was published in October 2021. The teams working on HMT's contribution to Finance Day at COP26 in November 2021 also ultimately reported to him.
 6. The BEIS Spending Team also reported to him, so he also had ultimate responsibility for HMT's work on the Spending Review in October 2021 which set BEIS' spending settlement across all the policy areas in BEIS remit. None of these departmental spending decisions related specifically to Shell or its direct competitors. He said he was also involved in HMT's work in implementing sanctions on Russian entities following the invasion of Ukraine. These did impact the energy markets. As a result of the Russian invasion of Ukraine, Shell announced its decision to exit Russian oil and gas production and trading. The regulatory framework for energy is the responsibility of the Department for Business, Energy and Industrial Strategy and he said he was not involved in that work. Specific regulatory decisions in respect of oil and gas are taken by the relevant independent regulator, the Oil & Gas Authority. He said he has had no contact with this authority.
 7. OFGEM is the regulator for gas and electricity markets in the UK. In his role of leading HMT's response to the energy crisis in early 2022, he had frequent interactions with OFGEM. He said his discussions with OFGEM covered primarily industry-wide issues and were not specific to Shell. He said he had a number of

company specific discussions with OFGEM about the impact of sanctions against Russia on the energy market and a number of these discussions involved sensitive information. Sir Charles said given the passage of time, and subsequent developments in the market, none of that information is of material commercial relevance to Shell PLC.

8. Sir Charles said at the then Chancellor's request, he had multiple contacts with companies active in the UK energy market. He said *'these are all disclosed on the Cabinet Office website. These meetings covered general developments in the UK retail energy markets and were part of the process to develop the energy support package announced in March 2022. They also covered the impact of sanctions on the UK energy market. No company shared company-specific commercially sensitive information with him'*.
9. Sir Charles said that the value of any specific information about UK energy policy gained from his time as Second Permanent Secretary has materially decayed in the period since he left his role. He said *'over recent months, there has been rapid changes in the overall marketplace and the new policy direction set by the new Prime Ministers and two new Chancellors. The Energy Support package became public in February 2022 and has subsequently been over-taken by the new Government's far reaching energy support proposals announced on September 23rd, which were revised again on October 17, 2022'*. He said he had no role in the work leading up to those announcements which all took place after he left. He said the new Government has indicated a new direction for UK economic policy overall and for energy policy specifically.

Department Assessment

10. HMT provided its views on this application, confirming the details Sir Charles provided.
11. HMT said *'the area of policy of most relevance to Shell is tax policy – both overall corporation tax and special oil and gas taxes. Sir Charles has had no role in tax policy which fell outside his area of responsibility'*. It also noted Sir Charles did line manage the BEIS relationship until his departure. BEIS led on energy policy.
12. HMT said he was involved in a number of conversations with Shell over the period July 2021 to March 2022. His involvement was the direct request of either the PM's then Chief of Staff (Dan Rosenfield) or the then Chancellor (Rishi Sunak)'.
13. HMT has previously stated, in regards to Sir Charles' access to information, that the value of his insights into policy formulation has decayed as Budget information is public and the policies have undergone significant change since he left. It confirmed he is unaware of these changes. HMT previously said the nature of the UK financial policy rapidly changes especially under new Chancellors and their Ministerial teams. HMT said the new Government has set, and then revised, a new direction for UK tax policy. This new approach post-dates Sir Charles' departure from HMT and he has no privileged information about the new Government's economic strategy.
14. HMT stated that given the nature of his role, *'...he would not typically come into company specific commercially sensitive information, except in exceptional circumstances (e.g. during Covid, he did have access to commercially sensitive information about some large companies seeking additional HMG support). None of the companies seeking Covid-support were competitors to Shell'*. It stated Sir

Charles has not had access to any commercially sensitive information ‘...about Shell’s peer group competitors’.

15. Early in 2022, Sir Charles was involved in discussions with OFGEM about the stresses in the UK energy market. These discussions did involve some company specific information about smaller firms active in this market but this information is now of no material commercial relevance to Shell
16. Moreover, it said as 6 months will have passed since his departure from HM Treasury, there will be a sufficient gap between the end of his Crown Service and his resumption of his former ‘trade’ of providing strategic advice to financial services clients.
17. HMT stated it had no concerns with this appointment.