



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

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1. You approached the Committee about taking up an appointment as a Co-Chair at Future Economy Surrey Commission.

The Committee's role and remit

2. It is the Committee's role to advise on the conditions that should apply to appointments or employment under the Government's Business Appointments Rules for Former Ministers (the Rules), which apply to former Ministers for two years after they leave office. The Rules seek to counter suspicion that:
  - a) the decisions and statements of a serving Minister might be influenced by the hope or expectation of future employment with a particular firm or organisation; or
  - b) an employer could make improper use of official information to which a former Minister has had access; or
  - c) there may be cause for concern about the appointment in some other particular respect.
3. When the Committee considers applications, it must have in mind that Government has judged that it is in the public interest that former Ministers with experience in Government should be able to move into business or into other areas of public life, and to be able to start a new career or resume a former one. It is equally important that when a former Minister takes up a particular appointment or employment, there should be no cause for any suspicion of impropriety.
4. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

Appointment Details

5. You seek to take up an unpaid, part-time appointment as a Co-Chair at Future Economy Surrey Commission (FESC). You stated FESC is a Surrey County Council (SCC) body which will prepare a blueprint of the future Surrey economy to inform economic and strategic planning.
6. You said the Commission will consider the areas of Surrey's competitive advantage and how to support their growth over the coming years using the levers of policy

### *From the Chair*

available to SCC. You will co-chair the Commission with Sir John Ritblat. You said this is a one-off mission, expected to involve three formal Commission meetings over a period of around 6 months and, for the Chairs, some further internal meetings to agree the report and act as the public face of the Commission when it is published. This is an unpaid and part time role and you do not expect it to involve contact with government.

7. You informed the Committee as an MP in Surrey you had regular meetings with SCC over many years, including once while you were Chancellor over aspects of the local government finance settlement.
8. You informed the Committee you were not involved in the development of policy relating to SCC and as a council, you did not consider it would have competitors. You noted that as a statutory local authority, SCC will have an ongoing relationship with HM Treasury (HMT)
9. The Permanent Secretary at HMT was consulted and confirmed, as an MP for Runnymede and Weybridge, you had a non-official meeting with Tim Oliver (Leader of Surrey County Council) on 15 March 2019 at Runnymede Borough Council. The meeting was regarding Surrey-Wide Traveller Management, therefore, Chief Execs, Surrey Police and other Surrey MPs are likely to have been present. It also confirmed that you had previously attended an event for SCC sponsored by Kwasi Kwarteng MP on October 2017. HMT confirmed that any meeting with SCC directly would have been in your capacity as an MP and there is no record of you meeting with SCC in your capacity as Chancellor. HMT noted that any council can ask to meet with the Chancellor, but usually these meetings are held at official level, with the Chancellor focussing instead on meeting with sector groups instead of individual councils (of which there are a significant number).
10. HMT confirmed that although you approved funding to local governments, allocation to specific local governments is determined based on proposals made by MHCLG and based on existing, new or updated formulas, or as the result of bidding processes. Therefore, you would have approved funding to all of local government, negotiating *'...the overall quantum and allocation processes with MHCLG, not specific individual local authorities allocations'*.
11. The department has raised no concerns about you taking up this role.

#### The Committee's consideration

12. When considering this application, the Committee<sup>1</sup> took into account this appointment has no direct connection with your ministerial role as Chancellor. As Chancellor, you were responsible for approving funding to the whole of local government and you did discuss SCC's local government finance settlement as an MP whilst in office as Chancellor. The Committee has therefore carefully considered whether there is any risk you could be seen to have been offered this appointment as a result of decisions made or actions taken in office. HMT has confirmed that it does not allocate funding to specific local governments. Though you met with individuals from SCC you also met with representatives from many other local governments and sector groups as Chancellor in wider stakeholder engagement. The Committee also noted this is an

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<sup>1</sup> This application for advice was considered by Sir Alex Allan; Johnathan Baume; Baroness Browning; Terence Jagger; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood. Dr Susan Liautaud was unavailable.

*From the Chair*

unpaid role. Therefore, there is no evidence this appointment should be seen as a reward for decisions taken in office.

13. As former Chancellor, the Committee noted you will have had general access to information regarding fiscal policy and strategy, including Brexit discussions and most notably, no deal planning. This access to privileged information could be seen to unfairly benefit SCC and FESC. However, the Committee also noted that you were not involved in specific policy development regarding SCC or FESC. Now that the UK has left the EU, there is little risk that the information gained from no deal preparation will offer a significant advantage to SCC or FESC. Further, as with all former ministers, you are prevented from drawing on privileged information from your time in office.
14. Given your seniority and profile as the former Chancellor of the Exchequer, there is a risk it could be perceived your contacts might assist SCC and FESC unfairly. Therefore, the Committee would like to draw your attention to the lobbying ban and the ban on advising on matters related to bids and contracts with the UK Government below. This is to make it clear that any use of your contacts to the unfair advantage of SCC or FESC would be inappropriate.
15. Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee advises this appointment with **Future Economy Surrey Commission** be subject to the following conditions:
  - that you should not draw on (disclose or use for the benefit of yourself or the organisation to which this advice refers) any privileged information available to you from ministerial office;
  - for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of Surrey County Council and Future Economy Surrey Commission (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the Government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Surrey County Council and Future Economy Surrey Commission (including parent companies, subsidiaries, partners and clients); and
  - for two years from your last day in office you should not advise Surrey County Council and Future Economy Surrey Commission or its partners or clients on the terms of, or with regard to the subject matter of, a bid or contract with, or relating directly to the work of the UK Government.
16. 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.
17. 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.*"
18. I should be grateful if you would inform us as soon as you take up this role, or if it is

*From the Chair*

announced that you will do so, either by returning the enclosed form or by emailing the office at the above address. 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 you had complied with the Rules and the Ministerial Code.

19. Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.
20. 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.

The Baroness Browning

The Rt Hon Philip Hammond