



## OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee for advice on taking up an appointment with GFG Alliance.

### 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:

- 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
- an employer could make improper use of official information to which a former Minister has had access; or
- 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.

### The application

4. You seek to join GFG Alliance as a member of the Global Advisory Board. This is a paid, part-time role. The Gupta Family Group Alliance (GFG Alliance) is an international group of businesses associated with businessman Sanjeev Gupta and the British Gupta family. GFG Alliance describes itself as an international group of businesses. It combines industrial, natural and financial resources, towards the delivery of a common industrial strategy. The members of the alliance are individually owned and managed but work together for sustainable industry.

5. Businesses in the Alliance include:

- Liberty House Group
- SIMEC Group
- Wyelands financial services (Wyelands Bank and Wyelands Capita; and

- JAHAMA Estates

6. GFG Alliance's engineering division, operating as Liberty Engineering, which *'delivers a wide spectrum of solutions, adding value to steel and aluminium production'*. Liberty Engineering is an international manufacturer of automotive and engineered solutions, with sites located in the United Kingdom, France and UAE. It delivers a range of products and services to customers mainly in the automotive commercial vehicles, yellow goods, motorsport, general engineering, aerospace, defence and construction sectors.

7. You described the role of the advisory board as providing:

- insight, advice and guidance to GFG Exec leadership on the formulation of its Global governance framework, and the delivery of its corporate strategy and investment opportunities and risks.
- advice and guidance on creating and maintaining a strong risk management culture which incorporates responsible investing, environmental responsibility and Corporate Social Responsibility.
- advice and guidance to assist the Group to achieve its Strategic Goal of being carbon neutral by 2030.
- market insight and specific knowledge and intelligence on key topics relevant to the global operating divisions to support Business Planning and alignment to the GFG and business vertical's strategic goals.
- support for the development of regional objectives that are aligned to the Global strategic goals, and that these are communicated and understood by the business verticals and other key market stakeholders.
- support and assistance in the delivery of clear and transparent communications on the Groups Strategic Goals with third parties; acting as regional ambassadors for the GFG Group, with a strong external focus; and a raise the profile of the GFG Alliance at regional and national level.
- insight, advice and guidance to GFG Exec leadership on the formulation of its Global governance framework, and the delivery of its corporate strategy and investment opportunities and risks.
- advice and guidance on creating and maintaining a strong risk management culture which incorporates responsible investing, environmental responsibility and Corporate Social Responsibility.

You noted that as an advisory group, it is not responsible for any corporate actions within the GFG Alliance. You do not expect this role to have any contact with government

8. You informed the Committee that as Minister for the Armed Forces, you had no official dealings with GFG Alliance (no meetings and no involvement with policy or regulatory work affecting GFG Alliance); nor did you have any involvement in awarding contracts or funding to the GFG Alliance. You further noted you did not meet with competitors of the GFG Alliance and do not have access to sensitive information regarding these competitors.

9. The MOD was contacted in relation to this application and it confirmed the information you provided. The MOD said it holds no contracts with any of the companies in GFG Alliance, including its subsidiary company Liberty Engineering (and its subsidiaries Liberty Vehicle Technologies and Clydesdale Jones as the website mentions it has defence clients with regard to specialist vehicle parts).

10. It stated you were not involved in any policy or other decisions that could be seen to have affected GFG Alliance. Given the above, the MOD noted it is not aware of you having any dealings in relation to land vehicles. Nor access to specific sensitive information more generally from your time in office that might be seen to confer an unfair advantage to GFG

Alliance. The MOD had no concerns about this appointment under the Government's Business Appointment Rules, subject to conditions which prevent: lobbying the UK Government; use of provided information and contacts; and any involvement in bids and contracts with the MOD.

### The Committee's consideration

11. When considering this application the Committee<sup>1</sup> took into account that the MOD has no relationship (contractual or non-contractual) with GFG Alliance. The Committee also noted you had no dealings with the company while in office, nor any involvement in decisions impacting them. Therefore, the Committee considered the risk this appointment could reasonably be perceived as a reward for decision or actions taken while in office was low.

12. The Committee noted that GFG Alliance has some subsidiaries which may operate in the defence sector, amongst many others. There could be perceived risks that your access to general sensitive information regarding policy, plans and strategies in your role as a Minister for the MOD could provide the company with an unfair advantage. However, the Committee noted that 6 months has passed since you were in office and the MOD had no concerns about your access to information (noting you were not involved in matters directly relating to GFG Alliance as Minister for the Armed Forces). The Committee also noted Brexit no-deal planning was part of your responsibilities while in office. The Committee recognised that negotiations are still ongoing, so there could be a risk, however small, you might offer an unfair advantage with regard to your insight here. The Committee would remind you of the privileged information ban that applies to all former ministers on leaving office which would also prevent you from advising on matters related to the UK's exit from the EU insofar as it relates to your time in office, including ongoing negotiations between the UK and other countries where it would draw on privileged insight.

13. The Committee also noted that you will have a network of contacts within the MOD and the UK Government from your time in office. As with most applications from former Ministers, you could be seen to unfairly benefit your employer should it seek to influence the government/MOD, or if it was to apply for a contract to work with government/MOD. The Committee would therefore draw your attention to the conditions which prevent you from making use of contacts gained during your time in office to the unfair advantage of GFG Alliance; including a ban on lobbying the UK Government and on advising GFG in relation to relation to a bid or contract with the UK Government, including the UK MOD.

14. Taking into account the specific facts in this case, in accordance with the Government's Business Appointment Rules, the Committee advises this appointment with be subject to the following conditions:

- that you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in office. In the context of this general provision, the Committee considers you should specifically avoid giving those you advise under your independent consultancy, or its subsidiaries, partners or clients, privileged insight into the Brexit related issues, insofar as it as it pertains to the negotiating position of the UK Government and other parties to the negotiations prior to the date upon which you left ministerial office;

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<sup>1</sup> This application for advice was considered by Sir Alex Allan; Jonathan Baume; Dr Susan Liautaud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood.

- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK MOD on behalf of GFG Alliance or its clients (including parent companies, subsidiaries and partners); nor should you make use directly or indirectly, of his government/Whitehall contacts to influence policy, secure funding/business or otherwise unfairly benefit GFG Alliance or its clients (including clients, parent companies, subsidiaries and partners);
- for two years from your last day in Ministerial office, you should not provide advice to GFG Alliance or its 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, UK MOD or their trading funds

15. 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 or otherwise.

16. 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.*"

17. I should be grateful if you would inform us as soon as you take up this appointment, or if it is announced that you will do so. 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 Ministerial Code. Similarly, I should be grateful if you would inform us if you propose to extend or otherwise change your role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

18. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and in the relevant next annual report.

The Rt. Hon Lord Eric Pickles

Rt Hon Mark Lancaster