



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee about taking up an appointment as a Director of Business Development for Vitol Services LTD.

The Committee's role and remit

2. As you will be aware, 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.

The Application

From the Chair

5. You sought the Committee's advice on taking up a paid and part time position as a Director of Business Development for Vitol Services LTD (Vitol). The website states that Vitol is an energy and commodities company which uses expertise and logistical networks to distribute energy and bulk materials around the world, '*..efficiently and responsibly*'. Vitol owns a number of companies including; Vitol Aviation, Vitol Energy and VALT. Vitol and its companies operate in the following areas within the energy sector:

- Refining
- Trading
- Shipping
- Terminals & Storage
- Downstream
- Upstream
- Power generation

6. You stated this role is a return to your former career, as prior to your election to Parliament you worked for over 10 years as an oil trader in Shell and Mare Rich. You and Vitol describe your role as involving the development of business strategy and oversight of investment performance, principally in Pakistan. Vitol added that you will oversee important customer relationships and investments and that you may be asked to cover additional countries/regions. You do not expect this role to involve contact with the Government.

7. You advised the Committee that during your time in office you did not meet with Vitol and that there was no relationship between your former department and Vitol. You further stated that you made no decisions affecting the oil sector except for being informed of the licensing regime which might apply to oil exploration in respect to the Falklands Island.

8. You said your role with Vitol will have nothing to do with exploration and production.

9. You informed the Committee you do not consider this appointment would give any rise to concerns under the Rules, as it involves no connection or association with any of your work or decisions while in office.

10. You noted you did have reason to meet with BP whilst in office, but this was not in relation to its commercial oil business. Further, you do not consider BP as competitors of Vitol, as BP focuses on production and Vitol focuses on trading. You further state that you were not privy to sensitive information relating to oil contracts anywhere.

11. The Foreign and Commonwealth Office (FCO) was also contacted in regard to this appointment. The FCO stated that they had a record of Ian Taylor (the CEO of Vitol) being in touch with you to raise an issue concerning Petrocaribe (an oil alliance involving 18 Caribbean member states, Venezuela offers the other member states oil supplies based on a concessionary financial agreement). However, the Department stated this was a political matter and was not related to any specific policy or decisions made. Further, the FCO confirmed it does not have a relationship with Vitol.

12. In relation to the oil sector, the FCO note that you did have official dealings in relation to in energy policy issues but these were of a geo-political nature and not specific to Vitol or its other companies. These official dealings included you meeting with other oil companies, such as BP. The FCO said they would not consider these companies as direct competitors. The senior energy advisor at the FCO stated that the trading arms of, for example '*...BP, Shell or Total would be competitors as are other traders such a Guvnor, Trafigura etc.*'. Further, given the geo-political nature if your involvement, discussion tended to focus on upstream issues, rather than process/trading/refining (areas of focus for Vitol). The department confirmed that you did not have access to sensitive information as a result of these meetings.

13. Due to the nature of Vitol's business the FCO stated information it would consider to provide an unfair advantage here would likely be detailed supply, demand and pricing of specific feedstocks and products. The FCO confirmed you had not been exposed to such information at the level of detail that might be useful. In addition, any such information tends to get out of date quickly and would be of no commercial use within days or weeks. The FCO said any information gained on energy policy issues is in public domain or has been superseded by events and does not give a potential advantage.

14. FCO has no concerns about this appointment.

The Committee's consideration

15. When considering your application, the Committee¹ considered whether this appointment could be perceived as a reward for decisions taken in office. You confirmed that in your previous role as a Minister of State for FCO you had no official dealings with Vitol, however the CEO of Vitol had contacted you about Petrocaribe. However this was geo-political in nature and no decisions were made or affected by this contact. Further, and the FCO noted the information discussed was the public domain, as confirmed by the FCO. The FCO confirmed you made no policy decisions that would have affected Vitol and the FCO has no concerns about this appointment. As such, the Committee did not consider it could reasonably be perceived you were offered this role as a reward for decisions made in office.

16. The Committee recognises your industry and geopolitical knowledge and contacts will be seen to be beneficial to Vitol. As such, to mitigate the risk the contacts you gained in office will offer an unfair advantage to Vitol, the conditions below make it clear that it would be inappropriate for you to use your contacts across Government/Whitehall to the unfair advantage of Vitol. The Committee would also like to draw your attention to the ban on providing advice on a bid or contract relating directly to the work of the UK Government.

17. Given Vitol operates in a sector for which your ministerial responsibilities were relevant, the Committee noted the possible risk you will have had access to sensitive

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Lord Larry Whitty; Richard Thomas; Mike Weir and John Wood. Recused: Baroness Angela Browning

From the Chair

information that could benefit Vitol. However, the Committee took into consideration the FCO's confirmation that the information you had access to would not have been sufficiently commercial in nature to offer any real advantage; and that any sensitive information you had access to is either in the public domain, or enough time has passed that this information would no longer provide an advantage to Vitol as it is longer sufficiently relevant. The Committee therefore agreed with FCO that given the number of months that have passed since you left office, that you are prevented from using privileged information you from your time in office is adequate to mitigate the risks here.

18. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment as a Director of Business Development for Vitol Services LTD will 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 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 Vitol Service Ltd (including parent companies, subsidiaries and partners). Nor should you make use, directly or indirectly, of your government and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit Vitol Service Ltd (including parent companies, subsidiaries, partners and clients); and
- for two years from your last day in office you should not advise Vitol Services LTD 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.

19. 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.

20. 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.*"

21. 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, 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

From the Chair

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.

22. Once this 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 Sir Alan Duncan