



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

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You asked for the Committee's advice about taking up an appointment with Capita Plc.

The Committee's remit

As you will be aware, it is the Committee's role to advise on any 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.

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.

Appointment details

Capita is an international, business process outsourcing and professional services company.

You are seeking to join Capita Plc (Capita) as a paid and part-time Non-Executive Director. You stated that your role will last for an initial term of three years. In addition to general Non-Executive Director duties, you described your main responsibilities as:

- providing entrepreneurial leadership of the company within a framework of prudent and effective controls which enable risk to be assessed and managed;
- setting the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives, and review management performance;
- setting the company's values and standards and ensure that its obligations to its shareholders and others are understood and met.

You may also be required to join the Committees established by the Board - Remuneration, Nomination and Audit. You do not expect to have contact with Government in this role.

You told the Committee you had no official dealings with Capita or its competitors whilst in office; and that you are not aware of a relationship between Capita and HMT, but recently became aware of the company's involvement with BEIs regarding smart meters.

Given Capita operates contracts across Government and you have held ministerial positions at both departments, HMT and BEIS were contacted about this application.

HMT confirmed it has a number of contracts with Capita to provide services such as learning solutions for the civil service; interim resources; and administration around the Equitable Life Payment Scheme. However, HMT confirmed that it has no evidence of you having contact with Capita whilst in ministerial office; that it is unlikely that you would have been involved in any HMT contracts as you were not the Minister responsible; or that you would have had any knowledge of HMT's commercial processes or ways of working that would benefit Capita in future tenders.

BEIS noted it has an existing contractual relationship with Capita, (with contracts for administering the distribution of a fuel benefits scheme and for managing IT services at one of BEIS's non-departmental public bodies; and that Capita provides a large proportion of temporary labour for both the BEIS, and its partner organisations.

With regard to smart meters, BEIS stated that Capita was successful in 2013, (before your time in ministerial office) in winning a licence to provide communications and data services for smart metering. However, this is not operated by BEIS directly and its licence is regulated by Ofgem. Further, BEIS confirmed that there is no evidence to suggest that you met with Capita whilst you were the Minister with responsibility for Smart Meters.

BEIS has no evidence suggesting you had access to relevant sensitive information; and notes that you would not have been responsible for the contracting or allocation of temporary labour at BEIS (another contract with Capita).

Neither HMT nor BEIS has concerns about this application.

#### The Committee's consideration

The Committee took into account that both departments confirmed they have several contracts with Capita. However, equally they confirmed you had no official contact or dealings with Capita whilst in office, nor were you involved in the contracts it has with either department. As there is no direct link between your responsibilities in ministerial office and this role, the Committee considered there is no real risk you were offered this role as a reward for decisions or actions you took in ministerial office.

HMT and BEIS confirmed that you have no commercially sensitive information, which lessens the risk that Capita will gain an unfair advantage as a result of your time in office.

However, given you recently left ministerial office, there is a small risk Capita could unfairly benefit as a result of the contacts you will have gained across Government and Whitehall. You said you do not expect to have contact with Government in your role at Capita. However to mitigate against any risk that remains, given the space within which Capita operates, the lobbying ban imposed makes clear that any use of contacts made whilst in office, to the advantage of your new employer, would be inappropriate.

Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee advises these appointments be subject to the following conditions:

- you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you as a Minister;
- for two years from your last day in service, you should not involve yourself in work on or advice to Capita Plc, its partners or subsidiaries, in relation to the terms of bids or contracts relating directly to the work of the UK Government, or to the subject matter of bids or contracts in areas that fell within your ministerial portfolio; and
- for two years from your last day in service, you should not become personally involved in lobbying the UK Government on behalf of Capita Plc or its partners or subsidiaries, nor should you make use, directly or indirectly, of your contacts in Government and/or Crown service to influence policy or secure business on behalf of Capita Plc or its partners or subsidiaries.

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.

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."*

I should be grateful if you would inform us as soon as you take up employment with this organisation, 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 complied with the Rules and the Ministerial Code.

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.

Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

**The Baroness Browning**

**The Rt Hon Baroness Neville-Rolfe DBE CMG**