

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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You approached the Committee for advice about taking up an appointment as a non-executive director at Totemic Ltd (Totemic).

The Committee's role and remit

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.

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.

It is not the role of the Committee to comment on whether it is appropriate for MPs to have other jobs, the nature of that employment or any conflicts that could arise between their role as a constituency MP and their outside interests.

In view of the above, the Committee's focus, in considering your application, was specifically on whether your proposed role as a non-executive director at Totemic conflicts in any

respect with your previous Ministerial position and obligations in accordance with the Government's Business Appointment Rules.

Non-executive director, Totemic

You informed the Committee that you propose to become a non-executive director at Totemic, a financial institution specialising in personal financial management and offering services such as insurance, mortgages and debt advice. As a non-executive director, you would have oversight of executive management, helping to provide strategic direction and assistance with external relations activity. This would be a paid role and would involve approximately two days' work per month.

You said that the appointment is not likely to include any contact or dealings with Government.

You explained that Totemic is the largest employer in your constituency and you have known senior management and represented the company's interests as an MP for several years. Totemic approached you about the possibility of becoming a non-executive director.

You said that you had no official dealings with your prospective employer or its competitors during your last two years in office and have had no access to commercially sensitive information about any competitors.

The Permanent Secretaries at the Department for Education (DfE) and the Department for Business, Energy and Industrial Strategy (BEIS) have been consulted and have advised the following:

- Neither department is aware of a relationship between it and Totemic.
- They have found no record that you met with Totemic while in office. BEIS cannot say categorically that you never had any official dealings in the area of financial services, but commented that this was not within your ministerial portfolio, so it seems unlikely you would have had much, if any, exposure to this area.
- Given the time elapsed since you left office, DfE and BEIS do not believe you would have had access to commercially sensitive information or unannounced Government policy that could give Totemic an unfair advantage.
- Neither Permanent Secretary has concerns with you taking up a role with Totemic.

The Committee's consideration

The Committee¹ has observed that your proposed role appears to be unconnected with your ministerial portfolio as Minister for Skills. It noted you had no official contact with Totemic during your last two years in office and the confirmation from BEIS that financial services did not fall within your ministerial portfolio. It has concluded that there is, therefore, no basis for perceiving the appointment as a 'reward' for decisions made or actions taken in office.

The Committee has also assessed it unlikely that Totemic will stand to gain an unfair advantage as a result of your time in office given that the work of the company is unrelated.

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Lord Michael German; Terence Jagger; Baroness Helen Liddell; Richard Thomas and John Wood. I recused myself from this application in line with ACOBA's published Code of Practice. This letter contains the Committee's advice, arrived at without my input and which I am signing and sending in my capacity as Chair of the Committee.

to your ministerial responsibilities and the period of time (21 months) that has passed since you left your role as Skills Minister.

Taking into account the specific facts in this case, in accordance with the Government's Business Appointment Rules, the Committee advises the appointment 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; and
- For two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of Totemic Ltd, its parent company, Totemic Holdings, or its partners.

The Committee also notes that with regard to your activities in Parliament you are subject to other rules.

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.

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 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 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.

Once this 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

Nick Boles MP

