

*From the Chair*



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

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You approached the Committee for advice on taking up an appointment as a Senior Advisor to Lazard, London (Lazard).

The Committee's role and remit

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.

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.

Senior Advisor, Lazard

You informed the Committee that you had been invited to become a Senior Adviser at Lazard, a paid role which would involve ½ a day per week. You would advise on "general strategy." You noted the appointment is not likely to include contact with Government.

You informed the Committee that you attended two personal dinners at Lazard in 2016/17 and that Archie Norman, the Chairman of Lazard, is a close personal friend. You also explained that you used to work for Lazard as an employee, before entering politics.

The Committee approached the Department for Business, Energy and Industrial Strategy (BEIS) and the Department for Health and Social Care (DHSC) about the appointment. Neither department expressed concerns about you taking up the role.

BEIS explained that you had regular contact with Archie Norman in his capacity as lead Non-Executive Director of the BEIS Board, as well as in a personal capacity. BEIS added that its Governance Secretariat has arrangements in place to prevent any conflict of interests between these two roles.

Lazard has previously advised BEIS in relation to Hinkley Point C (for the Department for Energy and Climate Change) and in respect of the sale of Royal Mail for Department for Business, Innovation and Skills (BIS) (handled by the Shareholder Executive - ShEx, now UK Government Investments - on behalf of the BIS Secretary of State). Both contracts were concluded before you joined BEIS.

BEIS noted that during your time as minister, you would have had access to documents which may have included commercially sensitive information about other financial services firms. However it is unlikely any of this information could now offer a competitive advantage as it is either historic and no longer of significant relevance or high level - i.e. any numbers would generally be at corporate level (and likely in the public domain), as opposed to specific information about proposed projects and business plans.

The Department of Health and Social Care (DHSC) confirmed the following:

- There is no record within the Ministerial diary of you having any official dealings with Lazard.
- You did not make any decisions that benefitted Lazard.
- During the time that you were at the Department of Health (DH), Lazard provided the Department with advice in relation to companies DH either owns or had stakes in. The companies in question covered the cost of both projects, and these payment terms were dealt solely by officials with no Ministerial involvement. DHSC no longer has a relationship with this company.
- You do not have any commercially sensitive information about Lazard's competitors.

#### The Committee's consideration

The Committee has concluded there are no objective reasons for perceiving this appointment to be a reward for decisions made, or actions taken, while in office. The key factors in reaching this assessment are set out below:

- Archie Norman is lead Non-Executive Director of the BEIS board (appointed before you became a Minister at BEIS). It is therefore unsurprising that you would have had regular contact with him while you were a Minister at BEIS.
- The BEIS Governance Secretariat has arrangements in place to prevent any conflict of interests between Mr Norman's role as Chairman of Lazard's and his role as NED on the BEIS board.
- While BEIS has had historical contracts with Lazard for financial advisory services (related to Hinkley Point C and the sale of Royal Mail) both contracts concluded before you joined BEIS.
- There is no record within your Ministerial diary of you having any official dealings with Lazard while at DH.
- DHSC has informed the Committee that you did not make any decisions that benefitted Lazard while at DH.

- Of less importance, but still a relevant factor is that you were employed by Lazard for a period in the 70s and are a close personal friend of Mr Norman. This demonstrates a link to Lazard unconnected to your Ministerial role.

The Committee has also considered whether your employer could make improper use of official information to which you had access. BEIS has assessed that it is unlikely any of the commercially sensitive information that you would have had access to could offer a competitive advantage to Lazard because it is either no longer of significant relevance given the time that has passed since you left office or is high level and non-specific. DHSC has also confirmed that you do not have any commercially sensitive information about Lazard's competitors.

Given the departmental responses, the Committee concluded it is unlikely that Lazard would stand to gain an advantage from employing you, as a result of the information you were privy to as a Minister.

In this particular case, the Committee has taken account of the fact that, whilst you were a BEIS minister, you would have had contact with its lead non-executive director, Archie Norman, who is also the Chairman at Lazard. In order to counter any possible public concern about the propriety of this appointment arising from such contact, the Committee considers that it would be appropriate for you to observe a six-month waiting period from your last day in office (i.e. until 30 April).

The Committee also draws your attention to the conditions set out below. These conditions seek to mitigate any remaining risk that your time in Ministerial office, including any contacts gained, could benefit Lazard.

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:

- 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 your time in Ministerial office; and
- for two years from your last day in Ministerial office you should not provide advice to Lazard, London, or its subsidiaries or clients on the terms of a bid or contract relating directly to the work of the UK Government; 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 Lazard, London, or its subsidiaries or clients, or make use, directly or indirectly, of your contacts in Government and/or Crown service to influence policy or secure business on their behalf.

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

Lord Prior of Brampton