



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You sought the Committee's advice about taking up an appointment with Oracle inc (Oracle).

The Committee's remit

2. 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.

3. 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.

4. When the Committee considers applications it must have in mind that Government 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.

5. It is not the Committee's role to pass judgment on whether an appointment is appropriate or suitable in any other regard.

Appointment details

6. You sought the Committee's advice on taking up an appointment as a Board Member with Oracle inc (the global computer technology company based in California). You explained this will involve the usual requirements on a non-executive director, including

attendance at Board meetings throughout the year. This would be a paid, part-time position involving around 30 days a year. You indicated to the Committee that you wished to take up the appointment on 31 July 2019, so you could attend a board meeting scheduled for that date.

7. Oracle claims to be the number one provider of business software; and generated a revenue of US\$40 billion in 2018, operating across 175 countries. Oracle supplies most sectors, including: aerospace and defense companies; banks and insurers; governments; engineering and construction companies; medical device companies and pharmaceutical companies; oil and gas companies; retailers; tech companies and education providers.

8. You confirmed you had no contact with Oracle whilst in office; you did not receive any commercially sensitive materials regarding Oracle during your time as minister; and you were not involved in direct policy related issues with regard to Oracle and its business.

9. You told the Committee this opportunity was first discussed before you became a minister, but subsequently came to an end when you were appointed to ministerial office.

10. In terms of your dealings with the sector as a whole, and contact with Oracle's competitors, you noted your department (the Department of International Trade (DIT)) works intensively for and with business, so you supported in all areas where required. You specifically led on Energy, Life Sciences, Infrastructure and others, including the Technology Sector. You noted sector deals were led by the Department for Business, Energy and Industrial Strategy. During that work you did meet with competitors, though never with Oracle.

11. You noted you also sat on the Digital Economy Council, alongside other government departments' ministers; and other businesses. (The aim of the Digital Economy Council is to drive progress of the Digital Strategy and to bring government and industry together to develop a Digital Charter to ensure the UK is: the best place to start and grow a digital business, and the safest place to be online.)

12. You confirmed you were not involved in the award of contracts in the sector, nor any relevant regulatory work.

13. Oracle is a known Government provider and the Cabinet Office confirmed to the Committee the current contract worth with Oracle totals over £103M across various government departments and the wider public sector (including BEIS, Ministry of Defence, Home Office and Department for Transport) - for provision of consultancy; IT management and change; specialist software and hardware; and technical services.

14. DIT provided the following information in relation to this application:

- you did not meet with Oracle in office;
- DIT does have a relationship with Oracle, as it is a significant Tech [Foreign Direct Investment (FDI)] client. DIT's relationship with Oracle is managed outside of your ministerial relationship and primarily by officials, though the Secretary of State for International Trade met with Oracle in San Francisco last July.
- You sat on the DIT Departmental Board, though DIT noted the Departmental Board rarely discusses specific companies and does not make or agree policy.

- There was DIT policy within your portfolio that could be considered relevant to Oracle
 - i. The tech sector - DIT noted that your main involvement in Tech policy is through the membership of the cross Whitehall Digital Economy Council (chaired by the Secretary of State for Culture, Media and Sport). DIT noted that 'Oracle are not a member of this group but most of their main competitors such as Microsoft and Sage are'. In addition, you would have had access to the general policy context for the tech sector, having: '...received submissions and at times discussed at Board meetings a wide range of DIT and HMG economic policy. This would include the Industrial Strategy generally and specifically the sector deals and the Grand Challenges. Baroness Fairhead would also have been exposed to policy on attracting inward investment to the UK, on how to make the UK economy more competitive, on the government's approach to global economic issues such as China's Belt and Road Initiative. All of these policy areas would have a bearing on [the tech sector].'
 - ii. Financial services sector - as a Departmental Board member DIT said you were privy to it's plans on: securing greater exports of UK financial services and technology; plans for attracting greater investment from overseas financial services firms; and high-level trade policy and market access plans.
 - iii. DIT noted Oracle's interests would go much further than any discussions you would have been exposed to regarding UK-US Free Trade Agreements. Further, any discussion would likely have been limited to the Secretary of State's view on deliverability and current relations and on high level basis.
- DIT noted that you would have had a 'high degree of access to economic and sectoral policy thinking from sitting on European Union Exit and Trade (International Trade) sub-Committee, and Economy and Industrial Strategy Committee, being on visits with CX, and liaison with BEIS and HMT Ministers.'
- DIT confirmed that in relation to Oracle, no policy decisions were taken by you; and nor do you have access to upcoming policy or commercially sensitive information that would offer a specific unfair advantage to Oracle.

15. DIT said it did not see any specific proprietary concerns with the appointment. However, DIT did consider there were risks under the Rules around a NED appointment being taken up so soon after leaving DIT. For example, your membership of the Digital Economy Council could be perceived as providing insight into UK tech policy.

The Committee's consideration

16. DIT confirmed to the Committee¹ you had no official dealings with Oracle whilst you were in ministerial office. Whilst DIT have a specific relationship with Oracle, you had no involvement in this whilst you were in post; and you and DIT confirmed you were not responsible for any policy decisions specific to Oracle. Further, though Oracle holds significant contracts for IT and service provision with the Government, these are neither

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Baroness Browning; Lord Michael German; Baroness Helen Liddell; Richard Thomas; and John Wood. Terence Jagger and Dr Susan Liautaud were unavailable.

within your former department; nor your sphere of responsibility. Therefore, the Committee considered the risk you were offered this role as a reward for decisions you made whilst in office is low.

17. The Committee noted from the information provided by DIT that you were exposed to a broad range of insight and information through your roles on the European Union Exit and Trade sub-Committee, the Economy and Industrial Strategy Committee, the Digital Economy Council and having met with various competitors of Oracle.

18. Oracle is a large government contractor, already holding contracts with the UK Government in excess of £103M. The Committee recognised this should be put into the context of Oracle's global business, which generated \$40Billion in 2018; and you would be joining Oracle as non-executive director. However, Oracle will no doubt wish to maintain its status as a commercial provider to HMG. To mitigate the risk it could be perceived you may offer Oracle any unfair advantage in this regard, the Committee considered it was prudent to apply a ban on you advising Oracle in relation bids and contracts with the UK Government.

19. The Committee recognised your ministerial portfolio is an important area of government policy focus at the present time, not least given the uncertainty around trade agreements and the effect on the economy. It also noted your focus was on helping promote export trade. Oracle is a global organisation headquartered within the US and operating in the UK. The Committee considered your access to information, including sitting on European Union Exit and Trade (International Trade) sub-Committee means you may be seen to offer insight into matters by virtue of your time in ministerial office. Whilst this is an area of policy which is fast moving, and there is some uncertainty around future negotiations and policy in this regard, the Committee felt it was appropriate to apply a restriction on advising on Brexit related matters.

20. The Committee is minded to agree with DIT that, whilst there are no specific propriety issues here, there is a risk around the nature of the information you had access to by virtue of your ministerial portfolio. For example, you met with competitors of Oracle. Given the information you and DIT provided, it is reasonable to conclude your discussions were broad and often alongside other competitors, rather than specific to individual business models. However, having a sectoral lead for the tech sector within DIT; and access to the broad information you did, the Committee considered there are inherent risks attached. To join one of the largest global software companies immediately upon leaving ministerial office presents a risk it could be perceived they stand to gain from having you join (versus employing someone with similar skills and experience, but who has not recently left ministerial office). Therefore, whilst this role is in keeping with the type of work you did prior to ministerial office (such as with PepsiCo and HSBC Holdings), the Committee considered it would be appropriate for there to be a waiting period to put some space between your recent role at DIT and taking up this role with Oracle. The Committee considered the time that will have passed between you resigning from office on 2 May; and the Board meeting on 31 July 2019 (nearly 3 calendar months) would be a sufficient gap.

21. In accordance with the Government's Business Appointment Rules, the Committee advises this appointment be subject to the following conditions:

- you should not start this role with Oracle Inc before 31 July 2019;
- 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 in this context the Committee considers you should not advise Oracle Inc or its customers, subsidiaries or partners, on Brexit related matters.

- for two years from your last day in ministerial office, you should not provide advice to Oracle Inc or its customers, subsidiaries or partners on the terms, or with regard to the subject matter, of a bid or contract with, or relating directly to the work of, the UK Government;
- for two years from your last day in ministerial office you should not become personally involved in lobbying the Government on behalf of Oracle Inc, or its customers, subsidiaries or partners. Nor should you make use, directly or indirectly, of your contacts in Government to influence policy or secure business on behalf of Oracle Inc or its customers, subsidiaries or partners.

22. 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.

23. 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.

24. The Committee also notes that in addition to the conditions imposed on this appointment, there are separate rules in place with regard to your role in the House of Lords.

25. I should be grateful if you would inform us as soon as you take up this role, 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.

26. 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.

27. Once the 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 Baroness Fairhead CBE

