

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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You approached the Committee about taking up appointments as a Non-Executive Director with Albion Development VCT Plc (Albion).

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.

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

The Application

You sought the Committee's advice on taking up a Non-Executive Director position with Albion Development VCT Plc (Albion).

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Albion are a Venture Capital Trust, independent investment manager. According to their website, they also manage and administer The UCL Technology Fund with commitments of £53 million. OLIM Investment Managers, a company which makes long term investments in quoted equities, is listed as a subsidiary company.

You told the Committee this was a paid, part-time appointment involving 5 days of work per year. As a Non-Executive Director role, you expected the following duties:

- Looking after the interests of stakeholders who have invested
- Ensuring Albion obeys its legal obligations
- Holding the manager of the Albion's investment trust to account

You noted the role was unlikely to include contact or dealings with DHSC or government more widely; and were specific that the role would not involve any participation in investment decisions themselves, as these are taken by the investment team at Albion.

You told the Committee that you had no official dealings with Albion in office; had no access to commercially sensitive information about Albion's competitors and were unaware of any relationship between DHSC and Albion. However, you noted you had on occasion met with companies from the venture capital, private equity and related investments sectors which are active in the technology and health sectors, as is Albion.

The Department of Health and Social Care (DHSC) were contacted about this application. It confirmed it holds no contracts with Albion; and that it not aware you hold any commercially sensitive information that would provide an advantage compared to Albion's competitors. It noted you did attend large meetings in which some attendees had a private equity/venture capital background, but confirmed you had no substantive or ongoing contact with the sector in your Ministerial role.

The Department did highlight there may be risks associated with Albion's investments in the sector for which you had ministerial responsibility. Subject to a restriction which prevents you advising on matters related to your former department, DHSC raised no concerns with this appointment.

The Committee's consideration

The Committee¹ noted you had no contact with Albion whilst in ministerial office and you and DHSC confirmed you had no substantive involvement in this area under your ministerial portfolio. The Committee considered the risk of reward here was low.

The Committee took into consideration the confirmation you did not have access to relevant commercially sensitive information given you were not substantively involved in the investment sector as a minister. However, the Committee noted you would have had access to potentially relevant privileged and/or commercially sensitive information about the sector you were responsible for, which could be seen to be of use to the unfair advantage of Albion.

The Committee noted the time that has passed since you were in post which helps to put a significant gap between your access to that information and you taking up this role. This

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

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lessens the likely relevance of that information. Further the Committee noted your role will not involve investment related decisions; and is a governance focussed role. Nevertheless, alongside the usual ban on the use of privileged information, the Committee considered it appropriate to impose a ban on advising on investments relating to the UK Health and Life Sciences Sector.

The Committee would also draw your attention to the lobbying ban which makes it clear that you must not make use of contacts gained whilst in office, including those within commercial organisations, to the secure business on behalf of Albion.

In the circumstances, the Committee's advice is that, under the Government's Business Appointment Rules, this appointment with Albion Development VCT Plc (Albion) 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 (the Committee notes that this includes such information as may relate generally to the UK Health and Life Sciences sectors);
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of Albion Development VCT Plc, its subsidiaries, partners or clients, nor should you make use, directly or indirectly, of your contacts developed in Government and/or Whitehall, including those in external/commercial organisations, to influence government policy or secure business on behalf of Albion Development VCT Plc, its subsidiaries, partners or clients; and
- for two years from your last day in office you should not advise Albion Development VCT Plc its subsidiaries, partners or clients on investments related to the UK Health and Life Sciences Sector.

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.*"

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.

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.

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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 where appropriate, refer to it in the relevant annual report.

The Baroness Browning

The Lord O'Shaughnessy MP