



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

G/8 Ground Floor, 1 Horse Guards Road, London SW1A 2HQ

Telephone: 020 7271 0839

Email: acoba@acoba.gov.uk

Website: <http://www.gov.uk/acoba>

25 September 2019

Dr Philip John Rycroft CB

The Committee has been asked to consider an application from Dr Philip Rycroft, former Permanent Secretary at the Department for Exiting the EU (DExEU), on taking up a role with the National House Building Council.

Dr Rycroft's last day in Crown service was 29 March 2019. As Permanent Secretary, he had responsibility for leading the department in all its work on the Government's preparations for Brexit (DExEU is responsible for the negotiations to leave the EU and establishing the future relationship between the UK and EU). Dr Rycroft was previously Second Permanent Secretary at the DExEU from March to October 2017, and in both roles, he has maintained his role as Second Permanent Secretary at the UK Governance Group, Cabinet Office where he led the group, responsible for constitutional and devolution issues (a role he first took up in 2015).

Appointment Details

Dr Rycroft intends to take up an appointment with the National House Building Council (NHBC) as a board member. He describes his appointment as undertaking the normal range of board responsibilities to support and oversee the running of the organisation. This is a part-time, paid role set to involve a work commitment of 1 day per month and will not involve contact with government. He informed the Committee he obtained this role through personal contacts and not an open recruitment process.

NHBC is a non-profit distributing company who describes itself as the UK's leading warranty and insurance provider for UK house-building for new homes. It engages with the industry, the Government and key stakeholders, contributing to all aspects of the housing agenda.

Dr Rycroft informed the Committee he had no official dealings with NHBC, nor any of its competitors whilst in office. He also had no involvement in policy or regulatory matters specific to NHBC.

DExEU provided the departmental assessment and the Director General of Propriety and Ethics at the Cabinet Office countersigned this application on behalf of the Cabinet Secretary.

DExEU confirmed the information Dr Rycroft provided in his application (Dr Rycroft confirmed he had no involvement in sector related policy or regulation); and does not consider this appointment to be improper.

The Cabinet Office informed the Committee Dr Rycroft would have had access to a wide range of EU Exit Policy and departmental information which may be relevant to NHBC and its users. This may have included access to information such as long-term strategic thinking in relation to the housing market post Brexit. However, it is unlikely Dr Rycroft would have been involved in the details of such policies.

The Cabinet Office also confirmed to the Committee that NHBC is known to engage in a programme of positive engagement with Government (as the largest warranty provider), but Dr Rycroft had no involvement or access to commercial information.

Analysis and Recommendation

Although NHBC is known to have a relationship with the UK Government, Dr Rycroft and the department have confirmed he has no interaction with NHBC while in office; had no official dealings, contractual or otherwise with NHBC; and had no responsibility for anyone who did. As such, the Committee¹ considers the risk he was offered this role as a reward is low.

The Committee noted that given his seniority, it could be perceived Dr Rycroft could offer NHBC an unfair advantage. For example, possibly in relation to long-term strategic thinking in relation to the house market post Brexit, given his role in EU Exit Policy. The risk here is broad and relates to the housing market more generally, rather than being a specific conflict related to a commercial or policy relationship directly with NHBC. However, the risks are somewhat mitigated given the broad nature of the information he would have had; that the majority of this information is likely to now be in the public domain; that there has been a change in Government; and a number of months have passed since Dr Rycroft left office. However, to mitigate any remaining risks, the Committee considered it would be appropriate to apply a specific condition that prevents him advising on matters related to the UK's exit from the EU - where it relates to knowledge gained only from his involvement in negotiations in office. In addition, the Committee considers the usual ban on individual's using privileged information from his time in office helps to mitigate any risk here.

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

NHBC are known to engage with a number of stakeholders and the Government on all aspects of the housing agenda. While the Committee noted Dr Rycroft will not engage in this work by virtue of his role description, the Committee would like to draw his attention to the ban imposed on providing advice on bids and contracts with the UK Government, to mitigate any potential risk should he be asked to advise on these matters; nor should he use his contacts gained in Government/Crown Service to NHBC's advantage.

Under the Government's Business Appointment Rules, the Prime Minister has accepted the Committee's advice that this appointment with the National House Building Council should be subject to the following conditions:

- he should not draw on (disclose or use for the benefit of himself or the organisations to which this advice refers) any privileged information available to him from his time in Crown service;
- for two years from his last day in Crown service, he should not provide advice to the National House Building Council, or its subsidiaries, partners, clients and those to whom it provides services or represents, on Brexit related issues, insofar as it as it pertains to the negotiating position of the UK Government prior to the date upon which he left Crown service, whether generally or regarding trade negotiations; and
- for two years from his last day in Crown service he should not become personally involved in lobbying the UK Government on behalf of the National House Building Council, nor should he make use, directly or indirectly, of his government and/or Crown service contacts to influence policy or secure business on behalf of the National House Building Council.

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 would be grateful if you would inform us as soon as Dr Rycroft takes up employment with this organisation, or if it is announced that Dr Rycroft 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 Dr Rycroft has complied with the Rules.

I should also be grateful if you would ask that Dr Rycroft informs us if he proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him 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.

Yours Sincerely

Tiffany Amusu
Committee Secretariat