



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Committee for advice on taking up a commission with Pepper Shackleton Wellard under your independent consultancy.

The Committee's role and remit

2. 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:

- 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
- an employer could make improper use of official information to which a former Minister has had access; or
- there may be cause for concern about the appointment in some other particular respect.

3. 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.

Commission details

4. You wish to take up a paid, part time commission with Pepper Shackleton Wellard (PSW), under your consultancy. You told the Committee this work will be to offer Strategic Risk Analysis. You said you will be applying the techniques you learnt at the Royal College of Defence Studies in 2016 '*...in helping clients construct as a first step a strategic risk framework which then allows an analysis to take place as to what steps need to take place in order to mitigate the risks identified. These are standard industry techniques but an area I have practical experience in*'.

5. You informed the Committee you did not have any official dealings with, nor were you involved in any policy decisions or developments that could be seen to affect PSW.

6. The Ministry of Defence (MOD) was consulted about this application and confirmed the details of your application. The MOD confirmed that as Minister for the Armed Forces you would have been involved in Brexit no-deal planning but your involvement would be focussed on your ministerial portfolio - such as military aid to other countries. The MOD did not consider your access to information regarding Brexit no-deal planning, raised any specific risk. The MOD has no concerns about you taking up this commission under your independent consultancy, subject to conditions. In particular, the MOD noted that PSW are a political lobbying firm and said your involvement with them should be subject to standard conditions restricting you from lobbying.

The Committee's consideration

7. The Committee¹ noted that this commission is consistent with the description of your consultancy which you described as:

- Providing insight, advice and guidance to Exec leadership on the formulation of Global governance frameworks, and the delivery of its corporate strategy and investment opportunities and risks;
- Providing advice and guidance on creating and maintaining a strong risk management culture which incorporates responsible investing, environmental responsibility and Corporate Social Responsibility;
- Providing insight, advice and guidance to corporate Exec leadership on the formulation of Global governance framework, and the delivery of its corporate strategy and investment opportunities and risks;
- Providing advice and guidance on creating and maintaining a strong risk management culture which incorporates responsible investing, environmental responsibility and Corporate Social Responsibility;
- Providing general strategic advice on policy formulation

8. The Committee noted that this commission is not directly related to your time in office. You had no dealings with PSW while in office and further, your former department does not hold a relationship with PSW. Therefore, the Committee considers the risk of this appointment being seen as a reward for decisions made in office is low.

9. The Committee considered that by virtue of your role, as a former Minister, it could be perceived you have access to general sensitive information. The Committee also noted Brexit no-deal planning was part of your responsibility while in office. The Committee recognised that negotiations are still ongoing, so there could be a risk, however small, you might offer an unfair advantage with regard to your insight here. However, the Committee gave weight to MOD's view that there is a low risk in connection with your access to sensitive information that could provide an unfair advantage. The Committee would remind you of the privileged information ban that applies to all former ministers on leaving office and remind you this prevents you from advising on matters related to the UK's exit from the EU insofar as it relates to your time in office, including ongoing negotiations between the UK and other countries where it would draw on privileged insight.

10. Given your role and profile as the former Minister for the Armed Forces, there is a risk it could be perceived your contacts might assist PSW and its potential clients, as you will have built a substantial network of contacts across the UK Government/ Whitehall. In particular PSW provides lobbying services. As standard, all former ministers are prevented from lobbying the UK Government for two years after leaving office. This limits the risk associated with your influence and contacts within the Government/Whitehall offering an unfair advantage to PSW and its clients. Whilst the Committee notes this is not your

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Dr Susan Liataud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood.

intention, the Committee would therefore like to draw your attention to the lobbying restriction below which makes it clear that any (direct or indirect) use of your contacts/influence to the unfair advantage of PSW or its clients would be inappropriate. Further the restriction on providing advice on the terms of, a bid or contract relating directly to the work of the UK Government prevents you from providing an unfair advantage to PSW in respect of any future work with the UK Government.

11. The Committee also noted there may be potential risks associated with the unknown nature of PSW's clients. Specifically, should they be a company or organisation you or the MOD had a relationship with or where you had some influence in respect of their work whilst in post. Therefore, the Committee considered it would be appropriate to impose an additional condition to prevent you from advising PSW's clients where it involves working on matters you had involvement with in office. The Committee noted this restriction is in keeping with your role as described.

12. Taking into account the specific facts in this case, in accordance with the Government's Business Appointment Rules, the Committee advises your work with **Pepper Shackleton Wellard** be subject to the same conditions as your independent consultancy **as well as the additional condition below:**

- 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 Ministerial office. In the context of this general provision, the Committee considers you should specifically avoid giving those you advise under your independent consultancy, or its subsidiaries, partners or clients, privileged insight into the Brexit related issues, insofar as it as it pertains to the negotiating position of the UK Government and other parties to the negotiations prior to the date upon which you left ministerial office;
- for two years from your last day in ministerial office, you should not become personally involved in lobbying the Government or the UK MOD on behalf of those you advise under your independent consultancy (including parent companies, subsidiaries and partners). Nor should you make use, directly or indirectly, of his MOD, government and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit those you advise under your independent consultancy (including parent companies, subsidiaries and partners);
- for two years from your last day in ministerial office, you should not provide advice to any company or organisation on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK Government, the MOD or its trading funds; and
- for two years from your last day in ministerial office, before accepting any commissions for your independent consultancy and or/before extending or otherwise changing the nature of your commissions, you should seek advice from the Committee. The Committee will decide whether each commission is consistent with the terms of the consultancy and consider any relevant factors under the Business Appointment Rules.

In addition, the Committee considered this commission with Pepper Shackleton Wellard be subject to the following additional condition:

- for two years from your last day in ministerial office, you should not advise Pepper Shackleton Wellard (including clients, parent companies, subsidiaries and partners) on the UK Defence market.

13. 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.

14. 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."*

15. 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. 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 appointment as depending on the circumstances, it might be necessary for you to seek fresh advice.

16. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and in the relevant next annual report.

The Rt Hon Lord Pickles

Rt Hon Mark Lancaster