



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

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6 November 2020

1. Thank you for your response to the Chair's letters of 16 and 30 October 2020 in which he expressed concern that you had joined the Global Advisory Board for GFG Alliance, which is different to the limited role at SIMEC Group (SIMEC) that the Committee advised you about in August.
2. You previously asked for the Committee's advice on joining GFG Alliance as an International Advisor, sitting on a worldwide board of advisors. Having considered the views of the Welsh Government, you were advised that whilst you are subject to the Government's Business Appointment Rules, the risks attached to such a role with GFG Alliance were too high to mitigate with conditions alone, given the degree of insight you had gained into the steel industry during your time as First Minister.
3. However, you have confirmed in your correspondence of 3 November; and it is recorded on GFG Alliance's website<sup>1</sup> - without qualification - that you are a member of the GFG Alliance Global Advisory Board. The Committee recognises the assurances you are employed by SIMEC, rather than by GFG Alliance and you have taken steps to ensure you will be recused from matters related to steel. However, the Committee<sup>2</sup> considers joining the GFG Alliance Global Advisory Board whilst you are subject to the Government's Business Appointment Rules is contrary to its advice. As a consequence you are in breach of the Government's Business Appointment Rules [the Ministerial Code<sup>3</sup> at paragraph 5.26 states former ministers must abide by the Committee's advice].

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<sup>1</sup> <https://www.gfgalliance.com/resources/global-advisory-board/carwyn-jones/>

<sup>2</sup> This correspondence was authorised and sent on behalf of the Committee: Sir Alex Allan; Jonathan Baume; Dr Susan Liataud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty; and John Wood.

<sup>3</sup> <https://gov.wales/sites/default/files/publications/2019-11/ministerial-code-november-2019.pdf>

4. The Committee acknowledges you updated your Register of Interests<sup>4</sup> at the Welsh Parliament in October - to show your role with GFG Alliance would be limited to advising on energy matters whilst you are subject to the Government's Business Appointment Rules; and you subsequently amended it on 2 November, to say your role is as an adviser to SIMEC.
5. Whilst the Committee recognises the steps you have taken in an attempt to mitigate the risks present, the Government's Business Appointment Rules provide for the Committee to independently advise on the appropriate restrictions. It is not for a former minister to decide for him or herself how to manage these risks.
6. Attached to this response is the correspondence exchanged between you and the Chair on this matter which, in line with our policy, we will be publishing.
7. As previously notified, we will also be copying this to the Welsh Government, where you served as a minister; the Cabinet Office (as owners of the Rules); and your new employer, GFG Alliance/ SIMEC.

The Advisory Committee on Business Appointments

Rt Hon. Carwyn Jones MS

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**Correspondence from Rt Hon Carwyn Jones MS to Rt Hon Lord Pickles, 3 November 2020**

Dear Lord Pickles

Thank you for your letter of the 30th of October, the contents of which I cannot accept.

I am surprised at the intemperate tone of the letter given that I offered nothing but co-operation to you over this matter. I have amended my Declaration of Interests to reflect that I am, at present, an Advisor at SIMEC Ltd to ensure that there is no confusion as to my role. As I said to you, my position on the GFG Board is purely as an Advisor to SIMEC along with other advisors from other GFG businesses. I will be playing a full part in GFG after the 12th of December but that is not a matter for ACOBA. Your response ignored that sentiment.

You do not provide any or any adequate reasoning for the decisions that you alone seem to have taken and do not answer the detailed points that I made in my letter. This, at the very least, is not acceptable. As I said in my previous correspondence, my position is as an

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<sup>4</sup><https://business.senedd.wales/mgDeclarationSubmission.aspx?UID=102&HID=500000127&FID=0&HPID=1507424146>

Advisor to SIMEC which they can confirm. Furthermore, none of the conditions imposed by the Committee have been breached, which you do not deal with. I do not have any contractual or employment relationship with GFG. My contract is with SIMEC (signed on the 24th of September 2020). You have not asked for a copy of that contract which would have provided clarification.

You were well aware that I might be invited to meetings where steel issues might be on the agenda. You were also aware of the steps that would be taken by me and by SIMEC if that situation arose. Indeed, you referred to that issue in your last letter to me. Knowing that, ACOBA still gave its permission. The only debate is around the title of the position, not its content and I have indicated in good faith that I will take steps to clarify that. You did not reflect that good faith in your response.

Further, you say in your letter at para.6 that “it is outside the Government’s Business Appointments Rules for a former minister to decide for him or herself how to manage those risks”. You fail to say where that is stated in the Rules or indeed anywhere else for that matter and would be grateful for any evidence that supports your contention. This also appears to contradict your comment in your original letter where you ask me to explain how I ensured propriety in the appointment. You cannot ask me how I ensured propriety and then declare that it was not a matter for me in the first place.

You say that this is a clear breach of the Ministerial Appointments Rules as set out in the Ministerial Code. You fail to explain why. I request that you provide evidence of that breach and the relevant section of the Code that supports your view . I would also ask you to confirm that this is simply your personal opinion on an issue upon which ACOBA has no locus. Indeed, this is a highly prejudicial remark on an issue for which you have no responsibility. It appears to me to be simply gratuitous. It was my understanding as a former First Minister that the Ministerial Code and any breaches thereof are entirely a matter for the First Minister of Wales and not for any individual or body in England.

I would also ask whether the views in your letter were those of the whole Committee. Following on from that I further request a hearing before the Committee which I believe I am entitled to. I also request that this letter be made available to other members of ACOBA. It is important to avoid any appearance of bias in this process. You and I both know that you were at the heart of regular attacks on the Government that I led, particularly in 2013. Your comments went well beyond the normal to and fro of politics, offering criticism in areas that were not your responsibility and entirely devolved. Given the dispute between us I suggest it is best for us both to pass this matter on to a politically neutral member of ACOBA. I do not believe the process will be seen to be objective otherwise.

I request that this letter be published along with all the other correspondence and reserve the right to comment as appropriate. I do not plan to take the issue up with the Whitehall Cabinet Office at this stage but reserve the right to do so.

Given that you have imposed a deadline of tomorrow for this letter to arrive with you then it is only fair that you answer these questions before then. I assume that the responses from the First Minister and SIMEC will form part of the correspondence you release?

Finally, let me be clear: I do not question the motives of members of ACOBA but given the information that you have provided I can only conclude that it seems to operate:

- 1) Without procedural rules;
- 2) Without a full right to a hearing;
- 3) Without any right of appeal;
- 4) Without any complaints process.

That cannot be right with regard to law, fairness or transparency.

I am copying this letter to the Office of the First Minister

I await your reply.

Yours sincerely

RT. Hon. Carwyn Jones MS

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**Correspondence from Rt Hon Lord Lord Pickles to Rt Hon Carwyn Jones MS, 30 October 2020**



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30 October 2020

1. Thank you for your responses to my letter of 16 October 2020 in which I expressed concern that you had joined the Global Advisory Board for GFG Alliance. This is clearly not the same role at SIMEC Group (SIMEC) that the Committee advised you about in August.
2. I have now had an opportunity to review all the correspondence and advice offered to you by ACOBA.

3. You were advised by the Committee in May 2020, after considering the views of the Welsh Government, on an application to join the Board of GFG Alliance. You accepted then that the risks present in a role with GFG Alliance were too high to mitigate with conditions alone, given the degree of insight you had gained into the steel industry during your time as First Minister.
4. Your role on the Global Advisory Board of GFG Alliance was announced in the media on 13 October. This is incompatible with the Committee's advice of five months ago.
5. You state in your reply that you intend to comply with the Committee's advice given for your role at SIMEC and that you have added a self-declaration to your Register of Members' Interests on 15 October saying that you would '*only work on the energy side of the business until 12 December*'.
6. It is outside the Government's Business Appointments Rules (the Rules) for a former minister to decide for him or herself how to manage these risks. This is a clear breach of the Rules as set out in the Ministerial Code.
7. The Committee exists to protect the integrity of Government. To do so, it must be able to consider the detail of each application fully under the Government's Rules and provide independent advice and restrictions as appropriate.
8. I will be copying this letter to the First Minister of Wales, the Cabinet Office (as owners of the Rules) and your new employer, GFG Alliance. In line with our policy, I will also be publishing our correspondence on this matter.

The Rt Hon Lord Pickles

Rt Hon Carwyn Jones MS

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**Correspondence from Rt Hon Carwyn Jones MS to Rt Hon Lord Pickles, 17 October 2020**

Dear Lord Pickles

I write this supplemental e-mail following my communication to you of the 16th of October.

I have sought the Committee's advice on several previous occasions regarding various appointments and have followed that advice every time. I have no wish to depart from that

practice on this occasion and did not think that I had. I was therefore concerned to receive your letter

Having discussed the issue with others I thought it would help the Committee if I outlined the nature of my position at GFG.

1. My position is as Advisor to Simec during the currency of the restrictions placed upon me, as per my application. There is no material change to the role that I originally applied for that I can see. I have already made this clear via my Declaration of Interest published on the 15th of October. This is in keeping with the advice provided to me by the Committee.

2. As an Advisor I am also a member, together with sixteen others, of the Global Advisory Board of GFG Alliance, an umbrella group that encompasses the steel, aluminium and energy sectors of GFG. This is solely because of my position at Simec.

3. It has been agreed between Simec, GFG and myself that I will not attend meetings where there is any agenda item that goes outside the Committee's advice nor will I take part in any discussion that goes outside the Committee's advice. Indeed, the Committee was aware of this suggested agreement through the words of Jay Hambro, which you have quoted in your letter and the Committee saw it as sufficient mitigation of any conflict. This situation will continue until the 12th of December 2020.

4. To date, one meeting of the Board has taken place. It was an introductory meeting and no further discussions took place. I have not therefore been party to any discussions on any issue that is outside of the Committee's advice.

I hope this provides the Committee with the information it needs and I am of course ready to engage further if you wish to seek more information and will follow any further advice the Committee wishes to give.

Yours sincerely

Rt. Hon. Carwyn Jones MS

**Correspondence from Rt Hon Carwyn Jones MS to Rt Hon Lord Pickles 16 October 2020**

Dear Lord Pickles

Thank you for your letter of the 16th of October.

I can confirm that the restrictions placed on me by the Committee will be followed to the letter until the expiry of the advice in fifty-seven days' time.

I will not be taking part in any discussions around steel during this time and will recuse myself from the Board should any discussions begin which place me outside the Committee's recommendations. This has been agreed with GFG and they will be able to

confirm this state of affairs. I have made clear to them that my role is restricted during the currency of the Committee's advice. I accept that the press release was not more specific about my role, but I can confirm that it is wholly within the terms of the permission given by the Committee.

In addition, in my Declaration of Interest which I have made to the Welsh Parliament I have made it explicit that my role is confined to energy until the 12th of December this year so that there is no confusion about my position. I will send that to you under separate cover.

The role is therefore confined to giving advice on energy matters as per the original application

I fully intend to comply with the committee's advice.

Yours sincerely

Rt. Hon. Carwyn Jones MS

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**Correspondence from Rt Hon Lord Lord Pickles to Rt Hon Carwyn Jones MS, 16 October 2020**



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16 October 2020

1. I am writing to you, as Chair of the Advisory Committee on Business Appointments (the Committee) in relation to the advice you sought on taking up an appointment with SIMEC Group (SIMEC).

2. It was brought to the Committee's attention that you have since joined the Global Advisory Board for GFG Alliance<sup>5</sup>, of which SIMEC is a member. This is not the role the Committee advised you about in August.

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<sup>5</sup> <https://www.gfgalliance.com/media-release/gfg-alliance-attracts-top-executives-to-global-advisory-board/>

3. In your application to work with SIMEC, you informed the Committee the paid, part time role as an advisor would:

- not involve any contact with government;
- be limited to advising SIMEC on energy issues; and
- explicitly have no connection with the steel industry.

4. In addition you provided confirmation, on behalf of Jay Hambro (CEO SIMEC), that SIMEC '*...are not seeking your involvement in steel matters as part of your advisory role. We can help facilitate this in practice by ensuring that you are fully advised in advance of the topics on the agenda prior to each meeting. Further, there will be opportunity for you to step out / abstain from any steel related discussions in any ongoing meetings. As GFG is an alliance of independent businesses, we intend to keep Liberty and SIMEC issues separate.*'

5. The Committee had previously raised concerns with you based on the information provided by the Welsh Government, that you would have had access to information that could benefit GFG Alliance, as you had significant involvement in the steel industry, including meetings with Liberty Steel and its competitors Tata and Celsa. In this case, your application to work with SIMEC, the Committee noted this risk was specific to the steel industry, and GFG Alliance's partner organisations (as opposed to the energy sector, in which SIMEC focusses).

6. The Committee agreed with the Welsh Government there were risks associated with your insight into the steel industry during your time as First Minister given this is a major focus of GFG Alliance's work. However, in keeping with the Welsh Government's advice, the Committee concluded it was content for you to take up the narrow role with SIMEC you described, advising in respect of energy matters only. The Committee advised that the conditions attached (listed below) would appropriately mitigate the risks you may offer an unfair advantage, in particular around your insight and how it might relate to SIMEC's relationship with other GFG Alliance companies (in particular its steel company - Liberty Steel - and the projects it is collaborating with SIMEC on).

7. The specific conditions the Committee advised this appointment be subject to were as follows and were made public on the website:

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/921547/CJ\\_Simec\\_Final\\_Advice\\_letter.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921547/CJ_Simec_Final_Advice_letter.pdf)):

- 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;
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the personally involved in lobbying the Welsh Government on behalf of the SIMEC Group (including parent companies - GFG Alliance and its members; subsidiaries; clients; and partners); nor should you make use, directly or indirectly, of your government/Whitehall contacts to influence policy, secure funding/business or otherwise unfairly benefit the SIMEC Group (including



- parent companies - GFG Alliance and its members; subsidiaries; clients; and partners);
- for two years from your last day in Ministerial office, you should not provide advice to the SIMEC Group on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the the Welsh Governments;
  - for two years from your last day in Ministerial office, your role will be limited to providing advice on energy matters to the SIMEC Group. You should not become involved in, or advise SIMEC Group (including parent companies - GFG Alliance and its members; subsidiaries partners; and clients) on matters related to:
    - energy projects in Wales; and
    - the steel industry generally.

8. I was therefore concerned about the description of your joining as a member of GFG Alliance's Global Advisory Board. This does not, on the face of it, appear to limit the advice you provide to just SIMEC Group. The Committee has not been approached about this change, nor has it received a new application from you.

9. The purpose of the Rules is to protect the integrity of government and to mitigate real and perceived risks in relation to appointments taken up after leaving public office. Failure to abide by the advice is a clear breach of the requirement set out in the Ministerial Code and the Government's Business Appointment Rules.

10. Please reply to this letter before Wednesday 21 October. In line with our policy of transparency, I will be publishing our correspondence in due course. We will include any explanation of how you ensured propriety in this appointment, given your previous role as a government minister. Any failure to respond will also be noted in the publication.

The Rt Hon Lord Pickles

Rt Hon Carwyn Jones MS

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**End of correspondence**