



## OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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

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December 2020

1. The Committee's secretariat wrote to you in September 2020 as it had come to its attention that you had taken up a role with Public Policy Projects (PPP). You subsequently confirmed you had taken up a role as Joint Chairman with PPP in May 2020, without first seeking the Committee's<sup>1</sup> advice. This correspondence is annexed.
2. You explained this was because you left your ministerial role at the Department for Transport in July 2014 and the role with PPP was to advise on policy regarding infrastructure and the World Economic Series<sup>2</sup>. It was your understanding that you only needed to seek advice from the Committee within two years of leaving office when it was '*within the sphere of the Department you were appointed in*'. You told the Committee that as Joint Chair, your role with PPP had no connection with health activities. In your correspondence you unreservedly apologised if you had unintentionally misinterpreted the Rules.
3. The Government's Business Appointment Rules apply by virtue of the Ministerial Code, paragraph 7.25 of which states that Ministers must '*seek advice from the independent Advisory Committee on Business Appointments (ACoBA) about any appointments or employment they wish to take up within two years of leaving office. Former Ministers must ensure that no new appointments are announced, or taken up, before the Committee has been able to provide its advice.*'
4. To fulfil the remit given to it by the Government, the Committee must be able to consider an application fully and freely before offering advice. It is impossible to do this in a way that will command public confidence if an appointment has already been announced and/or taken up. The Committee regards it as unacceptable you did not seek advice as you were required to for your original role with PPP. This is a breach of the Government's Rules, and the requirement set out in the Ministerial Code.

### Change in role

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<sup>1</sup> This application for advice was considered by Sir Alex Allan; Jonathan Baume; Dr Susan Liataud; Richard Thomas; Mike Weir and John Wood. Lord Larry Whitty was unavailable. I recused myself from this application in line with ACOBA's published Code of Practice. This letter contains the Committee's advice, arrived at without my input and which I am sending in my capacity as Chair of the Committee.

<sup>2</sup> The World Economic Series is a virtual forum for an essential discussion on the global economy. The WES is a joint venture partnership between Diplomat magazine and PPP

5. In your correspondence with the Committee's secretariat dated 7 October 2020 you asked for the Committee's advice about changing your role with PPP to advise on healthcare policy as well as infrastructure and the World Economic Series. Whilst it was unacceptable that you did not seek advice when joining PPP, the Committee has agreed to give advice exceptionally on your extended role.

6. You informed the Committee that your revised part time, paid role with PPP might involve some contact with the government. You stated PPP presents the government with policy solutions to issues, concerns or rising challenges principally raised in the health and infrastructure sector. You also confirmed you had no official dealings with PPP while in office.

7. Your former department, the Department for Health and Social Care (DHSC) was contacted about this application. It confirmed you had no dealings with PPP (it said it has no formal relationship with PPP), nor did it consider you have access to any sensitive information that could provide PPP with an unfair advantage.

8. The Committee noted as a minister at DHSC there is an inherent risk you could have access to sensitive information that could be seen to provide an unfair advantage. However, the Committee gave weight to the Department's view that you had no access to relevant sensitive information. Further, it noted the amount of time that has now passed since you were in office (over 16 months).

9. The Committee took into consideration that you will have developed contacts which may provide an unfair advantage to any organisation with an interest in healthcare policy. Therefore, the Committee would like to draw your attention to the conditions imposed which make it clear that you should not use your contacts and influence across government and Whitehall to the unfair advantage of PPP.

10. In accordance with the Government's Business Appointment Rules, the Committee advises your amended role with **Public Policy Projects** be subject to the following conditions below:

- you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you from your time in Ministerial office;
- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK Government on behalf of Public Policy Projects (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the Government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Public Policy Projects (including parent companies, subsidiaries, partners and clients); and
- for two years from your last day in office you should not provide advice to Public Policy Projects (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid or contract with, or relating directly to the work of the UK Government.

The Rt Hon Lord Pickles

Stephen Hammond MP

## Annex A

Letter from the Committee's secretariat September 2020



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Stephen Hammond MP

House of Commons

London

SW1A 0AA

30 September 2020

Dear Mr Hammond

I am writing to you in my capacity as head of the Secretariat for the Advisory Committee on Business Appointments<sup>[1]</sup> (the Committee). It has been brought to our attention, through an article in Private Eye that you are now working with Public Policy Projects, confirmed on its website and in your register of interests.

The previous Chair of ACOBA (Baroness Browning) wrote to departing ministers following the change in leadership last summer. I enclose a copy of the letter sent to your parliamentary address in August 2019, reminding you of your duty to seek advice from the Committee.

As that correspondence set out, the Government's Business Appointment Rules apply by virtue of the Ministerial Code, which states (in paragraph 7.25) that Ministers must '*seek advice from the independent Advisory Committee on Business Appointments (ACoBA) about **any appointments or employment** [my emphasis] they wish to take up within two years of leaving office.*' Former Ministers must ensure that no new appointments are announced, or taken up, before the Committee has been able to provide its advice.'

You are therefore required to seek advice from the Committee on any appointments or employment you seek to take up within two years of leaving office.

The Rules exist to protect the integrity of government and the Rules state retrospective applications will not normally be accepted. I am writing to understand the circumstances behind your failure to seek advice; and provide you with an opportunity to tell us about any steps you have taken to ensure the probity in this appointment given your previous role as a government minister.

In line with our policy of transparency, we will be publishing our correspondence in due course. I would be grateful for a reply to this letter before Monday 12 October 2020, your correspondence or any failure to respond will be included in our publication.

I would also take this opportunity to remind you to seek advice for any new appointment or employment you plan to take up within two years of leaving office, as set out above.

Yours sincerely

Cat Marshall

**Committee Secretariat**

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[1] The Rt Hon Lord Pickles, Chair of the Committee, has recused himself from this matter.

STEPHEN HAMMOND MP



HOUSE OF COMMONS

LONDON SW1A 0AA

Mrs C Marshall  
ACOBA  
Room G/8  
1 Horse Guards Road  
London  
SW1A 2HQ

7<sup>th</sup> October 2020

Dear Mrs Marshall,

Thank you for your letter of 30 September.

Firstly, if I have unintentionally misinterpreted or misunderstood the rules relating to an outside interest post Ministerial office, I unreservedly apologise.

I have had two periods as a Minister - at the Department for Transport (2012-2014) and at the Department of Health and Social Care (2018-2019). My understanding is that if you seek outside employment within the sphere of the Department you were appointed in within two years, then one needed to seek the advice of the ACOBA. I left DfT in July 2014 and was offered the role with Public Policy Project, which commenced in May of this year. The role was to be Chairman with responsibilities including the Infrastructure and World Economic Series. I would have no connection with health activities. Therefore I understood that I was not required to seek advice. I reiterate, if I have unintentionally misinterpreted the rules, I unreservedly apologise.

As I left the Department of Health and Social Care in July 2019, I completely understood that should I wish to seek outside employment within the healthcare or products area, I needed to seek advice. As I have recently been offered a role within that sector, I am now seeking such advice.

With all best wishes,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'SH' followed by a long horizontal stroke and a vertical line.

STEPHEN HAMMOND MP