



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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

Telephone: 020 7271 0839

Email: acoba@acoba.gov.uk

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

April 2021

1. You sought the Committee's advice on taking up a work with the Ministry of Finance for the Kingdom Bahrain, under your independent consultancy, Matrix Partners Ltd.

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:

- 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.

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.

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

Appointment details

5. You sought the Committee's advice on taking up a paid, part time role with the Ministry of Finance of the Kingdom of Bahrain (MoFB), under your independent consultancy. You stated you would be advising the Finance Minister and the Prime Minister (the Crown Prince) on a programme of economic and fiscal reform in the Kingdom. You stated you will also be offering strategic advice, as part of an Advisory Council of British senior figures with Defence/Security/Foreign Policy background. The Advisory Council is expected to meet twice a year, you noted this would be limited to meeting in July 2021 whilst you are still subject to

the Government's Business Appointment Rules as you have already been out of office for 20 months. You do not propose to have any contact with the UK Government in this role.

6. You informed the Committee that you had some meetings with Bahrain's Minister of Finance whilst Chancellor at international finance minister meetings. You stated HM Treasury (HMT) would have some ongoing relationships with Bahrain, for example as part of the Financial Action Task Force - a working group on antiterrorist financing, of which both countries are co-chairs. You stated you did not have access to sensitive commercial information or policy information that would be of relevance to Bahrain.

7. The Permanent Secretary at HMT was consulted about this application. HMT confirmed your above statements. It noted it has a relationship with Bahrain, but this is managed at a level below that of the Chancellor. It stated you had not made any decisions related to Bahrain whilst you were Chancellor. It expanded that the UK Government has a strong relationship with Bahrain and other Gulf Cooperation Council (GCC) partners, based around significant defence, security and prosperity interests, HMT's engagement is relatively limited due to the size of Bahrain's economy. It noted you exchanged some letters with the Finance Minister of Bahrain but that they did not extend beyond limited routine correspondence. The Department recommended the Foreign, Commonwealth and Development Office's (FCDO) views also be taken into consideration.

8. The FCDO was also contacted regarding this application. It confirmed it had no concerns on your role advising MoFB on fiscal and economic reform. It noted the limited context in which you will be offering wider strategic advice, as part of the Advisory Council, as a factor that reduced the risk associated. The FCDO confirmed it had no objections to you taking up the post.

The Committee's consideration

9. The Committee noted this work is consistent with the description of your consultancy which you described as a vehicle for development of an advisory and consultancy business, offering advice to companies and organisations in the UK and overseas.

10. When considering this application, the Committee took into account that you attended some events where Bahrain's Finance Minister was present and had some limited correspondence. However it noted you had no involvement in policy, nor any other decisions specific to, MoFB. The relationship with Bahrain was held elsewhere within HMT and therefore, the Committee considered there is no reason it might be perceived this appointment is a reward for decisions made or actions taken in office.

11. The Committee was mindful that any Chancellor is inevitably involved in policy and decision making that impacts widely on the UK economy and almost all sectors. The Committee noted the perceived risk you could offer an unfair insight to MoFB in regards to information in that respect. However, the Committee gave weight to HMT's confirmation that you were not closely engaged on policy related to Bahrain during your time in office. Further, it recognised the amount of time that has passed since you were in office 20 months ago, and the significant changes in the economic landscape since, which reduces the significance of the information you had access to at the time. As a former Minister you are prevented from drawing on any sensitive information you may still be privy to.

12. As above the risks in relation to your access to information are mitigated by your continuing duty of confidentiality and the number of months which have passed since you have had access to the UK Government as a minister (more than 20 months). However, the Committee noted there may be risks associated with a former senior minister advising a

foreign government, not least in terms of the perception you offer access and influence. However, FCDO have confirmed it has no objection to you carrying out the role as described with Bahrain. Further, the conditions attached to your consultancy prevent improper use of information, contacts and influence to the unfair advantage of MoFB. The FCDO has explicitly stated that any potential for risk associated with a wider strategic role has been mitigated by the confirmation that strategic advice will be limited to your membership of the Advisory Council. Therefore, the Committee would remind you that you should not offer strategic advice to MoFB which falls outside the formal business of the Advisory Council.

13. Taking into account the above, in accordance with the Government's Business Appointment Rules, the Committee advises your work with **Ministry of Finance of Bahrain** be subject to the same conditions as your independent consultancy:

- 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 Brexit related issues, insofar as it as it pertains to UK's negotiating strategy post its departure from the EU, whether generally or regarding fiscal matters;
- for two years from your last day in ministerial office, you should not become personally involved in lobbying the Government 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 your 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 become personally involved in lobbying contacts you have developed during your time in office and in other Governments and organisations for the purpose of securing business for any company or organisation (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; 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 .

14. 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 Ministerial Code/ Civil Service Code or otherwise.

15. 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."

16. 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.

17. I should be grateful if you would inform us as soon as you take up this consultancy and/ or commission, 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 role with the organisation as depending on the circumstances, it might be necessary for you to seek fresh advice.

The Rt Hon Lord Pickles

The Rt Hon Lord Hammond of Runnymede