



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

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**BUSINESS APPOINTMENT APPLICATION: The Lord Mark Sedwill KCMG, Lloyd's of London.**

1. Lord Sedwill, former Cabinet Secretary and National Security Adviser, sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on taking up a role with Lloyd's of London (Lloyd's) as a Senior Independent Deputy Chairman. The material information taken into consideration by the Committee is set out in the annex.
2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during Lord Sedwill's time in office, alongside the information and influence he may offer Lloyd's.
3. The Committee has advised that a number of conditions be imposed to mitigate the potential risks government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of this appointment in any other respect.
4. The Rules set out that Crown servants must abide by the Committee's advice<sup>1</sup>. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's consideration of the risk presented

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<sup>1</sup> Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The Queen's Regulations and the Diplomatic Service Code

5. When considering this application, the Committee<sup>2</sup> noted that Lord Sedwill did not meet with nor make any decisions specific to Lloyd's whilst he was in office. Therefore, the Committee considered there is no reason it might be perceived this appointment is a reward for decisions made or actions taken from his time in government service.
6. Lord Sedwill described his role as Senior Independent Deputy Chairman of the Council, which is responsible for management and supervision.
7. As the former Cabinet Secretary and National Security Advisor, the Committee noted he would have had access to privileged information which may be seen to be of general use to any company he chooses to join. The Committee recognised any company operating in the UK and internationally may be considered to be gaining from his insight at the centre of government that is unavailable to its competitors. However, the Committee considered it significant that:
  - a. this is a general risk, he had no specific responsibilities for this sector in office;
  - b. he plans to take this role up in November, by which point over 12 months will have passed since he had access to information in office; and
  - c. he has an ongoing duty of confidentiality.
8. Additionally, the Committee noted due to Lord Sedwill's seniority and influence at the centre of the government, there is a risk it could be perceived his network and influence might assist Lloyd's unfairly.

#### The Committee's advice

9. Given Lord Sedwill's broad access to information the Committee would draw Lord Sedwill's attention to the restriction on using privileged information imposed below. The Committee considered, that in line with its previous advice to Lord Sedwill -in this context he should specifically avoid giving his new employer privileged insight into the UK's negotiating strategy post its departure from the EU.
10. Whilst the Committee noted Lord Sedwill's proposed role will not involve contact with government. However, the Committee wishes to make it explicit that it would be inappropriate for him to use contacts gained in office (directly or indirectly) to the advantage of Lloyd's. This helps to mitigate the risk he may be seen to offer Lloyd's any unfair access to government. The Committee also advises that he must not be involved in any work Lloyd's may seek to take up with the government, whether commercial bids for work, or for funding.
11. The Committee advises, under the Government's Business Appointment Rules, that Lord Sedwill's role with **Lloyd's of London** should be subject to the following conditions:

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<sup>2</sup> This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Sarah de Gay; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty and Dr Susan Liautaud. Isabel Doverty was unavailable.

- he should not draw on (disclose or use for the benefit of himself or the persons or organisations to which this advice refers) any privileged information available to him from his time in Crown service. In the context of this general provision, the Committee considers he should specifically avoid giving Lloyd's of London, or its subsidiaries, partners or clients, privileged insight based on information from his time in Crown service into Brexit related issues, insofar as it as it pertains to UK's negotiating strategy post its departure from the EU;
  - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government on behalf of Lloyd's of London (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the government and/or ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage Lloyd's of London (including parent companies, subsidiaries, partners and clients); and
  - for two years from his last day in Crown service, he should not provide advice to Lloyd's of London (including parent companies, subsidiaries, partners and clients) 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.
12. The Committee also notes that in addition to the conditions imposed on this appointment, there are separate rules in place with regard to his role in the House of Lords.
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, the Civil Service Code 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 Lord Sedwill takes up employment with this organisation, or if it is announced that Lord Sedwill 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 Lord Sedwill has complied with the Rules.
16. Please also inform us if Lord Sedwill 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.

17. 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,

Isabella Wynn  
**Committee Secretariat**

## **Annex - Material information**

### The role

1. Lord Sedwill said Lloyd's is an insurance market. The website states it is an insurance and reinsurance market located in London. It says unlike most of its competitors in the industry, it is not an insurance company; rather, Lloyd's is a corporate body governed by the Lloyd's Act 1871 and subsequent Acts of Parliament. It operates as a partially-mutualised marketplace within which multiple financial backers, grouped in syndicates, come together to pool and spread risk. These underwriters, or "members", are a collection of both corporations and private individuals. The business underwritten at Lloyd's is predominantly general insurance and reinsurance, although a small number of syndicates write term life assurance.
2. Lord Sedwill said Under the Lloyd's Act 1982, the Council of Lloyd's is responsible for the management and supervision of the market. Lloyd's is regulated by the Prudential Regulatory Authority and Financial Conduct Authority. Lord Sedwill seeks to join Lloyds as the Senior Independent Deputy Chairman, a part time paid role, as of November 2021.
3. He noted the Council normally has three working, three external and nine nominated members. The working and external members are elected by Lloyd's members. The Chairman and Deputy Chairmen (the role he seeks to take up) are elected annually by the Council from among its members. The Senior Independent Deputy Chairman (SIDC) is considered to be the equivalent of a Non-Executive Director (NED) and/or a Senior Independent Director (SID) in plc corporate governance. The Council discharges some of its functions directly by making decisions and issuing resolutions, requirements, rules and bye-laws. Other decisions are delegated to committees of the Council and the members of the Executive Committee. The SIDC sits on and/or chairs several of those committees. The incumbent chairs the Technology & Transformation and Remuneration Committees, and Capacity Transfer Panel. He said his role will not involve contact with government.

### Dealings in office

4. Lord Sedwill advised the Committee he did not meet with Lloyd's while in office and there is no relationship between Cabinet Office and Lloyd's. Further, he said he did not have any involvement in any relevant policy development or decisions that would have affected Lloyd's and no commercial or contractual responsibilities relating to Lloyd's. Further, he did not meet with competitors of Lloyd's; nor did he have access to sensitive information regarding these competitors.

### Department Assessment

5. The Cabinet Office confirmed the details provided by Lord Sedwill and confirmed it did not have a relationship with Lloyd's.
6. Cabinet Office said the role is due to start in November 2021 and noted this would be over a year after he left his official role. A number of major government announcements, including COVID responses, the budget and the integrated review, have set out publicly many of the government's latest policy considerations. Thus, the information accessed in post will be outdated. The department confirmed Lord Sedwill has had no access to policy or other departmental information which would give the Lloyd's an unfair advantage.
7. The Cabinet Office said due to the seniority of the official role, conditions limiting lobbying and Lord Sedwill being reminded of his obligations to not share privileged information would seem appropriate.