



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former ministers (the Rules) seeking advice on taking up an appointment as Independent Chair with The Association of British Insurers (ABI). The material information taken into consideration by the Committee is set out in Annex A and B below.
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 time in office, alongside the information and influence a former minister may offer ABI, based on the information provided by you and your former department.
3. The Committee considered whether this appointment was unsuitable given the nature of ABI's work and its focus on lobbying, but the Committee must also consider the information provided by you, ABI and the department about any potential conflict. The Committee has advised that a number of conditions be imposed to mitigate the potential risks to the government associated with this appointment under the Rules, including a condition to ensure the role involves no contact with government; this does not imply the Committee has taken a view on the appropriateness of this appointment for a former minister in any other respect.
4. The Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, 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 risks presented

5. The Committee¹ noted you previously had some dealings with ABI when chairing the House of Commons Treasury Select Committee between July 2017 and July 2019. However it considered it significant that you had no dealings with ABI whilst you were in office as Secretary of State at the Department of Digital Culture, Media and Sport (DCMS); and nor were you involved in development policy or decisions specific to ABI. It therefore assessed the risk that you may have been offered this role as a reward for actions taken in office as low.

6. The Committee noted there is no direct overlap with your responsibilities as Secretary of State at DCMS and your proposed role. There are inherent risks associated with general access to privileged information that could provide ABI, or any other company, with an unfair advantage. However, DCMS confirmed it has no concerns with you taking up this appointment and the Committee noted the amount of time that has already passed since you were in office (20 months). This reduces the risk you have access to relevant privileged information and as with all former ministers, you are subject to an ongoing duty of confidentiality.

7. The most significant risk here related to the nature of the company. ABI is a trade body representing commercial companies - with a significant interest in the UK government's policy and regulations. There is a risk you could be perceived to use your network and influence to assist ABI unfairly.

The Committee's advice

8. The Committee recognised that you and ABI describe your role as being limited to Chairing the Board and its subcommittees to lead on internal governance of the ABI. You and ABI have made it clear there will be no lobbying of government in this role. However, the Committee wishes to make it explicit that it would be inappropriate for you to use contacts gained in office (directly or indirectly) to the advantage of ABI or its members - and that you must not engage with the UK government or its arms length bodies.

9. As is usual, the conditions below also mirror your ongoing duty of confidentiality - preventing you from drawing on any privileged information from your time in ministerial office; and advise you not to become involved in any work ABI may seek to take up with the government, whether commercial bids for work, or for funding (noting this is not a likely area of work).

10. Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee advises this appointment with **The Association of British Insurers** be subject to the following conditions. The Committee would also like to make it clear that the conditions in this case, below, would extend to Arm's Length Bodies of government and therefore this has been added below:

¹ This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Sarah de Gay; Isabel Doverty; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; Lord Larry Whitty. Dr Susan Liautaud was unavailable.

- 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 or any of its Arm's Length Bodies on behalf of The Association of British Insurers (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage The Association of British Insurers (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office you should not have any engagement on behalf of The Association of British Insurers (including parent companies, subsidiaries, partners and clients) with the UK government or its arms length bodies;
- for two years from your last day in office you should not advise The Association of British Insurers (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 or any of its arm's length bodies.

11. 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 as a member of the House of Lords.

12. 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.

13. 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.*" This Rule is separate and not a replacement for the Rules in the House.

14. I should be grateful if you would inform us as soon as you take up this role, or if it is announced that you 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 you had complied with the Rules and the Ministerial Code.

15. Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.

16. 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.

The Rt Hon Lord Pickles

The Baroness Morgan of Cotes

Annex - Material information

The role

1. You sought the Committee's advice on taking up a paid and part time position as an Independent Chair with The Association of British Insurers (ABI).

2. You said ABI is a financial services – Insurance Sector Trade Body. The ABI's website states it operates in the '*insurance and long-term savings industry*', across towns and cities in Britain representing over 200 member companies. ABI states its role is to:

- *'get the right people together to help inform public policy debates, engaging with politicians, policymakers and regulators at home and abroad.*
- *be the public voice of the sector, promoting the value of its products and highlighting its importance to the wider economy*
- *help encourage consumer understanding of the sector's products and practices*
- *support a competitive insurance industry, in the UK and overseas'*

1. You stated you will be an Independent Chair, chairing ABI's main board and a proposed sub-board on consumer issues. You confirmed you do not expect to have contact with the UK government in this role.

3. ABI confirmed with the Committee '*...the purpose of the new independent Chair role (and the new independent NED role) is to lead the internal governance of the ABI in a way that mirrors wider market practice*'. It confirmed the main duties would induce the following:

- a. '*Chair the ABI Board which meets up to eight times a year and is made up of the CEOs of the major insurance and long-term savings firms in the UK. The rationale for moving to an independent chair is to mitigate the risk of groupthink and ensure that the Board is suitably challenged with external perspectives in its internal deliberations.*'
- b. '*Chair a new board committee, the Reputation & Customers Committee that will oversee the ABI's consumer work and consider how to enhance the sector's reputation.*'
- c. '*Be a member of the Board's Appointments & Remuneration Committee that is responsible for approving membership of the ABI Board and overseeing the appointments and remuneration of its executive team.*'

4. The ABI also confirmed you would have no part in lobbying, in keeping with the principles of the government's Business Appointment Rules, noting:

'No part of Baroness Morgan's duties (or those of the other independent Non-Executive Director being appointed alongside her) will involve lobbying on the ABI's behalf. This applies to both direct and indirect lobbying. The ABI has a senior executive team led by its Director General who are responsible for this aspect of the ABI's role. The ABI Board also chooses a president and deputy president from among its CEO membership to represent the sector publicly in any necessary engagement with ministers, regulators or policymakers.'

'To ensure the role remains focused on internal activities, the ABI Board has created a new role of president of the ABI to represent the Board and industry CEOs in external lobbying activity. This role has been filled by the CEO of Royal London Group, Barry O'Dwyer with the deputy president role filled by the UK CEO of Admiral, Cristina Nestares. Mr O'Dwyer and Ms Nestares will therefore be the lead representatives of the ABI Board in any external engagement on its behalf alongside the Director General who is the day to day lead on all lobbying activity of the ABI.

'...Further details are set out in the ABI's public announcement of our governance changes which are available on our website here:

<https://www.abi.org.uk/news/news-articles/2021/07/abi-board-reforms-strengthen-focus-on-improving-trust/>

Dealings in office

5. You stated you had some dealings with the organisation when chairing the House of Commons Treasury Select Committee between July 2017 and July 2019, however confirmed you did not meet with or make any decisions on ABI or their

competitors as Secretary of State for the Department of Digital Culture, Media and Sport (DCMS).

Department Assessment

6. DCMS were consulted on this application. The department confirmed that you did not meet with or make decisions regarding ABI or their competitors whilst at DCMS. It stated no concerns with this application.

7. You informed the Committee you had no official contact with ABI whilst Secretary of State at the Department for Digital, Culture, Media and Sports (DCMS) but did have some limited dealings when you chaired the House of Commons Treasury Select Committee between July 2017 and July 2019. You confirmed you hold no sensitive information related to ABI and no involvement in relevant policy decisions or development affecting ABI.

8. DCMS was consulted about this application. DCMS confirmed you did not meet with and did not make decisions specifically relating to ABI or their competitors.

9. DCMS stated no concerns about you taking up this role.