



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: The Lord Mark Sedwill KCMG, Rothschild & Co

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 Rothschild & Co as a Supervisory Board Member. 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 Rothschild.
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 advice¹. 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 risks presented

5. The Committee acknowledged that Lord Sedwill is currently employed by Rothschild & Co as a Senior Adviser, an appointment for which he previously

¹ 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.

sought and received advice from the Committee². Noting that the Supervisory Board Member position is a new, separate role rather than an expansion of the existing appointment, the Committee deemed it appropriate to assess this case on its own merits.

6. When considering this application, the Committee³ noted that Lord Sedwill did not meet with nor make any decisions specific to Rothschild 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.
7. Lord Sedwill described his role as Supervisory Board Member as being responsible for internal governance of Rothschild, contributing to the Board's permanent oversight of its management of the company - in particular its financial accounting reporting system and internal control mechanisms.
8. As the former Cabinet Secretary and National Security Advisor, the Committee noted Lord Sedwill 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 September, by which point 12 months will have passed since he he had access to information in office; and
 - c. he has an ongoing duty of confidentiality.
9. 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 Rothschild unfairly.

The Committee's advice

10. Given Lord Sedwill's broad access to information, the Committee would draw his 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.
11. Whilst the Committee noted Lord Sedwill's proposed role will not involve contact with government, it wishes to make it clear that it would be inappropriate for him to utilise contacts gained in office (directly or indirectly) to the advantage of

² ACOBA's advice to Lord Mark Sedwill on this previous appointment with Rothschild & Co: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/942221/Advice_Letter_-_MS_and_Rothschild.pdf

³ This application for advice was considered by; Jonathan Baume; Andrew Cumpsty; Isabel Doverty; Sarah de Gay; Dr Susan Liautaud; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; and Lord Larry Whitty.

Rothschild. This helps to mitigate the risk he may be seen to offer the company any unfair advantage. The Committee also advises that he must not be involved in any work Rothschild may seek to take up with the government, whether commercial bids for work, or for funding.

12. The Committee's advice, under the Government's Business Appointment Rules, that Lord Sedwill's role with **Rothschild & Co** should be subject to the following conditions:

- 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 Rothschild & Co, 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 Rothschild & Co (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 Rothschild & Co (including parent companies, subsidiaries, partners and clients); and
- for two years from his last day in Crown service, he should not provide advice to Rothschild & Co (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.

13. 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.

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 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. 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.
17. Please also inform us if Lord Sedwill proposes to further 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.
18. 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,

William Young
Committee Secretariat

Annex - Material information

The role

1. Lord Sedwill said Rothschild & Co is a financial services company. The organisation's website states that as "*one of the world's largest independent financial advisory groups, [it] offer[s] a distinct perspective that makes a meaningful difference to [its] clients' business and wealth.*" The website goes on to state that with "*a team of 3,600 talented financial services specialists on the ground in over 40 countries across the world, [Rothschild] deliver[s] a unique global perspective across three market-leading business divisions.*" These divisions are Global Advisory, Wealth and Asset Management and Merchant Banking.
2. Lord Sedwill said that as a Supervisory Board Member he would be involved in the internal governance of Rothschild & Co. He would contribute to the Board's permanent oversight of the management of the company, in particular its financial accounting reporting system and internal control mechanisms. The Board has four sub-committees: Audit; Remuneration and Nomination; Risk; and Corporate Responsibility. Lord Sedwill stated that he expects to join one or more of these boards. The Supervisory Board has fifteen members, eight of whom are independent. This is Lord Sewill's second application to work with Rothschild.

Dealings in office

3. Lord Sedwill advised the Committee he did not meet with Rothschild & Co while in office and there is no relationship between the Cabinet Office and the company. Further, he said he did not have any involvement in any relevant policy development or decisions that would have been specific to Rothschild and no commercial or contractual responsibilities relating to them. He said he did not meet with competitors of the company; nor did he have access to sensitive information regarding these competitors.

Department Assessment

4. The Cabinet Office confirmed the details Lord Sedwill provided, stating they have no concerns with the appointment and recommended that the standard restrictions be attached.
5. The Cabinet Office confirmed that whilst in government, Lord Sedwill had no official dealings with Rothschild & Co, its competitors, or the sector in which they operate. As per his previous application for his current role with the company, the Cabinet Office stated that Lord Sedwill had a meeting with the Managing Director of Rothschild in July 2020. This was an informal chat, discussing their work as Board Members of the HALO Trust.
6. Regarding the government's relationship with the company, the Cabinet Office stated that in May 2015, the then Chancellor of the Exchequer commissioned Rothschild & Co to undertake an independent review. This was to provide advice on how best to return the Royal Bank of Scotland to private hands, maximising value for the taxpayer. The Cabinet Office noted that at this time Lord Sedwill was the Permanent Secretary at the Home Office.
7. The Cabinet Office said that the role is due to start in September 2021, a year after Lord Sedwill left office. A number of major government announcements including responses to the Covid-19 pandemic, the budget and an integrated review have set out publicly many of the government's latest policy considerations. As such, the Cabinet Office's view is that any privileged information Lord Sedwill had access to will be outdated.