



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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September 2022

**BUSINESS APPOINTMENTS APPLICATION FOR ADVICE: Dan Rosenfield,
former Chief of Staff at 10 Downing Street. Paid appointment with Centrica plc.**

1. Mr Rosenfield 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 an appointment Mr Rosenfield wishes to take up as Director of Strategy with Centrica plc (Centrica). 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 time in office, alongside the information and influence a former Crown servant may offer Centrica.
3. 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; this does not imply the Committee has taken a view on the appropriateness of this appointment for a former Chief of Staff at No.10 in any other respect.
4. The Rules¹ set out that Crown servants must abide by the Committee's advice. 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

5. Mr Rosenfield met with Centrica whilst in post, though this was not in relation to specific policy or commercial decisions, and was for the company to showcase heat pump technology. No government policy was decided as a result of this meeting. There is a significant contractual relationship between the government and Centrica/other businesses within its group to provide energy services. Mr

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

Rosenfield had no involvement in any contractual/commercial decisions across government departments regarding which company provides these services. Therefore, the Committee considered there was no evidence he was offered this role as a reward for decisions or actions taken whilst in post.

6. As former Chief of Staff at Number 10, due to the breadth of his work, Mr Rosenfield would have gained general insight and had access to information that would likely be of benefit to many organisations in this field. Mr Rosenfield was involved in energy and green energy policy including the COP26 summit (which took place in November 2021) and the heat and buildings strategy. The Committee gave weight to a number of other mitigating factors that help to reduce the risks associated with his access to information and insight:

- 7 months have now passed since he was in office and Cabinet Office confirmed the currency of some of his information will have degraded by then because government's policy position with regard to energy and the wider policy environment has changed significantly as a result of the war in Ukraine and the cost of living crisis;
- the majority of the policy he had involvement with has been finalised and published.
- The Cabinet Office confirmed the upcoming change in Prime Minister means any knowledge of the likely future direction of UK energy policy will be further limited.
- He is prevented from drawing on privileged information from his time in office and has an ongoing duty of confidentiality.

7. The Committee considered there was a risk Mr Rosenfield will be seen to have significant influence within government due to his time at No.10.

8. Mr Rosenfield said that during his time in banking and consulting he advised a small number of utilities and energy companies. The Committee agreed with the Cabinet Office and Mr Rosenfield that it was relevant to its consideration that he had experience in this sector prior to joining government.

The Committee's advice

9. Whilst Mr Rosenfield gained expertise, skills and knowledge in this sector prior to joining government, there remains a risk in relation to his broad access to information as a senior adviser to the Prime Minister in Number 10. This is particularly acute given he had some limited involvement in policy relevant to Centrica. However there are a number of mitigating factors as outlined above. In particular, the relevant policy has either been published or significantly moved on since he was in government 7 months ago and he gained experience in this sector outside government, before his time at No.10. The Committee agreed with the Cabinet Office that had 7 months not already elapsed, a waiting period would have been necessary.

10. Mr Rosenfield has confirmed there will be no lobbying of the government in this role, in line with the expectations set out in the Rules. However, there is a risk he could be seen to be offering Centrica unfair access and influence in this role - particularly given the current crisis around energy costs and availability. The

Committee's advice is therefore that he should have no direct engagement with the government on behalf of Centrica. The Committee also advises that he must not be involved in any work Centrica may seek to take up with the government, whether commercial bids for work, or for funding.

11. In the circumstances, the Committee's advice in accordance with the government's Business Appointment Rules is that this role with **Centrica plc** be subject to the below 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;
- for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government or its Arms Length Bodies on behalf of Centrica plc (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Centrica plc (including parent companies, subsidiaries, partners and clients);
- for two years from his last day in Crown service he should not have any engagement on behalf of Centrica plc (including parent companies, subsidiaries, partners and clients) with the UK Government; and
- for two years from his last day in Crown service he should not undertake any work with Centrica plc (including parent companies, subsidiaries, partners and clients) that involves providing advice 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 or its Arms Length Bodies.

12. The advice and the conditions under the government's Business Appointment Rules relate to an applicant's previous role in government only; they are separate to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

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 Ministerial Code/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. Mr Rosenfield must inform us as soon as he takes up this work or if it is announced that he 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 Mr Rosenfield has complied with the Civil Service code. Similarly, he must inform us if he proposes to extend or otherwise change his role with the organisation as depending on the circumstances, it might be necessary for him to seek fresh advice.

16. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website.

Isabella Wynn
Committee Secretariat

Annex - Material information

The role

1. Mr Rosenfield said Centrica is an energy services and solutions company that supplies energy and services to residential and business customers in the UK and Ireland. The company states it is committed to creating a cleaner and greener future and cutting customers emissions and their own to reach net zero. It owns a number of other companies:

- British Gas -the UK's leading energy supply and in-home servicing provider
- PH Jones - provides the social housing sector in the UK with installation and maintenance service for heating, electrical systems and renewable
- Hive - provides smart home products and end to end solutions for household
- Dyno - plumbing, drain and heating specialist
- Local Heros- connects customers with local plumbing, heating, electrical and draining experts across UK and Ireland

2. Mr Rosenfield wishes to take up a paid, part time role as the Director of Strategy of Centrica - reporting into the Group CEO of Centrica. He said he will support the CEO on overall strategy development and execution, focusing on the transition to net zero. The role will not include contact with the government.

3. During his ten years as an investment banker and strategic consultant, he said he served several clients in the energy sector. In investment banking, this involved mergers & acquisitions advisory services and the provision of financing to major energy companies. In consulting, he *'...advised a leading renewable energy supplier on their overall strategy, performance and positioning as well as a number of investors on opportunities in energy infrastructure and the overall regulatory environment. [His] advisory work in the sector helped [him] build up a strong understanding of the commercial drivers underpinning the sector, most notably in relation to the transition to renewable energy generation'*.

Dealings in office

4. Mr Rosenfield stated during the autumn of 2021 he worked intermittently with the Number 10 policy unit to help prepare for the COP summit (which took place in November 2021) and to finalise the UK government's heat and buildings strategy (published in October 2021). He said the direction of UK energy policy had largely been set by the time he joined Number 10 in December 2020 (through the Prime Minister's 10-point plan for a green industrial revolution and the subsequent energy white paper and the heat and buildings strategy was another step in executing the overall policy).

5. Mr Rosenfield said the UK energy policy has evolved substantially since he left government (February 2022), in light of both the war in Ukraine and the cost-of-living crisis. He also noted the government published the 'British energy security strategy' in April 2022 - energy policy he said had been the subject of ongoing debate and frequent evolution. He considers the policy environment has changed

significantly during this time and that has, in effect, rendered obsolete any insights he may have had. He considered the transition to a new Prime Minister in early September will also increase the gain his knowledge/insight.

6. Mr Rosenfield said the Prime Minister held one meeting with the CEO of Centrica, which he attended. The aim of the meeting was for the company '*...to explain and demonstrate to the Prime Minister how a heat pump works, which is precisely what they did*'. He said there was no discussion of wider policy development.

7. Mr Rosenfield noted he worked briefly on government concerns around smaller energy suppliers in late 2021 / early 2022. This work was led by BEIS and he held a small number of meetings to understand their analysis of the vulnerability of smaller, retail suppliers- the scope of work did not include larger suppliers.

8. Mr Rosenfield said he worked briefly on government concerns around smaller energy suppliers in late 2021 / early 2022 although he did not consider these competitors of Centrica. This work was led by BEIS and he held a small number of meetings to understand their analysis of the vulnerability of smaller, retail suppliers. He said the scope of work did not include larger suppliers.

Department Assessment

9. The Cabinet Office confirmed the details provided by Mr Rosenfield. Cabinet Office confirmed Mr Rosenfield meet with the CEO of Centrica while in government. It stated the meeting essentially explained to the PM how heat pumps actually worked. It confirmed no wider policy discussion took place and no policy decisions were made as a result of this meeting.

10. The Cabinet Office noted the wider public sector (e.g. departments, local authorities, NHS Trusts) have numerous contracts with Centrica and its respective businesses (e.g. British Gas, Hive). Crown Commercial Service negotiated a £60m contract with British Gas for electricity requirements across a range of HMG departments and ALBs. This was awarded in 2017 and lasted for an initial three years. However the department confirmed Mr Rosenfield had no involvement in any funding or contractual decisions specifically affecting Centrica.

11. The Cabinet Office said he was in a very senior role at No.10, and for this reason he had access to a wide range of high-level policy and departmental information across all government business. The Cabinet Office did not raise any specific concerns and his involvement in energy policy would be '*...high-level but not necessarily deep*'. It said 7 months had now passed since he was out of office and the currency of some of his information will have degraded.

12. The Cabinet Office confirmed government's policy position with regard to energy and the wider policy environment have changed significantly since his time in Crown service given the war in Ukraine and the cost of living crisis. This means that the currency of information he had access to is likely to have degraded. Further, the forthcoming change in Prime Minister means that his knowledge of the likely future direction of UK energy policy will be limited.

13. The Cabinet Office said Centrica is a highly significant company in the UK at the moment, and this appointment may receive attention in the press. However, it noted Mr Rosenfield's previous experience working with utilities in his roles prior to working within government. It noted that this lowers the risks associated with his access to information because of the value and knowledge individuals can bring is not limited to their time/work in government.

14. The Cabinet Office recognised the potential perception risk of the profile that energy policy has taken on within the media/ public consciousness. As such, though it considered the risk of Centrica standing to gain from information Mr Rosenfield had access to is low, there remains a risk it may be perceived that Centrica could benefit from this appointment as a result of his time in office. Therefore, had more than 6 months not already elapsed, a waiting period may have been considered. The Cabinet Office recommended the standard conditions