

*From the Chair*



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

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**BUSINESS APPOINTMENT APPLICATION: Mr Sajid Javid, former Secretary of State for Health and Social Care (DHSC) and Chancellor of the Exchequer - paid appointment with 'Centricus Partners LP'.**

1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former ministers (the Rules) on your proposal to work with Centricus Partners LP.
2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during your time in office, alongside the information and influence you may offer Centricus Partners LP (Centricus). The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
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. When considering this application, the Committee<sup>1</sup> noted as an investment firm and financial advisory firm there is a stakeholder relationship between Centricus and His Majesty's Treasury (HMT). HMT and DHSC stated that you did not meet with Centricus while you were in office. As a finance advisory firm with an office based in the UK it will, however, have been affected by overall decisions made by HMT, including decisions in which you were involved. The Committee noted these decisions impacted

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<sup>1</sup> This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Jonathan Baume; Sarah de Gay; The Rt Hon Lord Pickles; Richard Thomas and Mike Weir. Lord Whitty was unavailable.

the whole sector and not just Centricus and that there is no funding relationship between HMT and Centricus. As a result there is no evidence you made any decisions in expectation of this role.

6. There are two separate and distinct risks associated with your access to information. Firstly the Committee considered your time as Secretary of State for DHSC. This proposed role with Centricus has limited overlap with your time at DHSC and the department had no concerns with your access to information. Your access to information during your time role as Chancellor poses the greatest risk in this application. Given your time as Chancellor, you will have significant knowledge of fiscal and monetary policy. The Committee recognised this information could be perceived to offer an unfair advantage to Centricus, specifically information regarding potential at-risk firms.
7. The Committee took into account there are a number of mitigating factors that help to significantly reduce the risks associated with your access to information and insight that may be seen to offer Centricus an unfair advantage:
  - you are prevented from using market sensitive information on potentially at risk firms, not only due to the conditions below which prevent you from drawing on privileged information, but due to Financial Services and Markets Act 2000 (FSMA 2000);
  - it has been over three years since you were Chancellor;
  - the change in government administration including four new chancellors means the information you had access is unlikely to be wholly up to date; and
  - HMT has no concerns about taking up this post.
8. Given your previous roles, there are risks attached to your potential to offer unfair influence or access to government. This is especially relevant as Centricus has an interest in UK government policy. The Committee noted you have stated that your proposed role will not involve contact with the government.
9. There are risks related to Centricus' unknown clients - should you advise clients you had contact with during government, or if you were to advise on matters you had involvement in whilst at DHSC.
10. It is also relevant that you are returning to a career and sector you have over 19 years of experience in before joining government.

### The Committee's Advice

11. Whilst you had expertise, skills and knowledge in this sector prior to joining government, there remains a risk in relation to your broad access to information in office. The Committee has determined the time that has passed since your time at HMT, alongside the conditions below, limit the risks under the Rules in relation to insight derived from any information you had access to.
12. In the circumstances, the Committee's advice in accordance with the government's Business Appointment Rules is that this work with **Centricus Partners LP** should be subject to the following conditions:
  - You should not draw on (disclose or use for your own benefit or the benefit of persons or organisations to which this advice refers) any privileged information available to you from your time in Crown service;

- for two years from your last day in Ministerial office, you should not become personally involved in lobbying the UK government and its arm's length bodies on behalf of Centricus Partners LP (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in government and/or Ministerial office to influence policy, secure business/funding or otherwise unfairly advantage Centricus Partners LP (including parent companies, subsidiaries, partners and clients);
  - for two years from your last day in Ministerial office, you should not provide advice to on behalf of Centricus Partners LP (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 or any of its arm's length bodies; and
  - for two years since your last day in Ministerial office, you should not advise Centricus Partners LP or its clients on any work with regard to any policy you had material involvement in or specific responsibility for as Secretary of State for Health and Social Care nor where you had a relationship with the relevant business during your time as Secretary of State for Health and Social Care.
13. The advice and the conditions under the government's Rules relate to your 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 individual's responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.
  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 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. You must inform us as soon as your appointment is live or is announced. You must 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.
  17. Once this appointment has been publicly announced or set 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 Eric Pickles

## Annex - Material information

### The Role

1. You said Centricus is a London-based international investment firm, focused on financial advisory, private equity and asset management. You said Centricus is the principal operating entity of the Centricus Group. Its website says Centricus oversees over \$40bn in assets and targets high absolute returns in four core sectors: Financial Services, Technology, Infrastructure and Consumer, Media, Entertainment and Sports (CMES).
2. You said you wish to take up a paid, part-time role as an advisor. You said your role will be advising the company and its clients on global economic outlook, geopolitics and financial markets. You also said there is no contact with government.
3. You informed the Committee prior to your time in Parliament, you spent 19 years as an international investment banker and are very familiar with the type of business and drawing on your knowledge and experience gained through your previous work at Deutsche Bank and Chase Manhattan Bank. You said you are returning to the field of work you operated in before joining government.

### Dealings in Office

4. You advised the Committee that you did not meet with Centricus whilst in office. You said you did not have any involvement in policy, regulatory or commercial decisions that would have been specific to the company.

### Departmental Assessment

5. HMT and DHSC provided their views on this application. DHSC confirmed it had no concerns with this appointment.
6. HMT confirmed it has no relationship with Centricus and confirmed you did not meet with Centricus while in government. It said you would have met on a regular basis with a number of investment firms and funds, some of which may be competitors to Centricus.
7. HMT said during your time as Chancellor, you will have made a number of policy decisions that are likely to have affected parts of the financial sector, some of which may have impacted Centricus but confirmed none of these decisions would have been specifically directed at Centricus.
8. HMT said during the period you were Chancellor, you would have been privy to sensitive information related to specific financial institutions in line with HM Treasury's financial stability objective. HMT noted not all of the information that you were privy to can '*...safely be assumed to be no longer confidential with the passage of time – in particular, the underlying causes of risks to certain 'potentially at risk' firms could still remain extremely sensitive*'. But noted the political and economic landscape has changed significantly since you resigned as Chancellor.
9. HMT also noted you continue to remain subject to your obligations for handling market sensitive information and for the information that you had access to during your period as Chancellor, i.e, at risk firms, was shared by the Bank of England, the Prudential Regulatory Authority and/or the Financial Conduct Authority to HM

Treasury through a confidential information gateway (this gateway is explicitly set out in legislation which highlight the restrictions on disclosure, which if not adhered to constitute a criminal offence.

10. HMT and DHSC had no concerns with the appointment and recommended the standard conditions.