



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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October 2022

BUSINESS APPOINTMENT APPLICATION: Sir Charles Roxburgh KCB, former Second Permanent Secretary at HM Treasury. Application to establish an independent consultancy.

1. Sir Charles, former Second Permanent Secretary at HM Treasury (HMT), 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 his proposal to establish an independent consultancy. 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 Sir Charles' time in office, alongside the information and influence a former Second Permanent Secretary at HMT may offer their consultancy and its future clients.
3. The Committee considered whether setting up this consultancy was unsuitable given that it has a focus on the financial services sector, overlapping with Sir Charles' work in office. The Committee also considered the information provided by HMT about his specific dealings in the sector.
4. The Committee has advised that a number of conditions and a waiting period 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 a former Second Permanent Secretary setting up such a consultancy in any other respect.
5. 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 of the risk presented

Consultancy

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.

6. Sir Charles proposes to set up a consultancy focused on potential financial services clients in both the UK and the US. He said he plans to advise senior leaders including Chief Executives, Chairs and Boards on strategic or organisational issues - on matters such as corporate or business unit strategy, top level organisational structure and effectiveness, and strategic risk management. He said he might also take on similar advisory assignments for professional services firms.
7. It would not be improper for Sir Charles to operate a consultancy which draws on generic skills and experience he gained from his time in Crown service and previous experience in the financial services sector. The potential risks are hard to quantify given the broad and wide ranging nature of the consultancy and that clients are as yet unknown. Given his former roles as Second Permanent Secretary, he will have had oversight of a wide range of information and policy that may provide an unfair advantage to a broad range of organisations. The Committee² considered there is a significant risk that Sir Charles' clients, particularly those in the financial services sector, may be considered to gain from his privileged insight that is unavailable to its competitors.
8. The Committee took into account there are a number of mitigating factors that help to reduce the risks associated with Sir Charles' access to information and insight that may be seen to offer his future clients an unfair advantage:
 - HMT informed the Committee that its policy moves quickly as it evolves and is finalised and published (for example, regular budgetary announcements).
 - HMT said any policy matters he was involved in will have moved on within 6 months of his last day in Crown service:
 - A new Chancellor of the Exchequer joined in July, after Sir Charles left Crown service.
 - A new Economic Secretary to the Treasury ('...*the minister responsible for most of Charles's portfolio*') joined in July, after Sir Charles left Crown service.
 - A new Prime Minister was appointed, and a new Cabinet formed in September.
 - HMT stated any policy he was involved in up until 30 June will likely be out of date by the end of 2022.
 - He is prevented from drawing on privileged information and has an ongoing duty of confidentiality.
9. The Committee considered it significant that Sir Charles is continuing his career in consulting and financial services, where he gained expertise and knowledge from his experience outside of government before he joined HMT. However, he held a senior and pivotal role within HMT and seeks to establish an independent consultancy overlapping with his responsibilities in office. Therefore, there remains a risk Sir Charles has privileged insight and influence that could be seen to offer an unfair advantage.
10. Given Sir Charles' role at the very centre of HMT, there are risks attached to his potential to offer unfair influence or access to government.
11. The government's Rules state that as the former Second Permanent Secretary at HMT, Sir Charles is subject to a three month waiting period as standard. The

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

Committee considered this consultancy should be made subject to a six month waiting period from his last day in Crown service to put a gap between his time at HMT and him offering advice so closely related to his role in office. Alongside this waiting period, the broad risks associated with the work he may take up with clients in the future can be mitigated through conditions which prevent him from: drawing on privileged information; lobbying the UK government; and working on bids and contacts with the UK government.

12. This advice provides Sir Charles consent only to set up a consultancy, subject to a number of conditions. It does not give him consent in relation to any possible future clients. He must seek advice in relation to each client, so that risks can be assessed and it will need to be demonstrated by him and HMT that the work would be appropriate under the Rules.

Future commissions

13. Sir Charles must seek advice from the Committee for each commission he wishes to accept. Whether the conditions set out below can sufficiently mitigate the risks presented by any future commission he proposes to take up will depend on the specific details of each piece of work. Any failure to seek advice before accepting work would be a breach of the Rules and treated as such - including reporting breaches to the government.
14. The risks under the Rules will be most significant where Sir Charles seeks to provide advice on matters where he had insight or access to sensitive information in office - these applications will need close scrutiny. The Committee agrees with HMT that these risks are most likely to arise in relation to anything related to the policy he worked on in the last 18 months. The Committee will want to carefully consider the suitability of this work, and may advise that a further waiting period is required. Where conditions and a suitable waiting period cannot appropriately mitigate the risks, the Committee may advise the work is unsuitable³ to take up within the two years the Rules apply. The Committee will consider such risks on a case by case basis.
15. All potential clients must be notified of this advice, and when seeking work/new clients, Sir Charles must adhere to the conditions below. Under the government's Business Appointment Rules, the Committee advises that this **independent consultancy** should be subject to the following conditions:
 - a waiting period of six months from his last day in Crown service (6 months from 30 June 2022);
 - 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 and its arm's length bodies on behalf of those he advises under his independent consultancy (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage those he advises under his independent consultancy (including parent

³ Should an applicant subsequently take up or announce this work, ACOBA will publish relevant information.

companies, subsidiaries, partners and clients);

- for two years from his last day in Crown service, he should not provide advice to on behalf of those he advises under his independent consultancy (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 from his last day in Crown service, before accepting any commissions for his independent consultancy and or/before extending or otherwise changing the nature of his commissions, he should seek advice from the Committee. The Committee will decide whether each commission is consistent with the terms of the consultancy and consider any relevant factors under the Business Appointment Rules.

16. The advice and the conditions under the government's Business Appointment Rules relate to Sir Charles' 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.
17. 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.
18. 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*'.
19. You must inform us as soon as Sir Charles' company is live or is announced. 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 Sir Charles has complied with the Rules. You must also inform us if Sir Charles proposes to extend or otherwise change the nature of his consultancy as, depending on the circumstances, it may be necessary for him to make a fresh application.
20. Once Sir Charles' consultancy 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.

Yours Sincerely,

William Young
Committee Secretariat

Annex - Material information

The role

1. Sir Charles said his proposed consultancy work would focus on financial services clients in both the UK and the US. He said he plans to advise senior leaders including Chief Executives, Chairs and Boards on strategic or organisational issues, including corporate or business unit strategy, top level organisational structure and effectiveness, and strategic risk management. He said he might also take on similar advisory assignments for professional services firms.
2. Sir Charles said he would operate as a sole practitioner. If any projects require a dedicated project team, he said he would work either with an internal team provided by his client, or with an external consultancy retained by his client.
3. Sir Charles said he would not take on any assignments which require regulatory approval, for example, advice on mergers or acquisitions, nor would he take on any lobbying work.
4. Sir Charles said he would be resuming his former trade from before he entered government. He worked for Arthur Andersen from 1981 to 1984, and then McKinsey & Company from 1986 until 2013, when he joined HMT. At McKinsey, Sir Charles said he specialised in financial services work where he advised top management at leading banks, insurers and asset managers on issues of strategy, risk management and organisation - the areas he proposes to work in under his consultancy.

Department Assessment

5. HMT provided its views on this application, confirming the details Sir Charles provided.
6. HMT confirmed Sir Charles was actively involved policy matters over the past 18 months, most notably:
 - Future Regulatory Reform
 - Financial Services and Markets Bill
 - Solvency II
 - Financial Policy Committee related issues
 - Financial Stability Board related issues
 - COVID-19 related support schemes
 - UK Infrastructure Bank
 - British Patient Capital
 - Pool Re
 - Disposal of State Owned Assets

HMT stated any policy Sir Charles was involved in up until his last day in post (30 June) will likely have moved on or been announced publicly by the end of this year (2022). The department said '*...with the recent changes in Economic Secretary and Chancellor and the appointment of a new Prime Minister and Cabinet in September, it is quite likely that some of these policies will change over the coming months*'. HMT said Sir Charles would have no knowledge of how these policies have changed given he is not privy to the new ministerial steers.

7. HMT said '*Given the breadth of Sir Charles' relationships across the financial services sector, it is quite likely that he will have had contact while at HMT with his*

potential future clients'. The department said many of these relationships pre-dated his time at HMT and had been formed before he joined the Civil Service. The Permanent Secretary, noted HMT benefited '*... greatly from the insights and relationships that Sir Charles brought with him from the private sector when he joined in 2013*'.

8. HMT said given its proposed restrictions below, including a waiting period, it believes '*...there is no risk of impropriety over Sir Charles' proposal to establish an independent consultancy*' - particularly given he seeks to return to his former profession as a consultant and adviser to senior management.
9. HMT recommended the standard conditions, a 3 month waiting period, and that '*...for a period of 6 months from his last day in Crown Service, Charles should not take on any assignment which involved advising clients (UK or international) on:*
 - *Issues relating to the UK markets - both retail and wholesale financial services, and across all sectors of UK financial services, i.e. banking, insurance, asset management, payments or FinTech*
 - *Issues relating to current and future potential UK regulatory regime*
 - *Issues relating to specific areas of financial services policy on which [he] had been actively engaged at HMT over the past 18 months (specifically: Future Regulatory Reform, the Financial Services Bill, Solvency 2, FPC-related issues, FSB-related issues, any Covid related support scheme, the UK Infrastructure Bank, British Patient Capital, Pool Re, disposal of State Owned Assets)*
 - *Or where [his] relationship with the potential client stems primarily from [his] time at HM Treasury rather than from [his] pre-existing network of relationships from [his] time in the private sector*'.
10. HMT recommended 6 months would be appropriate on these issues because:
 - a new Chancellor of the Exchequer and a new Economic Secretary to the Treasury ('*...the minister responsible for most of Charles's portfolio*') have joined HMT since he left the department in June; and
 - a new Prime Minister was appointed, and a new Cabinet formed in September.
 - As a result of these changes, HMT said '*...any policy in development that Charles was privy to is likely to change or evolve within this period*'. Further, the department said '*...there is very likely to be a fiscal event in the autumn therefore rendering any policy knowledge that Charles may have had relating to that as out of date*'.