

*From the Chair*



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

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**BUSINESS APPOINTMENT APPLICATION: The Rt Hon Nadhim Zahawi MP, former Minister Without Portfolio at the Cabinet Office, Chancellor of the Duchy of Lancaster, Minister for Intergovernmental Relations, Chancellor of the Exchequer at His Majesty's Treasury and former Secretary of State for Education at the Department for Education. Paid application to join the Adam Smith Institute.**

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 a paid role as Co-President/Director with the Adam Smith Institute (ASI).
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 the ASI. 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**

5. The Committee<sup>1</sup> noted that during your time as Minister, you had the following interactions with ASI:
  - a. Speaking at ASI events
  - b. Contact at roundtable events - a number of years ago in 2020. While at DfE, you nominated two individuals from ASI to be considered for an honour whilst at DfE, but they were moderated out during the process - these personal individuals, nor ASI benefitted in the end.

All departments confirmed you did not make any decisions specific to the ASI and there is no contractual relationship with any of the departments. Therefore, the risk that this appointment could reasonably be perceived as a reward for decisions or actions taken in office is low.

6. As a think tank, the Adam Smith Institute will have an interest in government policy. The Committee noted there is no specific overlap with your time in office but as a former Minister you may have access to general information that may provide an unfair advantage. There are a number of mitigations that limit the risks associated with your access to information, including;
  - It has been 5 months since he left office
  - The time that has passed since your time in government including two fiscal events and two chancellors - further reducing the relevance of any information you may possess during your time at HMT;
  - The short period you stayed in recent roles - Cabinet Office as CDL: 7 weeks and as Minister Without Portfolio: 3 months and as Chancellor at HMT for 2 months.
  - Much of the information you had access to for a limited period as CDL is either publicly available or significantly out of date
  - It has been 10 months since you were at DfE.
7. As a former minister, there are inherent risks associated with your contacts and influence within government, especially as the Adam Smith Institute has an interest in influencing government policy. The Committee noted your role does not involve contact with government.

### **The Committee's advice**

8. The Committee did not consider this appointment raises any particular proprietary concerns under the government's Rules. There are inherent risks associated with your access to sensitive information and contacts which the standard conditions below appropriately mitigate. In particular, they prevent you from drawing on your privileged information and using your contacts and influence within government to the unfair advantage of the Adam Smith Institute.

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

9. In accordance with the government's Business Appointment Rules, the Committee advises this role with the **Adam Smith Institute** be subject to the following conditions:
- 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 its arm's length bodies on behalf of the Adam Smith Institute (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial office to influence policy, secure business/funding or otherwise unfairly advantage the Adam Smith Institute (including parent companies, subsidiaries, partners and clients); and
  - for two years from your last day in ministerial office, you should not undertake any work with the Adam Smith Institute (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 arm's length bodies.
10. The advice and the conditions under the government's Business Appointment Rules relate to your previous roles 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 your personal responsibility to understand any other rules and regulations you may be subject to in parallel with this Committee's advice.
11. 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 or otherwise.
12. 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.
13. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. 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.

14. 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

## **Annex - Material Information**

### The role

1. You stated the Adam Smith Institute is a think tank and educational charity. Its website states the Adam Smith Institute is one of the world's leading think tanks. Independent, non-profit, and non-partisan, they work to promote neoliberal and free market ideas through research, publishing, media commentary, and educational programmes.
2. In your paid, part-time role (4 days per year) as Co-President/Director, you stated your responsibilities would be:
  - Chairing meetings with Leadership team
  - Advising on overall strategy
  - Supporting hiring decision
  - Liaising with donors
  - Legacy planning
3. You stated you were offered the role as the Adam Smith Institute is legacy planning and want additional support at a management level.
4. You stated you will not have contact with government.

#### Dealings in office

5. You advised the Committee that you met with the ASI during your time as a minister whilst in office. You said you have spoken at an event for the ASI and other think tanks.
6. You said you did not have any involvement in policy, regulatory or commercial decisions that would have been specific to the company.

#### Departmental Assessment

7. The Cabinet Office , HM Treasury (HMT), the Department for Education (DfE), the Department for Energy Security and Net Zero (DESNZ) & the Department for Science, Innovation and Technology (DSIT) were consulted on your application.
8. DfE confirmed you attended a ministerial reception in October 2021 in a speaker capacity where an individual from the ASI was on the attendee list and you also attended their Christmas party in 2021 as a guest speaker.
9. DESNZ confirmed you spoke at events for the ASI & the department added that prior to the machinery of government change, the Department for Business, Energy and Industrial Strategy (BEIS) held economic recovery roundtables (June 2020) at which both you and the ASI were present. These roundtables are public knowledge and were on the topic of inward investment as part of covid recovery.
10. Your former departments confirmed you did not make any decisions specific to the ASI during your time as Minister, nor do they have a relationship with

the ASI, other than as a think-tank and they have engaged in respect of independent research.

11. The Cabinet Office added that you were *'...ultimately responsible for the cross-Government 'modernisation and reform' programme, including shared responsibility for the drive to increase efficiency. Some of the decisions that relate to these programmes may indirectly affect the Adam Smith Institute's research given its focus on civil service efficiency and improvement. Nevertheless, the applicant was not the Minister directly responsible, had very limited interaction in the short time he held the post with decisions relating to reform of the Civil Service, the policy context has changed significantly since he held the post, and our view is that any decisions would in any case have been of very little direct impact on the work of the ASI.'*
12. Your former departments confirmed you do not have access to privileged information of concern.
  - HMT stated: *'The applicant would have had access to internal HMT advice on key policy areas such as tax, that would be of interest to the Adam Smith Institute to develop their own proposals and analysis and wouldn't otherwise be available publicly. However, given his time in post was relatively short and did not cover a fiscal event, in practice the advice on tax provided was limited. On top of that, over 8 months have passed since his time in post, including two fiscal events and two further chancellors, further reducing any risk.....over 8 months have passed since his time in post, including two fiscal events and two further chancellors, further reducing any risk'*
  - CO stated: *'No information that would still be materially relevant. In his role as CDL, as above, he would have received information about the nature and forward planning for the Government's modernisation and reform programme; nevertheless, much of this was public information at the time, and it is all significantly out of date now. As CDL, given the cross-cutting nature of the position and status as a senior Minister within Cabinet, the applicant had access to a wide range of sensitive information, and also to a lesser extent in his capacity as Minister Without Portfolio (given he was a member of the Home Affairs Committee). We judge that none of it, given the nature of ASI's work and the time elapsed, would offer an unfair insight/advantage to the organisation.'*
  - DESNZ stated: *'Given the time elapsed since the applicant was in post in this department it is unlikely this is of concern.'*
13. Your former departments did not have any concerns with the appointment and recommended the standard conditions.