



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Dr Michael Webb, former Special Adviser to the Prime Minister and Chancellor of the Exchequer (Joint No. 10 / HM Treasury Economic Unit). Application to establish a new university.

1. Dr Michael Webb, former Special Adviser to the Prime Minister and Chancellor of the Exchequer, 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 a new university. 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 Dr Webb's time in office, alongside the information and influence a former Crown servant may offer a newly established university.
3. The Committee considered whether setting up this university was unsuitable given that it has a focus on the higher education sector, overlapping with Dr Webb's work in office. The Committee also considered the information provided by HM Treasury (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 Crown servant official setting up such a university 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

6. Dr Webb said he intends to start a new university. Given the early stage of his plans, he said details may change. He said the social mission of the university will be '...to

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.

greatly increase the number of students with access to the highest quality STEM education in the world, with a particular emphasis on access, inclusion, and employment outcomes. Dr Webb expects the university to have an entrepreneurship focus, and would like it to be *'...the obvious choice for students who are excited about innovation and technology'*. He said he expects to be the Chief Executive Officer (CEO) of the university.

7. It would not be improper for Dr Webb to operate a university which draws on generic skills and experience he gained from his time in Crown service and previous experience in the higher education sector. The Committee² also recognised his university may be considered to gain from his privileged insight that is unavailable to its competitors. Given his former role in office, he will have had oversight of a wide range of information and policy, more specifically on the higher education and science and innovation sectors, that may provide an unfair advantage to his university.
8. The Committee took into account there are a number of mitigating factors that help to reduce the risks associated with Dr Webb's access to information and insight that may be seen to offer his university an unfair advantage:
 - The majority of the policy he worked on has been announced and is now in the public domain.
 - Any policy that has not been finalised, namely on the domestic replacement for the EU's Horizon Europe programme³, is continuing to be worked on or developed, and so will have moved on from the last time he had access to this information.
 - He is prevented from drawing on privileged information and has an ongoing duty of confidentiality.
 - Dr Webb had no oversight of or involvement with the Office for Students, the non-departmental public body responsible for regulating universities.
 - HMT and the Department for Education (DfE) had no concerns in respect to his access to information.
9. The Committee considered whether Dr Webb's proposed contact with government in this role would be proper. He noted this contact would be limited to starting and operating a university and he would not seek funding from government. This proposed contact would be limited through the already established and regulated process managed by the Office for Students. The Committee also considered the nature of the organisation as a higher education institution is relevant. In the circumstances it did not consider this proposed contact would be improper, or inconsistent with the lobbying ban, given the already established and regulated channels set up by the Office for Students.

The Committee's advice

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

³ Horizon Europe is the EU's key funding programme for research and innovation, tackling climate change and the UN's Sustainable Development Goals, as well as boosting the EU's competitiveness and growth (https://ec.europa.eu/info/research-and-innovation/funding/funding-opportunities/funding-programmes-and-open-calls/horizon-europe_en).

After the UK withdrew from the EU, it announced that it would associate to Horizon Europe. However, this has not been formalised, and government has been making plans for a replacement domestic programme (<https://www.ukri.org/apply-for-funding/horizon-europe/>, <https://www.nature.com/articles/d41586-022-01676-1>).

10. The Committee would draw Dr Webb's attention to the conditions below, specifically the lobbying and contracts and bids ban, which makes it clear he should not use his contacts or influence to the unfair advantage of his university. This is specifically relevant if the university was to receive funding from the government.
11. Whilst Dr Webb has gained expertise, skills and knowledge in the higher education sector prior to joining government, there remains a risk in relation to his access to information. The Committee therefore considered Dr Webb's university should be made subject to a three month waiting period from his last day in Crown service. This will create distance between his time in government and this work. The Committee determined the remaining can be appropriately mitigated by the conditions below. These make it clear Dr Webb cannot make use of his access to privileged information or influence gained from his time in Crown service to the unfair advantage of his university.
12. The Committee advises under the government's Business Appointment Rules that Dr Webb's university be subject to the following conditions:
 - a waiting period of three months from his last day in Crown service;
 - 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 any of its arm's length bodies on behalf of his university (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 his university (including parent companies, subsidiaries, partners and clients); and
 - for two years from his last day in Crown service, he should not involve himself in work for or on advice to his university, its partners or subsidiaries, in relation to the terms of bids or contracts relating directly to the work of the UK government or any of its arm's length bodies.
13. The advice and the conditions under the government's Business Appointment Rules relate to Dr Webb'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.
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. As with all Special Advisers, the Committee makes this recommendation on the understanding that, if Dr Webb has not already done so, he must confirm in writing to his department that he recognises that he continues to be bound by the provisions of the criminal law (including the Official Secrets Act) which protect certain categories of information, and by his duty of confidentiality owed to the Crown.
17. You must inform us as soon as Dr Webb’s university 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 Dr Webb has complied with the Rules. You must also inform us if Dr Webb proposes to extend or otherwise change the nature of his university as, depending on the circumstances, it may be necessary for him to make a fresh application.
18. Once Dr Webb’s university 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. Dr Webb said he intends to establish a new university. As Founder and CEO, he said his role would involve all aspects of setting up a new university. Given the early stage of his plans, he said details may change.
2. Dr Webb said the social mission of the university will be *‘...to greatly increase the number of students with access to the highest quality STEM education in the world, with a particular emphasis on access, inclusion, and employment outcomes’*. He expects the university to have an entrepreneurship focus, and would like it to be *‘...the obvious choice for students who are excited about innovation and technology’*.
3. Dr Webb said he expects the university to begin with a single campus in the UK. If it is successful, he seeks to expand to other campuses in various towns and cities around the country, particularly to places that do not currently have a university. If this is successful, Dr Webb said the university may also set up campuses abroad, particularly in countries with a strong need for higher education for economic development.
4. Dr Webb said the university would initially be in-person only, though it may eventually have some online elements or offerings. He intends to offer only undergraduate courses (Level 6) in the first instance, though this may later expand to Level 4, Level 5, and Level 7. Dr Webb said the university may provide courses (i.e. as a vendor) to

businesses, for example through degree apprenticeship schemes.

5. Dr Webb said he expects the university to begin by offering a single degree, likely Computer Science with Management, though plans to expand to a *'full spectrum'* degree offering in future years. He intends for students to apply only to the institution (rather than to a degree course), and to choose their degree once they are there, as per the US model. Dr Webb said this would be important for achieving the university's diversity goals.
6. Dr Webb said he expects to be the CEO of the university in the first instance. However, he expects the institution to: rapidly hire a large number of faculty and other members of staff; appoint a governing body of independent members with strong formal governance arrangements; and (if it is for-profit/hybrid rather than non-profit), have a distributed ownership structure post-financing.

Contact with government in role

7. Dr Webb said *'...starting and operating a university requires interacting with government, given higher education is heavily regulated in the UK, and given, for example, the predominance of government funding for academic research'*. He said he does not expect to have dealings with his former department, nor to lobby any ministers or officials.
8. Dr Webb expects the university to seek registration, degree awarding powers and a title from the Office for Students (a non-departmental public body sponsored by DfE⁴), and to be subject to the regulated undergraduate tuition fee regime. He said he had nothing to do with the Office for Students, nor its policy or processes whilst in office.
9. Dr Webb does not currently plan on providing courses (i.e. as a vendor) to government, but said he *'...would not want to rule this out in perpetuity'*.

Funding

10. Dr Webb said the university's model as a for-profit, non-profit or hybrid institution depends on the availability of philanthropic and venture funding. He expects the university to solicit philanthropic donations and/or venture investment, and/or any other funding sources that may be available, including from the government (e.g. capital grants from the Office for Students capital grants) and business (e.g. through sponsorship schemes).
11. Dr Webb said *'...by virtue of the university being subject to the regulated undergraduate tuition fee regime (if it completes the required regulatory processes successfully), once it starts accepting degree-seeking students, there will be a regular flow of funds from the Student Loans Company to the university on behalf of students taking out student loans to pay for their tuition'*. Dr Webb said he does not believe this would be a risk because:
 - the loans are being made to the students, not the university;
 - this process is part of a *'...very well-established regulatory regime that is well-understood by the public'*;
 - the relevant regulators are independent public bodies, not part of central

⁴ <https://www.officeforstudents.org.uk/about/who-we-are/>,
<https://www.officeforstudents.org.uk/about/how-we-are-run/>

- government; and
 - he *'...had nothing to do with any of the relevant processes, nor the Office for Students, nor the Quality Assurance Agency for Higher Education'*, during his time in government.
12. Mr Webb said he intends to raise funding for this university via his *'...professional network of philanthropists, investors, and other relevant individuals'* from his career before government. He said he would rely on this network exclusively, and would not approach any contacts he made as a direct result of his time in government.
13. Dr Webb said he does not expect the university to take part in the UK's Research Excellence Framework funding. However, he does not wish to *'...definitively rule this out at this stage'*. He expects some faculty to conduct research, and thus to apply for government-sponsored research grants where appropriate.

Department Assessment

14. HMT provided its views on this application, confirming the details Dr Webb provided.
15. HMT said Dr Webb was involved in some policy development processes relating to student finance reform and research and development spending as an adviser to the Chancellor. The department said it does not think this appointment could be perceived as a reward.
16. HMT said Dr Webb had *'...occasional meetings with the sector in which he plans to establish a business (the further education sector)'*.
17. HMT said it has consulted policy leads in DfE who considered Dr Webb's role in government and whether this had given him any policy insights, access to information or particular relationships which would make it improper for him to take up this position. The department's assessment was as follows:
- *'He has not had insights into the development of DfE policies on which the government's position has yet to be decided and put in the public domain.'*
 - *'He seems to have helped on the HMT negotiating position in the run up to cross-Whitehall agreement on student finance and HE reform/[Lifelong Loan Entitlement] consultations in the first couple of months of this year, but the student finance policy position is now published policy and known to any HE provider (or potential market entrant).'*
 - *'He does not have any insight into (yet to be) concluded policy decisions after HE reform/[Lifelong Loan Entitlement] consultations, so there isn't a material inside track we need to guard against there.'*
18. Given DfE's assessment, HMT said it has no concerns about this appointment and does not believe that it could be perceived as a reward.
19. HMT said it has no reservations about this application and recommended the standard conditions.