



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

G/7 Ground Floor, 1 Horse Guards Road SW1A 2HQ

Telephone: 020 7271 0839

Email: [acoba@acoba.gov.uk](mailto:acoba@acoba.gov.uk)

Website: <http://www.gov.uk/acoba>

July 2023

**BUSINESS APPOINTMENT APPLICATION: David Hughes, former Director General Rail Infrastructure at the Department for Transport. Paid appointment with Arup.**

1. Mr Hughes 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 he wishes to take up with Arup.
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 Mr Hughes' time in office, alongside the information and influence a former Director General at the Department for Transport (DfT) may offer Arup. 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 Committee considered whether this appointment was unsuitable given Mr Hughes' former role as Director General Rail Infrastructure at DfT and the company's work in the rail sector. The Committee also considered the information provided by the department about his specific dealings with this employer and the sector. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions and a waiting period to mitigate the potential risks to the government associated with the appointment under the Rules.
5. The Rules set out that Crown servants must abide by the Committee's advice<sup>1</sup>. It is an applicant's personal responsibility to manage the propriety of any

---

<sup>1</sup> Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The King's Regulations and the Diplomatic Service Code

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 risks presented**

6. Arup is a professional services firm with a focus on the built environment, specialising in design, planning, engineering and programme management. Arup has a commercial relationship with the government, including DfT. The department confirmed Mr Hughes' was not responsible for the contracting decisions, which fell to others. Importantly, the vast majority of contracts with DfT fell outside of his portfolio (the Rail Network Enhancements Pipeline). He has had no direct sight of or involvement in the one small contract within his team. As such there is no evidence he made decisions or took actions in office in expectation of this role.
7. As the former Director General responsible for rail enhancement, Mr Hughes will have had significant knowledge of privileged material in this area, specifically the government's Rail Network Enhancements Pipeline policy. He seeks to advise Arup and its clients on set-up, delivery and oversight of complex major programmes. Given Arup's involvement in transport, Mr Hughes could offer Arup an advantage over its competitors due to his access to sensitive information, particularly in the UK national rail sector.
8. The Committee<sup>2</sup> agrees with DfT that there are a number of mitigating factors that help reduce the risks associated with his access to information:
  - DfT confirmed all projects in the Rail Network Enhancements Pipeline are known. There is some limited information not the public domain - which relates to Spending Review 21 and likely to be in the public domain shortly;
  - DfT and Mr Hughes will take steps to manage the potential conflict of interest during his remaining time in office to remove his access information that could be seen to offer Arup and unfair advantage; and
  - Mr Hughes' experience and expertise in this area was not gained only from his last 2 years in government but during his 16 years experience in the transport sector prior to joining the government; and
  - there are areas of the rail sector that Mr Hughes had no responsibility for whilst in government - he had no involvement in localised / metro rail during his time in DfT. The department said localised models of rail transport (e.g. trams, urban rail/metro etc) sit outside of DfT's remit/responsibility and are overseen and run by the relevant local authorities. Further, the sponsorship of which sits with the Director General for Roads & Local Transport - not within Mr Hughes' area.
9. While the risks associated with his access to information is limited, as above, the unknown nature of the projects and clients he will be working on means it's not possible to identify all the risks. The Committee considers the risks are most likely to arise in respect of the UK rail sector.

---

<sup>2</sup> This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Sarah de Gay; Isabel Doverty; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir and Lord Larry Whitty.

10. As Director General Rail Infrastructure, Mr Hughes will have gained contacts within the UK government. As such there is a risk his network and influence gained in office might be used to assist Arup unfairly.

### The Committee's advice

11. Mr Hughes has gained extensive expertise, skills and knowledge in infrastructure projects, including specifically within transport prior to joining government. Arup has a significant commercial relationship with DfT - including in relation to the rail sector (though the vast majority are outside his responsibility, for example High Speed 2). Given this commercial relationship and his involvement in potentially relevant policy the Committee considered it was necessary to limit the role and ensure there is a gap between his access to information and decision making at DfT and his joining Arup.
12. The Committee recognised the opportunity for him to offer an unfair advantage is limited, given the publication of the majority of the information he worked on; and he is prevented from drawing on privileged information. Without knowing the specific projects and clients the Committee cannot assess the specific risks. Given the evidence provided by the department, the Committee considered Mr Hughes would not offer any particular privileged information or commercial advantage to Arup and its clients in localised / metro rail sectors. The Committee agreed with DfT that he should be prevented from advising Arup on its business in the UK national rail sector including, but not limited to, HS2.
13. The Committee determined a three month gap between his access to information and decision making in DfT would be proportionate to the risks. The Committee agreed with DfT that this waiting period could be a combination of restricted duties whilst he remains in post between May and July before his last day as Director General at DfT on 21 July, before taking this role up in September. The Committee understands restricted duties removed him from potentially conflicting matters - including but not limited to his current portfolio: the Rail Network Enhancements Pipeline; the Investment Portfolio and Delivery Committee; the Rail Tier 2 Board; and discussions on current or potential future transport investment decisions.
14. If Mr Hughes or the department should become aware of any circumstances that would be relevant to his application and this advice, in the gap between receiving this advice and taking up this role, he should revert to the Committee for further advice.
15. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Committee's advice is this appointment with **Arup** be subject to the following conditions:

- a waiting period<sup>3</sup> of three months;

---

<sup>3</sup> A waiting period places a gap between certain work and taking up paid employment, in this case from the date his access to information and decision making was restricted (May 2023). A waiting period prevents any work until the waiting period has passed.

- 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 on behalf of Arup (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 Arup (including parent companies, subsidiaries, partners and clients);
  - for two years from his last day in Crown service he should not undertake any work with Arup (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; and
  - for two years from his last day in Crown service, he should not advise Arup or its clients on the UK national rail sector including but not limited to HS2.
14. 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.
15. 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.
16. 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
17. Mr Hughes must inform us as soon as he takes up employment with this organisation(s), or if it is announced that he will do so. Mr Hughes must also inform us if he proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him to make a fresh application.

18. 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.

Yours sincerely

Isabella Wynn  
**Committee Secretariat**

## **Annex - Material information**

### **The role**

1. Mr Hughes said Arup is a professional services firm with a focus on the built environment, specialising design, planning, engineering and programme management. Mr Hughes said Arup is a well-established, long standing global professional services firm. Its main area of focus relates to the built environment, with its core service offering being in the fields of design, planning, engineering and programme management. It offers the following services:
  - Advisory services
  - Buildings (building design, electrical engineering, architecture, building physics etc)
  - climate and sustainability
  - Digital
  - Infrastructure (airport planning, tunnel design, rail engineering, civil engineering)
  - Planning (town planning, economic planning, smart cities)
  - Technical Consulting (Wind engineering, transport consulting, fluid dynamics).
2. Mr Hughes said the role on offer is a newly created role, within the Arup advisory service business. He said the role is the provision of advisory services relating to the set-up, delivery and oversight of complex major programmes. The role will be working with clients globally and across a range of industry sectors, clients are expected to include some public sector programmes, at both local and national government, in the UK and internationally.
3. Prior to joining the Civil Service in January 2021 as DG Rail, Mr Hughes worked for 16 years in the transport sector (mainly rail) – from 2004 to 2019 in various roles with Transport for London (mainly London Underground); and in 2020 (for 12 months) as Strategy and Programme Director with Transport for the North. His transport career means he has significant skills and expertise in transport and major infrastructure programme delivery from his time prior to joining HMG.

### **Dealings in office**

4. Mr Hughes said as Director General with responsibility for rail enhancement he was involved in policy decisions and development affecting this area.
5. Mr Hughes said the only official contact that he has had in the last two years with Arup and its competitors has been at a small number of stakeholder or industry events (e.g. rail industry conferences). Mr Hughes said he was responsible for people who had contractual dealings with Arup. He said DfT has a contractual relationship with Arup. It currently has a contract with Arup worth £250k offering technical cost assurance in respect of Trans Pennine Route Upgrade (TRU) Programme. The lead official in Rail Infrastructure with responsibility for this contract is Farha Sheik, Programme Director, TRU, Rail Infra North. He said he had no role in the award of this contract.

## Department Assessment

6. DfT confirmed the details provided by Mr Hughes and said it has a contractual relationship with Arup. DfT said its only current contract is in respect of the Trans Pennine Route Upgrade (TRU) programme. This contract was handled by a Programme Director that sits within Mr Hughes' Group and reports to the Director of Rail Infrastructure North who in turn reports to Mr Hughes. DfT explained how Mr Hughes' role and team operates:
  - As Director General, Rail Infrastructure Mr Hughes is accountable for recommending to ministers the overall pipeline and portfolio of rail improvements (outside of High Speed Rail) with ministers and for securing HMT funding – known as the Rail Network Enhancements Pipeline (RNEP).
  - Delivery partners (Network Rail, East West Rail etc.) are then responsible for the planning and the delivery of the projects and any associated commercial decisions.
  - Members of Mr Hughes Group - Rail infrastructure then oversee the individual projects to ensure they are delivered in line with the department's overall requirements (outputs, time, cost).
  - As DG Mr Hughes has limited involvement in the individual projects and programmes within the portfolio, SRO accountability for which rests with his Directors.
  - *'In essence, his role is to coach, challenge and support the Director SROs, and also drive improvements in DfT's overall sponsorship capability. His interaction with the supply chain is minimal and only in the context of industry events etc. In tenure Mr Hughes has not had a single project specific discussion with any supplier – let alone a commercial or contractual one.'*
7. It confirmed Mr Hughes has not been party to the procurement process for the award of contracts to Arup or its competitors and has not seen commercial proposals from Arup's competitors.
8. As DG for Rail Infrastructure his responsibility in office was for the Rail Network Enhancements Pipeline (RNEP) - the approach applied to all rail enhancements within England and Wales which are in receipt of funding from central government (i.e. from the Department for Transport) excluding the High Speed 1 network and the planned core High Speed 2 network. DfT stated all of the projects in the RNEP are known. The only information that is not in the public domain is official confirmation of which projects will no longer be progressed as a consequence of decisions taken in Spending Review 21 - although DfT noted that across industry, '...the fact Network Rail has demobilised the relevant project teams has not gone unnoticed'. DfT said it is the Rail Minister's intent is to publish a revised RNEP document as soon as possible after the local elections – adjusting for the impact of the Spring Budget - at which point this information too will be in the public domain. Mr Hughes is aware of options being considered for the current and future projects, which are not yet in the public domain. DfT noted decisions have not yet been made and would reasonably be expected to be in the public domain by the time of taking up the

appointment.

9. Mr Hughes is also currently a member of the Executive Committee, Investment Portfolio and Delivery Committee (IPDC) and the Rail Tier 2 Board. The Investment Portfolio and Delivery Committee considers advice to ministers on economic, financial and commercial decisions across the certain projects and programmes across all stages of the project lifecycle.
10. The department also said Mr Hughes had no involvement in localised / metro rail during his time in DfT. It said localised models of rail transport (e.g. trams, urban rail / metro etc) sit outside of DfT's remit/responsibility as these forms of transport are overseen and run by the relevant local authorities. The sponsorship sits with the Director General for Roads & Local Transport - not Mr Hughes. Mr Hughes had no responsibility for this individual or this area of transport. DfT has no contracts with Arup in this area. The Director General for Roads & Local Transport confirmed this is devolved and any contracting would be done by the relevant local authority/company.
11. The department confirmed it has taken steps to focus Mr Hughes' work with DfT from rail reform to the process to establish a new ALB (Great British Railways). Once Mr Hughes submits his resignation he will serve a 3 month minimum notice period in which the department will remove him from the IPDC and Rail Tier 2 committees to reduce any perception of potential future exposure to future commercial decisions, involving ARUP or its competitors. The department said he '...would remain on the Executive Team which steers the Department's strategic vision; maintains a strategic oversight of and provides scrutiny to the Department's policies and delivery commitments, and takes key management decisions across the Department as the content of the papers and risk of providing an unfair advantage are low and his membership remains necessary to support the administration of the department'.
12. In summary DfT will handle Mr Hughes' exit and during this period he will:
  - move the principal focus of his role to preparing for the establishment of Great British Rail;
  - stop attending DfT's Board Investment and Commercial Committee where decisions are made on commercially sensitive investments across all transport modes, typically for projects above £500m, and the Rail Tier 2 Board, typically for projects between £50m and £500m; and
  - recuse himself from 'all other substantive discussions relating to current or potential future transport investment decisions.
13. The Department considers that there is no conflict of interest subject to restrictions to manage conflict and recommended the below conditions:
  - A managed exit, reducing his access to information and influence for 3 months;
  - standard conditions
  - a restriction excluding him from working on activities relating to Arup's UK rail infrastructure business.



