



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Matthew Sinclair, former Chief Economic Adviser to the Prime Minister, Cabinet Office, application to establish an independent consultancy.

1. Mr Sinclair 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- seeking to work with clients in the technology, media, and telecoms sectors respectively, which he did prior to joining government. 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 Mr Sinclair made during his time in office, alongside the information and influence he may offer his potential clients.
3. There is provision in the government's Rules to vary the length of the conditions applied¹. The Committee applies conditions for two years unless there are exceptional reasons to do otherwise. The Committee determined there were exceptional circumstances in the specifics of Mr Sinclair's application which means time limited conditions have been applied for 6 months - a proportionate measure to mitigate potential risks under the Rules given that he spent a total of 47 calendar days in government office in Autumn 2022. The Committee's advice is not an endorsement of this application in any other respect.
4. The Rules² set out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of

¹<https://www.gov.uk/government/publications/business-appointment-rules-for-crown-servants/business-appointment-rules-for-crown-servants>

² 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

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

5. In his application Mr Sinclair said his consultancy will work '*providing economic analysis and thought leadership to corporate clients with a focus on the technology, media, and telecoms sector*'. Mr Sinclair told the Committee he worked extensively as a consultant in these sectors prior to joining government.
6. It would not be improper for Mr Sinclair to operate a consultancy which draws on generic skills and experience he gained from his limited time in government (and his prior experience). The Cabinet Office considered it is highly likely that the value of information Mr Sinclair had accessed has been degraded and the risk of him advising future clients on matters that overlap with his work in office is limited. As a former Chief Economic Adviser at No. 10, the breadth of his insight is a risk. However, the Committee³ agreed with the department that the risks are low given the mitigating factors below:
 - he was in office for less than two months and he has now been out of office four times as long
 - the changes in government administration (a new Prime Minister has been appointed, and a new Cabinet formed)
 - the policy involvement he had on two particular economic issues are no longer sufficiently up to date to provide any unfair advantage as matters have moved on significantly, and information is in the public domain on the (then) government's position
 - it is also significant that Mr Sinclair is bound by the Official Secrets Act and an ongoing duty of confidentiality.

The Committee's advice and the length of conditions applied

7. The Committee considered the circumstances of this appointment highly unusual given Mr Sinclair's tenure was limited to 47 calendar days and therefore this significantly limited his exposure to government policy and decision making. The Cabinet Office, as owner of the government's Rules, described it as disproportionate to the risks in this case to apply conditions for the two years that the Rules apply.
8. The Committee agreed with the Cabinet Office and determined there were exceptional circumstances in the specifics of Mr Sinclair's application. The Committee did not consider that, after 6 months, there could be a reasonable suspicion Mr Sinclair would be gaining clients, or unfairly influencing the government as a result of the 47 days he spent in No.10 in the autumn of 2022. The Committee determined that applying time limited conditions for six months

³ This application for advice was considered by Sarah de Gay; Isabel Doverty; Mike Weir; Richard Thomas; The Rt Hon Lord Pickles; Jonathan Baume; and Lord Larry Whitty. Andrew Cumpsty was absent.

(significantly longer than he was in post) would be proportionate to the risks under the Rules.

9. The Committee would also draw to Mr Sinclair's attention that he has an ongoing duty of confidentiality and the condition below which prevents him from drawing on privileged information - which are not time limited.
10. Under the government's Business Appointment Rules, the Committee would have advised that this **Independent Consultancy**, should be subject to the conditions set out below, - noting that as more than six months have now passed, the privileged information ban continues to apply to this work.
 - 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 six months 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 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 the government and/or Crown service contacts to influence policy, secure business/funding or otherwise unfairly advantage those he advises under his independent consultancy (including parent companies, subsidiaries, partners and clients);
 - for six months 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 six months 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.
11. The advice and the conditions under the government's Business Appointment Rules relate to an individual'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 individual's responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.
12. 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.

13. 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."*
14. You must inform us as soon as Mr Sinclair's company is live or is announced. You must also inform us if Mr Sinclair 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.
15. 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

Xante Chalwell
Committee Secretariat

Annex - Material information

Independent consultancy

1. Mr Sinclair wishes to set up a consultancy that will be providing economic analysis and thought leadership to corporate clients with a focus on technology, media, and telecommunications sectors.
2. Mr Sinclair does not currently have a list of clients.

Dealings in office

3. Mr Sinclair said his role as Chief Economic Adviser involved providing economic policy advice to the Prime Minister.
4. Mr Sinclair said he was not involved in making decisions around specific businesses. Further, Mr Sinclair confirmed that he had specific insight regarding two industrial policy areas: Doncaster Sheffield Airport and energy and investment support packages for the steel industry. Both of these areas have now moved on - with the closure of the airport and government's approach to supporting the steel industry at the time in the public domain.

Department assessment

5. The Cabinet Office said that given this is a new company and Mr Sinclair has no prospective clients, it is highly unlikely that the role could be considered a reward for actions taken while in government.
6. The Cabinet Office said that the 'extreme brevity' of Mr Sinclair's tenure is highly relevant; alongside his previously well-established career outside of government as: a Director at Deloitte and the Chief Executive of The TaxPayers' Alliance. Therefore, it considered it likely Mr Sinclair would be perceived as using his previous talents and reputation from his time before government to obtain and deliver on behalf of future clients.
7. The Cabinet Office said Mr Sinclair was only in office for a matter of weeks. It is highly unlikely that - in such a short period of time - he will have gained significant policy information that could benefit his proposed consultancy or a future client. Particularly as since Mr Sinclair left government, the focus of the new administration has changed significantly, and any knowledge he had is now degraded.
8. The Cabinet Office, as owner of the government's Business Appointment Rules, asked the Committee to consider the exceptional circumstances of this case- where Mr Sinclair was in post for only a number of weeks. The Cabinet Office said that it would be disproportionate to the risks in Mr Sinclair's case to apply the conditions for the standard two year period. It recommended to the Committee that conditions apply for 6 months (notwithstanding that Mr Sinclair has ongoing duty of confidentiality beyond this).