



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Mr Mark Sweeney CB, former Director General, Domestic and Economic Affairs, Cabinet Secretariat at the Cabinet Office. Paid application to join Lloyds Banking Group.

1. Mr Sweeney 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 taking up a role with the Lloyds Banking Group (Lloyds) as Group Public Affairs Director.
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 Sweeney's time in office, alongside the information and influence she may offer Lloyds. 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 Rules set out that Crown servants must abide by the Committee's advice¹. 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 risks presented

5. As a national financial institution, Lloyds is regulated by the Financial Conduct Authority² and is a major stakeholder to government. The Committee noted that Mr Sweeney's role in office was to broker agreement at the later stages of the policy process and legislative programme - not to formulate or decide

¹ 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

² The Financial Conduct Authority is an arm's length body of His Majesty's Treasury

policy. The Cabinet Office confirmed he was not involved in decisions specific to Lloyds and he did not meet with the company during his time in post. The Committee³ considered the risk this role could reasonably be perceived as a reward for decisions made in office is low.

6. Given the range of policy areas Mr Sweeney worked on, albeit at the latter stages of the policy process, there is a risk he may have access to sensitive information which may be of interest to a financial institution. There are a number of mitigating factors which significantly limit this risk:
 - The Cabinet Office is not aware of any specific information Mr Sweeney had access to that would provide Lloyds an unfair advantage.
 - The policy matters Mr Sweeney had access to during his time in post were at a high level and at a late stage of the process. Therefore the information would either have been made public by now following a decision, or have significantly changed in light of new policy directions.
 - It has also been 15 months and there have been changes in government administration and policy direction since he left government, which significantly reduces the currency of any sensitive information he had access to.
 - The Cabinet Office does not have concerns regarding his access to information and he has an ongoing duty of confidentiality.
7. The Committee considered there are risks associated with Mr Sweeney's influence and network of contacts in government. Particularly, as he seeks to take up a role that operates in public affairs - which could be construed as seeking to influence the UK government on behalf of Lloyds. This would be contrary to the lobbying ban which applies to all former senior civil servants for 2 years on leaving office.
8. Mr Sweeney said he will not contact the government and it is significant that Lloyds confirmed that:
 - a. it will adhere to the Rules and the conditions of this advice;
 - b. Mr Sweeney will not lobby the government whilst subject to the Rules; and
 - c. lobbying activity would fall to others already employed by the company.

The Committee's advice

9. Mr Sweeney and Lloyds confirmed there will be no lobbying of the government in this role, in line with the expectations set out in the Rules. However, given the focus of the role on public affairs and engagement, there is a risk he could be seen to offer Lloyds unfair access to, and influence within, government. Therefore, the Committee's advice is that Mr Sweeney should have no direct engagement with the UK government on behalf of Lloyds. Mr Sweeney noted that there may be times that the government wishes to contact Lloyds - any contact initiated by the government would not be contrary to Rules or the Committee's advice.

³ This application for advice was considered by Andrew Cumpsty; Sarah de Gay; Isabel Doverly; Hedley Finn OBE; The Rt Hon Baroness Jones of Whitchurch; The Rt Hon Lord Pickles; Michael Prescott; and Mike Weir. Dawid Konohey-Atulu CBE was unavailable.

10. The Committee considered the conditions below will sufficiently mitigate the risks in this case. These seek to prevent Mr Sweeney from drawing on his privileged information, contacts and influence gained in Crown service to the unfair advantage of Lloyds.
11. The Committee advises, under the government's Business Appointment Rules, that Mr Sweeney's role with **Lloyds Banking Group** should be subject to the following conditions:
- Mr Sweeney 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 Lloyds Banking Group (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 Lloyds Banking Group (including parent companies, subsidiaries, partners and clients);
 - for two years from his last day in Crown service, he should not provide advice to Lloyds Banking Group (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 the UK government or any of its arm's length bodies; and
 - for two years from his last day in Crown service, he should not have any engagement on behalf of Lloyds Banking Group (including parent companies, subsidiaries, partners and clients) with the UK government.
12. The advice and the conditions under the government's Business Appointment Rules relate to an individual's previous role in government only; there are separate rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the Registrar of Lords' Interests⁴. 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
13. 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

⁴ All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on the obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Civil Service Code or otherwise.

14. 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*'.
15. Mr Sweeney must inform us as soon as he takes up employment with this organisation, or if it is announced that he will do so. He must also let us know 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.
16. 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,

Hamzah Rizvi
Committee secretariat

Annex - Material Information

The role

1. Lloyds Banking Group plc is a British financial institution formed through the acquisition of HBOS by Lloyds TSB in 2009. It is one of the UK's largest financial services organisations, with 30 million customers and 65,000 employees. As a financial institution, Lloyds is regulated by the Financial Conduct Authority.
2. In his paid, full-time role, Mr Sweeney stated the role of Group Public Affairs Director is to enable Lloyds Banking Group to understand and respond effectively to political, policy, regulatory and reputational issues. His responsibilities will include:
 - leading the Group Public Affairs function to advise on and manage the company's reputation and engagement with government, regulators, politicians of all parties and a range of other stakeholders stretching from church leaders to think tanks to trade bodies;

- providing expert counsel and support to the Chief Executive, Group Corporate Affairs Director and other senior leaders across the Group;
 - ensuring that the Bank can identify and respond to issues and opportunities emerging from legislation, regulation and wider policymaking and political activity, convening policy development and expertise across the Bank as needed;
 - overseeing the work of the Group's Regulatory Policy Director to help them lead the Group's engagement on the regulatory environment;
 - protecting and enhancing the Group's reputation with stakeholders across the UK, and overseeing the successful delivery of effective engagement activities across the United Kingdom through the Group Ambassador programme in the UK's nations and regions;
 - developing of a variety of engagement activities designed to build reputational capital and drive business outcomes among the Bank's stakeholders on behalf of the Group and its leadership;
 - undertaking representational duties on behalf of the Bank as needed;
 - managing the flow of constituency issues raised by elected representatives.
3. Mr Sweeney noted as a large economic institution in England, there may be circumstances where the UK government initiates contact or requests attendance at an event.
 4. Mr Sweeney stated that the final formal offer was received from Lloyds Banking Group in December 2023 following an approach through a headhunter and a recruitment process comprising a series of interviews.
 5. Mr Sweeney confirmed that he and Lloyds Banking Group will ensure he observes any restrictions advised by the Committee in carrying out his duties for the remainder of the period of two years since he left government. Lloyds Banking Group provided the following confirmation that Mr Sweeney's role will be separated from lobbying:

'The role of the Group Public Affairs Director is to enable Lloyds Banking Group (LBG) to understand and respond effectively to political, policy, regulatory and reputational issues. The role is a wide ranging one. LBG is aware of the importance of the Business Appointment Rules (BARs) and of compliance with them. LBG undertakes that it will require Mr Sweeney to comply with any conditions advised by ACOBA under the BARs. In particular, Mr Sweeney will not engage in any lobbying of the UK government during the remainder of the period of two years after his departure from government, and this will not form part of his duties. Any engagement with government of this nature by LBG would be carried out by existing LBG colleagues with these responsibilities.'

Dealings in office

6. Mr Sweeney informed the Committee that he did not meet with Lloyds Banking group; neither did he have access to sensitive information; nor was he involved in any decisions specific to the Lloyds Banking Group.

7. Mr Sweeney noted in his previous role in government that he *'...had general access to information about a wide range of Government policies; but that was (a) been at a relatively high level and (b) is generally near the point at which the policy in question is finalised and announced publicly.* He added that, *'I would in any event, of course, be required to respect the condition in place which prevents the use of privileged information by any civil servant resigning and taking up outside employment'*.

Departmental Assessment

8. The Cabinet Office confirmed that Mr Sweeney had no official dealings with Lloyds Banking Group, and had no involvement in policy development for banking or financial services whilst in service.
9. The Cabinet Office confirmed that Mr Sweeney did not have contact with Lloyds Banking Group, or its competitors. The Cabinet Office said it does not hold a relationship with the company - but as a financial institution, it is accountable to the Financial Conduct Authority (and a stakeholder to HMT).
10. The Cabinet Office said Mr Sweeney would not be privy to sensitive information given the remit of his former role in office. It stated that Mr Sweeney's former business unit was *'...often involved at a relatively late stage of the process - i.e. when agreement on such policies is required. Given this, deep knowledge of such policies is not necessary as the applicant and his team perform a brokering and diplomatic role in ensuring that collective cabinet government works effectively. Therefore, while the applicant will have been aware of a wide range of Government policy, this will often have been of policies that were due to be announced shortly. Additionally, the individual has been out of service for over one year, ... it is highly likely that any privileged information or unannounced policy the applicant may have been exposed to will have subsequently been announced or made redundant since his departure in November 2022 (particularly given the change in Prime Minister at that time). The applicant will have a deep understanding of how HMG operates and the potential areas of focus for a new administration. This, however, is information reasonably gathered during the course of a career and does not - in and of itself - represent a direct threat to the integrity of government'*.
11. The Cabinet Office did not have concerns with Mr Sweeney's appointment and recommended the standard conditions.