

From the Chair



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

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

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BUSINESS APPOINTMENTS APPLICATION FOR ADVICE: The Rt Hon Chloe Smith MP, former Secretary of State for Science, Innovation and Technology at the Department of Science, Innovation, and Technology. Paid appointment with Zellis UK Limited (Zellis).

1. You approached the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for Former Ministers (the Rules) seeking advice on taking up a paid role as a Strategic Advisor for Zellis.
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 Zellis, as a former minister. 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 of the risks presented

5. As Secretary of State for Science, Innovation, and Technology for a limited period of three months, you had responsibility for AI and technology. During this time you did not meet with, nor were you involved in policy, regulatory or

commercial decisions that specifically affected Zellis during your time in office. Therefore, the Committee¹ considered that the risk that this role could be seen as a reward for your decisions in office is low.

6. There is a general overlap between your role at the Department for Science, Innovation and Technology (DSIT) and your proposed role with Zellis given it is an AI-enabled provider. As such, there is a potential risk related to your access to sensitive information. However, there is a limited risk the information you possess could provide an unfair advantage:
 - you were at the department for only three months covering maternity leave;
 - you have now been out of office for 18 months, creating a significant gap between your access to information and your role with Zellis,
 - there is now a different administration in place, the direction of policy is changing and much of what you worked on is now in the public domain. For example, the Online Safety Bill is now an Act of Parliament and the AI White paper has been published and further subsequent work has been published in relation to this work.
7. As with any former minister, there are inherent risks associated with your contacts and influence within government and the potential for Zellis to gain unfair access or influence as a result. You note that the company is likely to have some contact with the government. Further, that you are cognisant of the lobbying ban that applies to all former ministers for two years from leaving office - which prevents you from seeking to influence government on behalf of Zellis.

The Committee's advice

8. The Committee considered the risks associated with your access to information to be limited for the reasons above. The Committee considered the risks can be appropriately mitigated by the standard conditions below. These seek to prevent Zellis gaining an unfair advantage as a result of your privileged access to information, contacts and influence whilst in government.
9. In accordance with the government's Business Appointment Rules, the Committee advises that this appointment with **Zellis UK Limited** be subject to the following conditions:

¹ This application for advice was considered by Hedley Finn OBE; Sarah de Gay; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Eric Pickles; The Baroness Thornton; and Mike Weir. Isabel Doverty was absent, and Andrew Cumpsty and Michael Prescott were recused.

- 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 any of its arm's length bodies on behalf of Zellis UK Limited (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 Zellis UK Limited (including parent companies, subsidiaries, partners and clients); and
 - for two years from your last day in ministerial office, you should not provide advice to or on behalf of Zellis UK Limited (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.
10. The advice and the conditions under the government's Business Appointment Rules relate to your previous role in government only; they are separate from 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' Interests.² 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.
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 Civil Service 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*

² 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 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.

organisation by which they are employed, or to whom they are contracted or with which they hold office."

13. You must inform us as soon as you take up employment with this organisation(s), 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. Zellis is a UK and Ireland leading provider of AI-enabled payroll and HR solutions.
2. You wish to take up a paid, part-time role as a strategic advisor with Zellis. You said your core responsibilities within this role are to provide strategic advice to the company regarding the UK labour market and innovation data, and leading on internal workshops.
3. You said that whilst you are subject to the government's Business Appointment Rules (and ACOBA's advice) you would not use contacts, influence policy nor secure business for Zellis. You stated that during this period you will not engage with government at a relevant level for areas for which you had responsibility in your role as Secretary of State at DSIT.

Dealings in office

4. You said that you did not make any decisions specific to Zellis in office, nor did you meet with the company.

Departmental assessment

5. DSIT confirmed the details in your application. Further it noted:
 - a. as Secretary of State you would have been exposed to privileged information relating to AI and tech that would have impacted AI digital/tech companies.
 - b. This was for a limited period of three months, not 18 months ago and little, if any, of this will still be relevant due to time passed, the change in government and information now made public³.
6. DSIT also said your role at the department was time-limited to 3 months.

DSIT recommended standard conditions.

³ For example, ACOBA notes the Online Safety Bill is now law and the AI white paper has been published and subsequent work has followed and been announced.