



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

Room G/8, 1 Horse Guards Road, London, SW1A 2HQ

Telephone: 020 7271 0839

Email: acoba@acoba.gov.uk

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

18 February 2020

BUSINESS APPOINTMENT APPLICATION: Dr Philip John Rycroft CB

1. The Committee has been asked to consider an application from Dr Philip Rycroft, former Permanent Secretary at the Department for Exiting the EU (DExEU), who seeks to take up a role with PricewaterhouseCoopers (PwC).

2. Dr Rycroft's last day in Crown service was 29 March 2019. As Permanent Secretary, he had responsibility for leading the department in all its work on the Government's preparations for Brexit (DExEU is responsible for the negotiations to leave the EU and establishing the future relationship between the UK and EU). Dr Rycroft was previously Second Permanent Secretary at the DExEU from March to October 2017. (In both roles he has maintained his role as Second Permanent Secretary at the UK Governance Group, Cabinet Office where he led the group, responsible for constitutional and devolution issues, a role he took up in 2015).

Appointment Details

3. Dr Rycroft intends to take up a paid, part time role as an independent non-executive member of the PwC UK Public Interest Body, involving 20 days of work per year. He stated the body is responsible for considering the public interest aspects of the UK firm and that he, along with all independent non-executives will:

- have oversight of the UK firm's policies and procedures for promoting audit quality (helping the UK firm secure its reputation more broadly including non-audit business and reducing risk of firm failure);
- review people management policies and procedures such as the effectiveness of the UK firm's risk management and internal control policies and procedures; and
- be responsible for overseeing compliance with the firm's code of conduct.

4. Dr Rycroft confirmed the role is unlikely to include contact with the UK Government.

5. Dr Rycroft informed the Committee he had previous official contact with PwC and their clients during his outreach work on Brexit. This included attending roundtable events majoritively organised by the Government and twice at PwC hosted events. He confirmed the nature of the contact was to brief on Brexit related policy and to help understand the concerns of the business and clients around Brexit. He confirmed that he did not have any involvement in the development of departmental policy or policy decisions specific to PwC. Additionally, that he was not involved in commercial or contractual decisions at DExEU regarding PwC.

6. This application was considered by Director General Secretariat and Deputy Secretary to the Cabinet and DExEU who confirmed that:

- the contact with PwC was similar to that with other businesses, which would have been his mandate as Permanent Secretary;
- he made efforts to distance himself from wider business engagement between January and March 2019;
- whilst he would of had access to policy information which might be relevant to PwC and its clients generally, he would not have had any direct influence on decisions affecting the company or the consultancy sector;
- due to his seniority, he would of had access to a wide range of sensitive information, including policy related to the UK's exit from the EU that may be relevant to PwC and its clients; and
- the application should be made subject to conditions which prevent the use of privileged information, engaging with bids and contracts relating to and lobbying the Government.

The Committee's Consideration

7. The Committee¹ noted Dr Rycroft had some interaction with PwC and its clients by way of briefing and outreach meetings on Brexit and attendance at events. However, the department confirmed that this was in line with his official responsibilities as Permanent Secretary and true of his contact with other businesses. The Committee also noted that he had no direct or indirect involvement in commercial or contractual decisions regarding the company; nor did he had direct involvement in policy specific to the consultancy sector or PwC. As such, the Committee considered the risk he was offered the role as a reward for decisions or actions taken in office is low.

8. The Committee noted that given his seniority, he would have had access to EU Exit related policy across the field which may be relevant to PwC and its clients. The Committee considered the time which has passed, the fast paced nature of EU Exit policy and negotiations, and the changes in administration since he left office reduces the risk of this information being sufficiently up to date to be considered significantly providing an advantage. The Committee considered the ban on using privileged information alongside a ban on advising on Brexit related matters insofar as it pertains to his time in office, mitigates

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Baroness Angela Browning; Dr Susan Liautaud; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood. Terence Jagger was unavailable.

the risks associated with his access to information from his time as Permanent Secretary at DExEU.

9. As a former Permanent Secretary and given his seniority, there are inherent risks associated with his influence and contacts within the UK Government. Whilst this would not fall within the nature of the role he has described, which is internally focussed, the conditions imposed below also mitigate any inherent risks here. The conditions make it clear he must not advise PwC or its clients in relation to bids and contracts with the UK Government; and make it clear that use of his contacts to the unfair advantage of PwC and/or its clients would be improper.

10. Under the Government's Business Appointment Rules, the Prime Minister accepted the Committee's advice that this appointment with PricewaterhouseCoopers should be subject to the following conditions:

- he should not draw on (disclose or use for the benefit of himself or the 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 PricewaterhouseCoopers (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 PricewaterhouseCoopers (including parent companies, subsidiaries, partners and clients);
- for two years from his last day in Crown service, he should not undertake any work 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 undertake any work that involves providing advice on Brexit related issues, insofar as it pertains to the negotiating position of the UK Government prior to the date upon which he left Crown service, whether generally or regarding trade negotiations.

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

13. I should be grateful if you would inform us as soon as Dr Philip Rycroft CB takes up employment with this organisation, or if it is announced that Dr Philip Rycroft CB will do so, either by returning the enclosed form or by emailing the office at the above address. 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 Philip Rycroft CB has complied with the Rules.

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.

Yours Sincerely

Andrea Benjamin
Committee Secretariat