

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>

September 2024

BUSINESS APPOINTMENT APPLICATION: Leo Docherty, former Minister of State for the Armed Forces at the Ministry of Defence. Prior to that, Parliamentary Under Secretary of State for Foreign, Commonwealth and Development Affairs at the Foreign, Commonwealth and Development Office. Paid appointment with International Hospitals Group Limited.

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 role as an Advisor for International Hospitals Group Limited (IHG).
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 IHG 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. IHG is a privately owned UK company. Its website says it aims to provide British healthcare development and management expertise to overseas countries. It is a stakeholder of the UK government, and has received significant support from UK Export Finance (UKEF) for exporting and investment in hospital projects in other countries.¹ You said that your role will be to advise the company on geopolitical risk, international emerging healthcare trends, and global economic and market trends. You were engaged as a consultant by IHG between 2014 and 2017 to advise on the same topics – you are therefore returning to a similar role you held before entering parliament, with a company with which you have an established relationship.
6. The Committee² considered that the risk that you could reasonably be seen to have been offered this role as a reward for decisions made or actions taken in office, is low, because:
- You did not make any decisions specific to IHG at either the FCDO or the MOD.
 - You spoke with the North Macedonian government in 2022 during a visit to the British Embassy in Skopje.
 - Following elections in May 2024, there has been a change in government.
 - You were not responsible for funding and investment decisions in the Western Balkans Region, generally. The FCDO said that you would have had an interest in trade and investment matters within the Western Balkans region but policy decisions on trade and export fell to different people and different departments (for example the Home Office announced trade and export support in February 2024³).
7. As a former minister at the MOD and FCDO it is likely that you would have had access to a wide range of sensitive information that could be seen to be of value to IHG, given that it provides and invests in healthcare services globally. For example, the MOD said that you had access to information about the provision of medical personnel within the armed forces. This may at some point be an area of interest to IHG. It is also possible that you had access to privileged information about trade and investment opportunities and general economic/geopolitical issues within the geographical areas under your purview as an FCDO minister,

¹ <https://www.gov.uk/government/news/government-backs-uk-firm-to-build-three-hospitals-in-oman>

² This application for advice was considered by Andrew Cumpsty; Isabel Doherty, Hedley Finn OBE; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Pickles; Michael Prescott. Sarah de Gay and Mike Weir were unavailable.

³

<https://www.gov.uk/government/news/uk-announces-new-support-to-boost-british-exports-and-investment-in-the-western-balkans#:~:text=The%20UK%20government%20will%20continue.to%20trade%20overseas%20with%20confidence>

including the Western Balkans. There are factors that mitigate the risks associated with your access to information:

- Your access to information is a general risk. Neither the MOD nor the FCDO considered that your access to information could grant IHG an unfair advantage.
- Any information you did have on trade and investment in the Western Balkan region is likely limited – the UK government has publicly announced investment into the region in 2022,⁴ 2023⁵ and 2024.⁶
- You have been out of the FCDO for 6 months, and the MOD 3 months, which has put a gap between your access to information and taking up this proposed role with IHG.

8. There are risks associated with your influence and network of contacts in government. For example there is a risk that you may be seen to offer unfair access or influence within the UK government in respect of future financial support that IHG may seek from the UK government. It is significant that:

- You said your role will not involve any lobbying or contact with government.
- IHG already has an existing relationship with UKEF – which also has an applications process and transparency regime on its spending.
- You have a long-established relationship with IHG, reducing the risk that you will be perceived as having been recruited for the contacts you made in office.

9. It is likely you will have developed a network of contacts in foreign governments and other organisations, as a result of your time in office. Given that you will be advising on international emerging healthcare trends, the Committee considered there are potential risks that you may be asked to provide IHG with contacts in specific geographical areas that could assist with getting new projects/clients/funding, thereby unfairly advantaging IHG as a result of your time in government.

The Committee's advice

10. The Committee noted the mitigating factors above that help to reduce the risks associated with your access to information, influence and contacts, both inside

4

<https://www.gov.uk/government/news/uk-announces-new-support-to-boost-british-exports-and-investment-in-the-western-balkans#:~:text=The%20UK%20government%20will%20continue,to%20trade%20overseas%20with%20confidence.>

5

<https://www.gov.uk/government/publications/uk-western-balkans-region-development-partnership-summary/14bebc80-0160-432f-9c0f-13f88254f808>

6

<https://www.aa.com.tr/en/europe/uk-announces-5b-support-package-to-boost-british-exports-investment-in-western-balkans/3148487>

and outside of government and determined that the risks in this case can be appropriately mitigated by the conditions below. These conditions make clear that you cannot make use of privileged information or influence gained from your time in ministerial office to the unfair advantage of IHG or its clients or investors.

11. In accordance with the government's Business Appointment Rules, the Committee advises this role with **International Hospitals Group Limited** be subject to the following conditions:

- 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 its arm's length bodies on behalf of International Hospitals Group 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 contacts to influence policy, secure business/funding or otherwise unfairly advantage International Hospitals Group Limited (including parent companies, subsidiaries, partners and clients);
- for two years from your last day in ministerial office, you should not provide advice to International Hospitals Group Limited, on the terms of, or with regard to the subject matter of, a bid or contract with, or relating directly to the work of the UK government or its arm's length bodies; and
- for two years from your last day in ministerial office, you should not become personally involved in lobbying contacts you developed during your time in office in other governments and organisations for the purpose of securing investment/business for International Hospitals Group Limited (including parent companies, subsidiaries and partners).

12. 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.⁷ It is an applicant's personal responsibility to

⁷ 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.

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 also reminded that they may be subject to other duties of confidentiality, whether under the Official Secrets Act, the Ministerial 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. You must inform us as soon as you take up employment with this organisation, 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.
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.

The Rt Hon Lord Pickles

Annex - material information

The Role

1. The International Hospitals Group (IHG) is a privately owned UK company. It provides British healthcare services, globally.⁸ It provides services in advisory, development, construction, management, and operations of facilities, and provision of equipment in the healthcare sector. IHG has successfully completed over 480 healthcare projects in 55 countries around the world, with clients including; the United Nations, the World Bank, the International Finance Corporation and over 24 governments. IHG has received considerable financial support from UK Export Finance (UKEF).⁹ For example, in 2020, government confirmed that IHG won a contract to construct three new hospitals in Oman.¹⁰ UKEF provided over £500m worth of support to help win these major contracts in Oman, and provided a loan, repayable on a commercial basis. Its parent group is the International Group – a privately owned, UK-based company – which provides a range of services across multiple sectors including real estate, Esports, and hotels.
2. You said that your paid, part-time role as an Advisor will be to advise the company on geopolitical risk, international emerging healthcare trends, and global economic and market trends.
3. You told the Committee the following:
 - You will have no contact or dealings with the UK government in this role.
 - You were engaged as a consultant by IHG between 2014 and 2017 to advise on the same topics – you are therefore returning to a similar role you held before entering parliament, with a company with which you have an established relationship.

Dealings in office

4. You gave the Committee the following information relating to your time at the MOD and the FCDO:

⁸ IHG does not invest in private healthcare projects. However, through its connections with international banks, funding agencies, non-governmental organisations, and export credit agencies it is frequently able to assist Clients in accessing funds. For example IHG can introduce finance for projects through its strong relationship with the Export Credits Guarantee Department (ECGD), the UK's official export credit agency. Finance can be introduced by IHG for projects in most countries around the world where a Sovereign Guarantee is available.

⁹ UKEF is a government department and the UK's export credit agency. As the UK government's export credit agency, UKEF provides loans, guarantees and insurance (underwriting) to help businesses sell their products around the world. UK Export Finance provided £8.8 billion in new financing in 2023/24, helping 650 UK companies to export.

¹⁰ <https://www.gov.uk/government/news/government-backs-uk-firm-to-build-three-hospitals-in-oman>

- You did not make any policy, regulatory or commercial decisions specific to IHG.
- You were not responsible for funding and investment decisions. Trade and investment into the Western Balkans region fell to other departments.
- You had no access to sensitive information that could grant IHG an unfair advantage.
- There is no departmental relationship between IHG and either the FCDO or MOD.
- You said that in 2022 you visited the British Embassy in Skopje (the capital city of North Macedonia) to meet with government ministers. You did not meet with anyone from IHG.
- You also said that in your capacity as an FCDO minister, you attended a reception, hosted by the UK government, in support of the bi-annual Summit for the European Bank for Reconstruction and Development (EBRD), which was also attended by the (now former) Deputy Prime Minister and the North Macedonia Embassy. You did not discuss the project at the HMG reception.
- You said that he visited North Macedonia in 2022. You said that the individuals you spoke with in 2022 are not now in government, following elections in May 2024.

Departmental views

5. The FCDO and MOD were consulted on this application.
6. The MOD provided the following information:
 - There is no departmental relationship with IHG, and you did not have any contact with IHG as Minister for the Armed Forces.
 - You did not make any regulatory or commercial decisions that would have impacted IHG. You did make decisions regarding military operational policy and standing globally, and on the deployment of medical personnel within the Armed Forces. This could have an impact on how IHG operates, but these decisions were not specific or beneficial to IHG.
 - You had access to high classification intelligence assessments that could offer insight into global affairs. The MOD said it did not consider this to be commercially sensitive, or to offer an unfair advantage to IHG.
7. The FCDO provided the following information:
 - You did not make any commercial, regulatory or policy decisions relevant to IHG as Minister for Foreign, Commonwealth, and

Development Affairs.

- You did not have any sensitive information that could grant IHG an unfair advantage.
 - You generally supported the UK-Western Balkans trade relationship. You would have had an interest in increasing UK trade with, and investment in, North Macedonia, including supporting the former UK government's promotion of UKEF, to facilitate UK exports/ investment in the Western Balkans – a published government policy.¹¹
 - In 2022, you attended the EBRD reception. The objectives for the reception included: strengthening the UK-Western Balkans trade relationship by bringing together Western Balkans Leaders with UK business; and unlocking greater UK investment in the region including further mobilisation of the UKEF Offer. Later that year, you visited the British Embassy in Skopje where he met with ministers in the North Macedonian government and discussed the North Macedonian hospitals project.
 - Following elections in May 2024, the North Macedonian government has now changed, and the individuals you met as part of that visit are no longer in government.
8. The FCDO also told the Committee that in July 2024, IHG secured a bid with UKEF to part-finance a £200 million investment in hospitals in North Macedonia,¹² following longstanding engagement by the British Embassy in Skopje and the Department for Business and Trade with IHG and the North Macedonian Government.¹³ At the time of this advice, IHG informed ACOBA it had not secured this bid. Whilst the UK government has been involved in investments related to healthcare and hospitals in North Macedonia, ACOBA found no record of a bid specific to IHG in the public domain.
9. Both departments recommended the standard conditions.

¹¹ In 2022, the UK announced new support to boost British exports and investment in the Western Balkans:

<https://www.gov.uk/government/news/uk-announces-new-support-to-boost-british-exports-and-investment-in-the-western-balkans#:~:text=The%20UK%20government%20will%20continue,to%20trade%20overseas%20with%20confidence>. The UK has also pledged financial support for that region in 2023: <https://www.gov.uk/government/publications/uk-western-balkans-region-development-partnership-summary/14bebc80-0160-432f-9c0f-13f88254f808>

¹² No contract has been signed between IHG and UKEF.

¹³ FCDO provided some additional context: Further rollout of substantial UKEF support in the region will develop UK trade in the region, which last year stood at £4.5bn. Contracts for the project are expected to be finalised in the autumn, with construction is provisionally set to begin early 2025: <https://www.aa.com.tr/en/europe/uk-announces-5b-support-package-to-boost-british-exports-investment-in-western-balkans/3148487>