



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: JOHN GODFREY

The Committee has been asked to consider an application from John Godfrey, Director of Policy at No.10 between July 2016 and April 2017 in relation to an appointment at Legal and General Group Plc (Legal & General).

Application details

Mr Godfrey informed the Committee that he was approached by Legal & General after his resignation and invited to take up an appointment as Head of Corporate Affairs. He had worked for Legal & General for 10 years in a similar role, prior to joining Government in July 2016.

This is a full-time, paid position. As Head of Corporate Affairs, Mr Godfrey has said that his duties will include: advice on and delivery of group media relations and communications; corporate social responsibility and advice to the CEO on stakeholder relations and issues including public policy.

He has said that he would not anticipate personally lobbying UK or UK devolved Governments directly but would be expected to advise company management on broad policy and regulatory issues affecting investment markets internationally and in the UK. He told the Committee that he had no official dealings with Legal & General while Director of Policy at No.10. He has said that he attended a small number of Policy Unit meetings and a roundtable discussion on corporate governance at which several competitors of Legal & General and industry membership bodies, including the Institute of Business Ethics, were present. He has confirmed that he did not have access to commercially sensitive information about any of Legal & General's competitors.

The Committee sought information from HM Treasury, which noted that there are a number of policy areas relevant to L&G's business where there was activity during the period that Mr Godfrey was in office, including personal injury claims discount rate (PIDR), modular housing, budget discussions on Insurance Premium Tax and the response to John Cridland's review of retirement age. However, Sue Gray, Director General, Propriety & Ethics in the Cabinet Office advised the Committee that, due to his previous connection with Legal & General, Mr Godfrey either recused himself from or was not involved in matters

where Legal & General (and their competitors) have a commercial interest, including these areas.

The Cabinet Office is content that the appropriate safeguards were in place during Mr Godfrey's government employment, and has no concerns about this appointment, subject to imposing conditions around the use of official information and contacts and a 2-year lobbying ban.

The Committee's consideration

Central to the Committee's consideration of this application was the information provided by the Cabinet Office that Mr Godfrey either recused himself or wasn't party to matters where Legal & General and their competitors have a commercial interest. The Committee noted that this assurance should mitigate any perception that he may have been involved in decisions that could have benefited Legal & General's interests and therefore that his subsequent appointment might be seen as a reward. Also pertinent to this aspect of the Committee's consideration is that Mr Godfrey worked for Legal & General for 10 years before joining Government and was Director of Policy in No.10 for 9 months, a relatively short period of time.

That Mr Godfrey wasn't involved in matters where Legal & General have a commercial interest was also of significance when considering whether there is a risk that Legal & General could gain an unfair advantage by employing him, as this should limit the relevant privileged information that he would have had access to while in post. He says that he will be expected to advise the company on broad policy and regulatory issues affecting investment markets internationally and in the UK. It is open to him to rely upon his broad experience and publicly available information in doing so.

It is also relevant that whilst the Committee recognises that Brexit will have implications for Legal & General and its competitors, Mr Godfrey confirmed there was a separate policy team working on Brexit in No.10, which he was not involved in. Further, formal negotiations had yet to start whilst Mr Godfrey was in office and this is a fast moving and emerging policy area.

The extended lobbying ban set out below makes clear that he should not make use of his contacts, directly or indirectly, to influence policy or secure business for Legal & General.

The Committee noted that 4 months have passed since Mr Godfrey left office. Given the measures he and the department took to put safeguards in place during his time in post and that he is returning to his previous employer after less than a year in Government, the Committee concluded that 4 months is a sufficient gap between leaving his role at No.10 and his returning to work at Legal & General.

Conditions

Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee's advice to the Permanent Secretary is that the appointment be subject to the following conditions:

- that he should not draw on (disclose or use for the benefit of himself or the organisation to which this advice refers) any privileged information available to him from his time in Crown service; and
- for two years from his last day in service, he should not become personally involved in lobbying Government on behalf of Legal & General Group Plc or its subsidiaries or

clients, nor should he make use, directly or indirectly, of his Government and/or Crown service contacts to influence policy or secure business on their behalf.

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. (As with all Special Advisers, the Committee makes this recommendation on the understanding that, if he has not already done so, Mr Godfrey must confirm in writing to his department that he recognises that he continues to be bound by the provisions of the criminal law (including the Official Secrets Act), which protect certain categories of information, and by his duty of confidentiality owed to the Crown.)

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.*"

I should be grateful if you would let us know whether the Permanent Secretary is content to issue advice in line with the Committee's recommendation, and copy us into the final decision. I should also be grateful if you would ensure that we are informed as soon as Mr Godfrey takes up this role, or if it is announced that he will do so (I enclose a form for this purpose). 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 Mr Godfrey complied with the Rules.

Once this appointment has been taken up or announced we will publish this letter on the Advisory Committee's website and include the main details, together with the Committee's advice, in both the regularly updated consolidated list on the website and in the next annual report.

Yours sincerely

Nicola Richardson
Committee Secretariat