



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

G/08, Ground Floor, 1 Horse Guards Road, London, SW1A 2HQ

Tel: 020 7271 0839

Email: acoba@acoba.gov.uk

Web: <http://acoba.independent.gov.uk>

Ref: 1516/4

Martin Donnelly
Permanent Secretary
Department for Business, Innovation and Skills

1 June 2015

Dear Mr Donnelly,

BUSINESS APPOINTMENT APPLICATION – TERA ALLAS

The Committee has been asked to consider an application from Tera Allas, former Director General at BIS. She is seeking permission to take up a full-time, paid appointment as a Senior Fellow with McKinsey Global Institute (MGI).

When considering this application, the Committee noted that MGI is a non-profit think tank, fully funded by the partners of McKinsey & Company Inc. The partners of McKinsey fund MGI's research; it is not commissioned by any business, government or other institution. Mrs Allas's responsibilities will be to identify economic issues of global importance to governmental and business decision makers. She will scope, plan and execute analytical programmes of work to deliver insights into the issues, including understanding the underlying drivers and proposing solutions. She will present on and discuss the findings with global leaders. The Committee also took into account the fact that Mrs Allas formerly worked at McKinsey.

The Committee considered the fact that this appointment is likely to include contact or dealings with BIS or government more generally as MGI frequently presents its findings to governments, including the UK Government. However Mrs Allas confirmed that MGI does not lobby governments on anyone's behalf, it simply outlines its analysis and findings and that MGI does not charge for any of its work.

Mrs Allas confirms that she has not had any direct contractual dealings with MGI (or its parent company) over her last two years of service, or any significant contractual dealings before that, nor was she responsible for anyone who did. She has not had any official, including non-contractual, contact with MGI. She did not have access to commercially sensitive information about any competitors of MGI through her official duties.

The Committee noted that as Director General, Strategy, Analysis and Better Regulation, Mrs Allas led BIS's work on industrial strategy. This included a partnership strategy for the professional business services sector which could, in theory, have an impact on consultancies such as McKinsey. However, the focus of the strategy was on the broad range of services in this sector. As Chair of the Programme Board for Industrial Strategy, her role was to ensure deliverables were produced on time and were consistent with the Industrial Strategy framework. She did not have direct involvement in shaping or commenting on the content of sector-specific strategies.

Mrs Allas stated that she was not involved in any other work which has affected, or could affect, MGI or its competitors.

The Committee took into account your views that you see no risk in the appointment, as this is a separate non-profit organisation, and that you do not expect any criticism as a result of the appointment.

The Prime Minister accepted the Committee's recommendation that the application be approved subject to the conditions that:

- Mrs Allas should not draw on privileged information available to her as a Crown servant;
- for two years from her last day in Crown service, Mrs Allas should not become personally involved in lobbying* the UK Government, Ministers or Crown servants, including Special Advisers, on behalf of her new employer, its parent companies or its clients and
- as this approval relates only to this appointment with MGI, Mrs Allas should make a further, separate application to the Committee should she propose to undertake any work with McKinsey & Company, whether paid or unpaid.

*The Business Appointment Rules define lobbying in the following way: "Lobbying in this context means that the former civil servant should not engage in communication with Government – including Ministers, special advisers and officials – with a view to influencing a Government decision or policy in relation to their own interests, or the interests of the organisation by which they are employed, or to whom they are contracted".

I should be grateful if you could ensure that we are informed as soon as Mrs Allas takes up the appointment, or if it is announced that she 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 which have not been taken up or announced, and this could lead to a false assumption being made about whether she had complied with the rules.

Similarly, I should be grateful if you would inform us if she proposes to extend or otherwise change her role with MGI, as depending on the circumstances, it may be necessary for her to make a fresh

application.

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

Yours sincerely

Carrie Aitken

Committee Secretariat