



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: SIR EDWARD TROUP

The Committee was asked to consider an application from Sir Edward Troup, former Permanent Secretary at Her Majesty's Revenue and Customs (HMRC).

Sir Edward's last day in Crown service was 15 January 2018.

Appointment details

Sir Edward sought the Committee's advice on taking up a paid, part-time role (involving not more than 20 days per year) as an External Adviser to Frontier Economics Limited (Frontier), an economic consultancy firm. He said he would support Frontier on economic analysis and advice provided to corporate clients in the UK and overseas on a range of business and policy issues.

Sir Edward described Frontier as one of the UK's leading economic consultancies. Its work for corporate and government clients in the UK and overseas involves providing economic evidence and analysis (micro-economics, financial analysis, behavioural economics etc) on the effects of different policies or business strategies on consumers or on market outcomes. Frontier is chaired by Lord O'Donnell, former Cabinet Secretary, at whose suggestion Sir Edward was introduced to Frontier.

Sir Edward said that as a senior adviser he would be working in an advisory role to Frontier's internal teams, helping provide quality assurance to Frontier's work and to identify angles that they might have missed. He said he would draw on his 30 years' experience of working in tax, on economic issues and with businesses to challenge Frontier's thinking and help them to present analysis in ways that make it relevant and accessible to different stakeholders. In some instances he may also meet some of Frontier's public and private sector clients to share his perspectives with them. He said he would not engage with or meet any UK Government department or use any privileged information.

Sir Edward confirmed he has never had any official contact with his prospective employer, contractual or otherwise. He said he has had no official dealings with competitors of his prospective employer/client, or with the sector in which they operate, during his last two years in

office and no access to commercially sensitive information about any competitors of his prospective employer through his official duties.

He added: 'I expect my work with Frontier to include considering tax policy issues as part of wider economic analysis for their clients, but I will not be providing advice on the tax affairs of Frontier's clients, using privileged information or personally engaging with or lobbying UK government.'

Departmental view

Jon Thompson, Chief Executive at HMRC confirmed the information provided by Sir Edward about his time in Government, including that he had no access to policy or other departmental information, knowledge of which could give Frontier an unfair advantage.

Mr Thompson had no concerns about the appointment, but said it should be made clear that Sir Edward should not provide any tax advice to Frontier's clients. The Cabinet Secretary was also content with Sir Edward taking up this appointment.

HMRC confirmed the department has occasionally used Frontier for the department's research requirements. Reports are commissioned following a competitive process through a framework agreement, which provides access to a number of research providers.

HMRC advised that from the information available to the Department, there is no evidence that Sir Edward had any involvement in commissioning any research from Frontier. In the context of Sir Edward's previous application for advice on his role with McKinsey, the Department confirmed that Sir Edward had no influence or involvement in any contract letting or contract management, which reported to Jon Thompson as the CEO and Accounting Officer.

Committee's consideration

When assessing this application the Committee¹ observed that Sir Edward would work in an advisory role to Frontier's internal teams. It took into account that, while Sir Edward may meet some of Frontier's public and private sector clients to share his perspectives with them, he has confirmed he would not engage with or meet any UK Government departments. The Committee considers the condition set out below, that for two years from his last day in Crown service Sir Edward should not work on any matter which involves any dealings with any part of the UK Government or HMRC, minimises the risk of his influence providing Frontier with an unfair advantage in any dealings it may have with the UK Government.

The Committee noted that Sir Edward expects his work with Frontier to include considering tax policy issues as part of wider economic analysis for their clients but he will not provide advice on the tax affairs of Frontier's clients. It also noted Sir Edward's undertaking that he will not use any privileged information. It has imposed conditions, set out below, which precludes such activity in any case.

The Committee has also considered the risk of this appointment being perceived as a reward for decisions made, or actions taken, in office. There is a commercial relationship between Frontier and HMRC, which occasionally commissions research projects following a competitive process. HMRC has confirmed that Sir Edward did not have contact with Frontier while in office and the Department is not aware of him having any involvement in commissioning work from the

¹ This application for advice was considered by Sir Alex Allan; Lord Michael German; Terence Jagger; Dr Susan Liautaud; Baroness Helen Liddell; Richard Thomas and John Wood. Jonathan Baume was unavailable.

consultancy firm. This is consistent with the information Sir Edward provided and also that which the Department provided in the context of Sir Edward's previous application to the Committee - that Sir Edward had no influence or involvement in any contract letting or contract management. Such matters reported to Jon Thompson as the CEO and Accounting Officer and any formal contract approvals went through the HMRC Investment Committee of which Sir Edward was not a member. In light of this information, there is no objective reason to conclude that this appointment is a reward for decisions made in office.

When considering this application the Committee also considered it was relevant that Sir Edward is a tax professional with 30 years of experience, including 20 years in the global law firm Simmons & Simmons.

The Prime Minister accepted the Committee's advice that this appointment 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 office;
- for two years from his last day in service he should not work directly or indirectly on the tax affairs of Frontier Economics Limited or any of its clients;
- for two years from his last day in Crown service he should not work on any matter which involves any dealings with any part of the UK Government or HMRC;
- for two years from his last day in Crown service he should not advise EU tax administrations where that advice would be directly relevant to Brexit-related issues;
- for two years from his last day in Crown service, he should not provide advice to Frontier Economics Limited or its partners or clients on the terms of, or with regard to the subject matter of, a bid or contract relating directly to the work of HMRC; and
- for two years from his last day in Crown service he should not become personally involved in lobbying the UK Government on behalf of Frontier Economics Limited or its partners or clients. Nor should he make use, directly or indirectly, of his Government and/or Crown Service contacts to influence policy or secure business or funding 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.

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 ensure that we are informed as soon as Sir Edward takes up this appointment, 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 which have not been taken up or announced, and this could lead to a false assumption being made about whether he had complied with the rules.

I should also be grateful if you would ask that Sir Edward informs us if he proposes to expand or otherwise change the nature of his appointment as, depending on the circumstances, it may be necessary for him to make a fresh application.

Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and, if appropriate, refer to it in the relevant annual report.

Yours sincerely

Nicola Richardson
Committee Secretariat