



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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You sought the Committee's advice about taking accepting a commission under the terms of your independent consultancy. The Committee has now considered your application.

Commission details

The SAS Institute (SAS)

You wish to take up an appointment with SAS, an American multinational developer of analytics software. SAS develops and markets a suite of analytics software (called SAS) which helps access, manage, analyse and report on data to aid in decision-making. You note the company is the world's largest privately owned software business with annual revenues of over \$3 billion and that it is investing heavily in Artificial Intelligence.

In describing this commission, you told the Committee the context in which you would be working with SAS; that data is a high value commodity when used well and 'High profile pioneers such as Amazon and Facebook have raised the profile further, both in terms of the opportunities and risks from data exploitation. Data exploitation has developed rapidly over the last decade in terms of: the scale of data; the number of organisations investing in it; the state of the art of data analysis and science.' You note that the choice of technology and software has grown dramatically and now includes wider access to data analysis for non-specialists. You note that SAS approach is one of many now available to organisations wanting to invest in data analytics.

You describe the work you will undertake as challenging and supporting the SAS team in developing its narrative and approach to the rapidly changing marketplace. The commission will be paid, starting with an initial agreement of around ten days' work with further extensions if mutually agreed. You confirmed it will not involve contact with government and that SAS have seen the conditions previously imposed on your independent consultancy, and the commission is consistent with those conditions.

You confirmed you had no dealings or discussions with SAS whilst in office; no access to commercially sensitive information about SAS or their competitors. You informed the

Committee SAS confirmed to you they provide software for one of the systems used in GCHQ. Therefore, some of this wider team (which consists of several thousand people) will have had contractual dealings with SAS.

In relation to the sector as a whole, you told the Committee you did meet with representatives of other companies who offer data analysis systems in the context of these companies seeking to impress with their capabilities, or in GCHQ's drive to keep up to date with new capabilities as they emerge. However you also said, if there were any subsequent commercial discussions, you were not involved.

You added that you had no direct involvement in procurement, including that GCHQ have '...an established set of governance for the procurement lifecycle, from initial planning, through purchasing to contract management. The governance requires agreement between the budget-holders, commercial and legal teams at each stage of the process. With delegated financial management, I wouldn't expect to be directly involved in procurements of less than £10m (ie those that require Board approval). And then, my primary role would be to ensure that the appropriate processes had been followed.'

GCHQ confirmed there were no additional risks to the information you provided and raised no concerns about you taking up this work under your consultancy.

The Committee's consideration

The Committee¹ considered this was consistent with your independent consultancy - which you described as offering strategic advice on risk, primarily in the areas of cyber security and the exploitation of data and technology. (On setting up your independent consultancy, you also told the Committee you would not take on work that involves representing the interests of clients to the Government.)

GCHQ have previously confirmed your description of your role in office: while you were responsible for ensuring there was a fit-for-purpose commercial strategy and the correct governance processes were followed, there were clear delegated financial management and you were not involved in the specification; evaluation; selection or award stages; nor were you involved in the management/assessment of existing contracts.

The Committee took into consideration there is a direct contract between SAS and GCHQ, which may give rise to a risk under the Government's Business Appointment Rules.

However, the committee noted the mitigating circumstances in this case:

- you and your former department confirmed there was clear delegated financial management within your team;
- whilst you did have commercial responsibility, you would not have involvement in procurement under £10million; and
- you had no contact with SAS whilst in post.

Therefore, the Committee considered there was no reason to suggest you were offered this work as a reward for decisions made while in office, given GCHQ raised no concerns and confirmed the governance structures in place around GCHQ procurement.

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

The Committee carefully considered whether there was a risk BMT could be seen to unfairly benefit from employing you, by virtue of your time in office. The Committee noted it has now been 8 months since you were in post, and significantly longer since you had any involvement in commercial strategy and governance at GCHQ - therefore it has been a significant amount of time since you have had access to relevant sensitive information.

The Committee recognised you will have general knowledge about the requirements and practices of government and the security services. However, you confirm you have no access to specific sensitive information (commercial or otherwise) and GCHQ have confirmed it sees no further risk here. The Committee considered the inherent risks can be appropriately mitigated by the conditions applied to your consultancy which: prevent use of privileged information; prevent use of your contacts to lobby the UK Government; and prevent advising on the terms of, or with regard to the subject matter of, a bid or contract with the UK Security and Intelligence Agencies.

Under the Government's Business Appointment Rules the Committee advises your commission with The SAS Institute is subject to the conditions which apply to your independent consultancy:

- that you should not draw on (disclose or use for the benefit of yourself or the organisations to which this advice refers) any privileged information available to you from your time in Crown service;
- for two years from your last day of service you should not become personally involved in lobbying the UK Government on behalf of those you advise under your independent consultancy or their subsidiaries, partners or clients. Nor should you make use, directly or indirectly, of your Government and/or Crown Service contacts to influence policy or secure business or funding on their behalf;
- for two years from your last day in Crown service, you should not provide advice to any company or organisation on the terms of, or with regard to the subject matter of, a bid or contract relating directly to the work of the UK Security and Intelligence Agencies; and
- for two years from your last day in Crown service, before accepting any commissions and or/before extending or otherwise changing the nature of any commission, you should seek advice from the Committee. The Committee will decide whether each commission is consistent with the terms of the consultancy and consider any relevant factors under the Business Appointment Rules.

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 "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 me know when you take up this commission, or if it is announced that you are to do so. This will enable the Committee to publish this letter on the Committee's website, and where appropriate, refer to it in the relevant annual report.

Yours sincerely

Catriona Marshall
Committee Secretariat