



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: John Alty CB, former Director General and Interim Permanent Secretary for Department of International Trade, London School of Economics.

1. Mr Alty sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on taking up a role with the London School of Economics (LSE) as an associate consultant. The material information taken into consideration by the Committee is set out in the annex.
2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during Mr Alty's time in office, alongside the information and influence he may offer LSE.
3. The Rules set out that Crown servants must abide by the Committee's advice¹. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

The Committee's Consideration

4. When considering this application, the Committee² noted that Mr Alty did have some limited contact with LSE a few years ago, participating in a pilot training course and speaking at an event held in relation to the MBA course on public administration. The Committee took into account that although there is a contractual relationship between LSE and Department of International Trade (DIT), the department confirmed Mr Alty had no involvement in these contractual decisions. Therefore, the Committee considered there is no reason

¹ Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The Queen's Regulations and the Diplomatic Service Code

² This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Sarah de Gay; Isabel Doverty; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir and Lord Larry Whitty. Dr Susan Liataud was recused in line with ACOBA's published Code of Practice.

it might be perceived this appointment is a reward for decisions made or actions taken from his time in office.

5. As the former Director General and Permanent Secretary, the Committee noted he would have had access to privileged information. Specifically the Committee noted that due to his role he would have access to sensitive information regarding development and delivery of UK trade policy. The Committee recognised any company operating in the UK and internationally may be considered to be gaining from his insight unavailable to its competitors (such as insight into information around the UK exit from the EU). However, the Committee noted the UK left the EU almost a year ago and the department has confirmed he had no access to information that could provide an unfair advantage. Further, the Committee noted that government (DIT and Cabinet Office) did not consider his access to information to pose any particular risk in relation to this work.
6. Additionally, the Committee noted that given his roles in government service, there is a risk it could be perceived his network and influence might assist LSE unfairly. The Committee noted Mr Alty's role will not involve lobbying government, though he identified it could involve some contact with government at events or when participating in training sessions delivered to government employees.
7. The Committee noted that the potential clients and/or members using LSE's consultancy services are unknown. It is possible that he may be asked to advise clients who were affected by matters that relate to policy areas he had direct involvement in.

The Committee's advice

8. The Committee noted the department's confirmation that Mr Alty did not have access to any particular information it considered would provide an unfair advantage to LSE and that he has an ongoing duty of confidentiality. As such, whilst LSE will undoubtedly gain from his skills and experience in trade policy, the risk he could use sensitive information to unfairly benefit LSE are appropriately mitigated by the conditions below, which also prevent use of privileged information.
9. Given the unknown nature of LSE's clients, the Committee imposed a condition on this appointment which makes it clear Mr Alty should not advise LSE or its clients on work with regard to any policy he had specific involvement or responsibility for as Director General and/or Permanent Secretary for the Department for International Trade (DIT). There is an important distinction between advising on the policy subject matter and the general process of what may affect the policy landscape in the future. The potential risks associated with his privileged access to information are most significant on matters he had a material role in developing in office. The Committee considers he should specifically avoid giving LSE or its clients privileged insight into trade policy deriving from his time in office. This does not of course constrain him from advising on issues, material and scenarios that have been placed in and/or

commented upon in the public domain through proper processes. Further, given the transparent nature of teaching and lecturing, the Committee wishes to make it clear this restriction does not prohibit Mr Alty from teaching and lecturing students on trade policy as long as he does not draw on privileged information.

10. The Committee would draw Mr Alty's attention to the lobbying restriction and the restriction on providing advice on the terms of a bid or contract relating directly to the work of the UK government imposed below. These conditions mitigate the risk he could provide an unfair advantage to LSE in respect to his contacts across the government. The Committee considered Mr Alty's possible contact with government officials attending the LSE, as noted above, does not fall foul of the lobbying ban.
11. The Committee advises the Prime Minister, under the Government's Business Appointment Rules, that Mr Alty's role with **London School of Economics** should be subject to the following conditions:
 - He should not draw on (disclose or use for the benefit of himself or the persons or organisations to which this advice refers) any privileged information available to him from his time in Crown service. In the context of this general provision, the Committee considers he should specifically avoid giving London School of Economics, or its subsidiaries, partners or clients, privileged insight based on information from his time in Crown service into Brexit related issues, insofar as it as it pertains to UK's negotiating strategy post its departure from the EU;
 - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government on behalf of London School of Economics (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the government and/or ministerial contacts to influence policy, secure business/funding or otherwise unfairly advantage the London School of Economics (including parent companies, subsidiaries, partners and clients);
 - for two years from his last day in Crown service, he should not provide advice to London School of Economics (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the UK government; and
 - for two years from his last day in Crown service, he should not advise London School of Economics (including parent companies, subsidiaries, partners and clients) on work with regard to any policy he had specific involvement or responsibility for as Director General and Permanent Secretary for the Department of International Trade, or where he had a relationship with the company or organisation during his time as Director General and/or Permanent Secretary for the Department of International Trade.
12. 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.

13. 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.”*
14. I should be grateful if you would inform us as soon as Mr Alty takes up employment with this organisation, or if it is announced that Mr Alty will do so, either by returning the enclosed form or by emailing the office at the above address. 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 Alty has complied with the Rules.
15. Please also inform us if Mr Alty proposes to extend or otherwise change the nature of his role as, depending on the circumstances, it may be necessary for him 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.

Yours Sincerely,

Isabella Wynn
Committee Secretariat

Annex - Material information

The role

1. Mr Alty said LSE offers education, research and advisory services. The website states it is a public research university located in London. The website also states LSE offers a consulting service - website states LSE Consulting forms a bridge between the academic experts at The London School of Economics and Political Science and the wider world.
2. Mr Alty said he would take up a paid, part-time role as an Associate Consultant and lecturer. He described the role as:

- being a senior reviewer of research projects developed for external customers;
 - advisory involvement in development of training packages for customers and other trade related activities carried out by the consultancy function of LSE.
 - lecturing on trade policy to postgraduate students
3. Mr Alty said his role would be to advise his team rather than frontline activities and confirmed it would not involve lobbying. He said his advice would be designed both to improve the quality of the proposals from a trade policy perspective and to help understand the likely future needs of government or other clients. He said that rather than draw on privileged information and insight from his time in office, he would draw on his skills and experience to advise on trade policy generally. For example, his view on what affect political changes will likely have on how any government now and in the future will approach matters going forward. He also informed the Committee he would avoid direct contact with his former department and any possible contact with other departments would be in situations like participating in a training session delivered to government employees.

Dealings in office

4. Mr Alty said 4 years ago DIT let a pilot contract to LSE for delivery of trade policy training. However he said LSE was not successful in securing the main (subsequent) contract for DIT's training. Mr Alty confirmed he had no role in the approval or handling of this contract. He said he also spoke a couple of years ago at an event held at LSE on the MBA course on public administration, but this was not related to the team at LSE he now wishes to join.
5. Mr Alty said he did not meet with competitors of LSE but for transparency he did have one meeting with the Institute of Export during his time as Permanent Secretary, he confirmed this was an introductory meeting. He said from his understanding the Institute of Export is involved in day to day advice on customs and trade procedures and is not in the same market as the LSE.
6. Mr Alty confirmed he had no involvement in policy decisions or development specific to LSE and had no access to sensitive information.

Department Assessment

7. The department confirmed the details Mr Alty provided and confirmed his meetings with LSE. It also confirmed it previously had a limited contractual arrangement with the LSE in 2016/17 to provide pilot trade policy training. The department said LSE were invited to bid for the long-term contract but were ultimately unsuccessful. DIT has since had no further contractual involvement with the LSE on this. DIT did confirm it currently holds two different contracts with LSE Enterprise Ltd (the trading arm of the LSE) for the provision of research services. It confirmed Mr Alty had no involvement in the letting of these contracts and therefore it is highly unlikely there was a conflict.

8. DIT also said any information would now be out of date. DIT confirmed it had no concerns with this appointment.
9. Given Mr Alty was Interim Permanent Secretary, the Cabinet Office also considered this application. It confirmed it did not have any concerns and noted the time that has passed since he was in office (four months, meaning the standard three month waiting period has passed). Both departments recommended this appointment be subject to the standard conditions.