



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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

Telephone: 020 7271 0839

Email: acoba@acoba.gov.uk

Website: <http://www.gov.uk/acoba>

September 2022

BUSINESS APPOINTMENT APPLICATION: Liz Ditchburn, former Director General of Economy at the Scottish Government. Unpaid appointment with NESTA.

1. Ms Ditchburn approached the Advisory Committee on Business Appointments (the Committee) under the Government's Business Appointments Rules for former Crown servants (the Rules) seeking advice on taking up an appointment as a Trustee for NESTA. The material information taken into consideration by the Committee is set out in the annex below.
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 time in office, alongside the information and influence a former Crown servants may offer NESTA.
3. The Rules set out that Crown servants must abide by the Committee's advice. 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 Committee took into account that this role as a Trustee is unpaid. Generally, the Committee's experience is that the risks related to unpaid roles are limited. The purpose of the Rules is to protect the integrity of the government by considering the real and perceived risks associated with former Crown servants using privileged access to contacts and information to the benefit of themselves or those they represent; and to mitigate the risks that individuals may make decisions or take action in office to in expectation of rewards, on leaving government. These risks are

significantly limited in unpaid cases due to the lack of financial gain to the individual.

5. The Committee took into account that Ms Ditchburn did not meet with NESTA while in service. However, it noted there is a stakeholder relationship between the Scottish Government and NESTA and a commercial relationship with respect to housing Scotland House within NESTA's base in London. The Scottish Government confirmed Ms Ditchburn had no direct involvement or influence in any decisions specifically affecting the charity. Therefore, the Committee considered the risk that she could be seen to have been offered this unpaid role as a reward for decisions made, or actions taken in office, was low.
6. The Committee recognised this appointment is likely to include contact with the government, in particular being in attendance at forums where government is also present and involvement in wider discussions about its aims to promote a fairer start, a healthy life, and a sustainable future for millions of people across the UK. The Committee considered it significant the proposed contact is to aid discussions in this area and Ms Ditchburn has been clear the contact will not involve lobbying the government. It is important this relationship is already established, with a framework in place, between the government and Nesta. The nature of the organisation is also relevant, Nesta is a charity focussed on working towards a fairer start, a healthy life, and a sustainable future for millions of people across the UK - work which aligns with government priorities. In the circumstances, it considered his proposed contact with the government would be in keeping with the conditions below and would not be improper.

The Committee's advice

7. The Committee did not consider this appointment raises any particular proprietary concerns under the government's Business Appointment Rules. Whilst there are inherent risks associated with Ms Ditchburn's access to sensitive information and contacts, the standard conditions below, preventing her from drawing on her privileged information and using her contacts to the unfair advantage of her new employer, will sufficiently mitigate in this case. As above the proposed contact with government would be consistent with the conditions. The Committee does wish to make it clear it would be inappropriate for Ms Ditchburn to use her contacts improperly to influence the government - for example in relation to further commercial funding.
8. Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee advises this appointment with **NESTA** be subject to the following conditions:
 - She should not draw on (disclose or use for the benefit of herself or the persons or organisations to which this advice refers) any privileged information available to her from her time in Crown service;

- for two years from her last day in Crown service, she should not become personally involved in lobbying the Scottish Government or its arms' length bodies on behalf of NESTA (including parent companies, subsidiaries, partners and clients); nor should she make use, directly or indirectly, of your contacts in the government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage of NESTA (including parent companies, subsidiaries, partners and clients); and
 - for two years from her last day in Crown service she should not undertake any work with NESTA (including parent companies, subsidiaries, partners and clients) that involves providing advice on the terms of, or with regard to the subject matter of a bid with, or contract relating directly to the work of, the Scottish Government or its arms' length bodies.
9. The advice and the conditions under the government's Business Appointment Rules relate to her previous role in government only; they are separate to rules administered by other bodies such as the Lobbying Register or the Standards, Procedures and Public Appointments Committee. It is her personal responsibility to understand any other rules and regulations she may be subject to in parallel with this Committee's advice.
 10. 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.
 11. 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.*' This Rule is separate and not a replacement for the Rules in the House.
 12. Ms Ditchburn must inform us as soon as she takes up this role, or if it is announced that you will do so. 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 she has complied with the Rules and the Ministerial Code.
 13. Ms Ditchburn must also inform us if she proposes to extend or otherwise change the nature of her role as, depending on the circumstances, it may be necessary for her to make a fresh application.

14. 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. Ms Ditchburn seeks to join NESTA in an unpaid, part-time role as a Trustee.
2. Ms Ditchburn said Nesta is the UK's innovation agency for social good. Backed by a £450m endowment from the UK Government, it is driven by an ambitious 10-year strategy focussed on three core missions: to promote a fairer start, a healthy life, and a sustainable future for millions of people across the UK.
3. Previously NESTA was set up in 1998 by an independent endowment in the United Kingdom established by an Act of Parliament, the National Lottery Act 1998. It had been a Labour Party manifesto promise. In 2002 it was awarded £95 million. On 14 October 2010 the Government announced that it would transfer NESTA's previous status from an executive non-departmental public body to a new charitable body. On 1 April 2012 the old NESTA transitioned from being an executive to a charitable body.
4. Ms Ditchburn said the following is from the role description in the competitive process run by NuroleLtd, *'Nesta's Trustees are ultimately responsible in law for the charity, its assets and ensuring that its activities further its charitable objectives'*... *'Key responsibilities for all Trustees:*
 - *Work with the fellow Trustees to provide governance and strategic oversight*
 - *Work with the Chair and fellow Trustees to ensure that Nesta is meeting the core objectives of the Strategic Plan and that these objectives are in line with Nesta's mission and values*
 - *Ensure that the Board fulfils its governance, fiduciary, regulatory, and risk management responsibilities*
 - *Maintain appropriate fiscal oversight to ensure Nesta's financial sustainability*
 - *Ensure that the organisation fulfils its legal and compliance obligations*
 - *Along with the Board of Trustees, establish and implement systems for support and appraisal of the Chief Executive and Executive team*
 - *Develop effective relationships with the government, other similar*

organisations, charities, relevant public and private sector organisations, academic bodies, the media, and other key external stakeholders in the UK and internationally to maximise Nesta's engagement

- *Act as an enabler and promotor of innovation*
 - *Maintain an awareness of local and national policy and how it impacts on Nesta's work*
 - *Act as an ambassador for Nesta, championing its interests locally, nationally and internationally, representing the organisation effectively to external stakeholders*
 - *Maintain absolute integrity, independence and professionalism in view of the exposure to delicate and confidential issues at board level,*
5. Ms Ditchburn stated her role may involve being present at broader policy debates and engagements across the spectrum of issues relevant to social good, however only where she has been invited to do so by government. Ms Ditchburn also confirmed the Scottish Government may choose to attend events where Nesta and herself are also attending.

Dealings in office

6. Ms Ditchburn confirmed she did not meet with NESTA in service but said there were commercial discussions between NESTA and the Scottish Government with respect to housing Scotland House within NESTA's base in London which took place largely before her arrival in the Scottish government and she had no direct part in them.
7. Ms Ditchburn confirmed she had no involvement in any policy, regulatory, funding or contractual decisions specifically affecting NESTA. She also said she did not meet with competitors of NESTA and did not have access to any commercially sensitive information.

Department Assessment

8. The Scottish Government confirmed the details Ms Ditchburn provided. The department stated Scottish Government has collaborated with NESTA on a range of projects over a number of years and there is ongoing engagement. However Ms Ditchburn had no involvement in any funding decisions in relation to the body.
9. The Scottish Government said its External Affairs Directorate has responsibility for the Scotland House office lease in London which is housed in a building owned by NESTA. With regards to the commercial dealings over the Scotland House project the DG of Strategy & External Affairs has confirmed this was not within her direct influence. Further, the department said 'the negotiations are dated and Liz had no direct involvement'. A rent review is taking place and will conclude in November but all negotiations are being conducted via a retained property consultant acting on behalf of SG. The department confirmed it did not see any potential conflict but Ms

Ditchburn should be advised to recuse herself from any discussions on this subject, should any arise.

10. The department confirmed it had no concerns and recommended the standard conditions.