



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Liz Ditchburn, former Director General of Economy at the Scottish Government. Unpaid appointment with Women's Enterprise Scotland.

1. Ms Ditchburn 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 an unpaid role with Women's Enterprise Scotland (WES). 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. The Committee has considered the risks associated with the actions and decisions made during Ms Ditchburn's time in office, alongside the information and influence she may offer Women's Enterprise Scotland. The material information taken into consideration by the Committee is set out in the annex.
3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.
4. The Rules¹ 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 of the risk presented

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

5. When considering this application, the Committee² took into account this role as a Board member for WES is unpaid³. 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 ministers joining outside organisations. Those risks include: using privileged access to contacts and information to the benefit of themselves or those they represent. The Rules also seek 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.
6. There is broad overlap with your former role as Director General of Economy at the Scottish Government and your proposed role with WES. The Scottish Government has confirmed it has no concerns about Ms Ditchburn's access to information and the Committee noted 12 months had passed since she was in government.
7. The Committee did not consider this appointment raises any particular proprietary concerns under the government's Business Appointment Rules. While there are inherent risks associated with your access to sensitive information and contacts, the standard conditions below will sufficiently mitigate this case.
8. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Committee advises this appointment with the **Women's Enterprise Scotland** 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 WES (including parent companies, subsidiaries, partners and clients); nor should she make use, directly or indirectly, of her contacts in the Scottish government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage of WES (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 WES (including parent companies, subsidiaries, partners and clients) that involves providing advice on the terms of, or with regard to the subject

² This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Isabel Doverty; Sarah de Gay; The Rt Hon Lord Pickles; Mike Weir; Richard Thomas; Dr Susan Liataud and Lord Larry Whitty.

³By unpaid the Committee means that no remuneration of any kind is received for the role. Applicants must declare where it is agreed or anticipated they may receive remuneration or some other compensation at some stage in the future.

matter of a bid with, or contract relating directly to the work of, the Scottish Government or its arms' length bodies.

9. 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.
10. 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.
11. Ms Ditchburn must inform us as soon as she takes up employment with this organisation, or if it is announced that she will do so and we will publish this letter on our website. Ms Ditchburn must inform us if she proposes to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for her to make a fresh application.
12. Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website

Kind regards,

Oli Purnell
Committee Secretariat

Annex - Material information

The role

1. Ms Ditchburn said that Women's Enterprise Scotland (WES) is a research-led, not-for-profit which champions women-led and women-owned businesses. Ms Ditchburn added that WES collaborates with local, national and international partners towards the vision of a gender-equal, diverse and inclusive business ecosystem which allows innovation and productivity to thrive.
2. Ms Ditchburn said that she is seeking to take up an unpaid position as a Board member of WES. Ms Ditchburn stated that in this role her main duties will include:
 - a. Setting strategy
 - b. Allocation and approval of capital expenditure

- c. Ensure compliance with standards and provide oversight of governance
 - d. Contribute to policy and research initiative both in the UK and overseas
 - e. Facilitate introductions and networking
 - f. Undertake an ambassadorial role for the Women in Enterprise ecosystem in Scotland
 - g. Help support other countries in their efforts to improve participation of women in the economy
3. Ms Ditchburn said that this role will not include any lobbying of Scottish ministers and her role will not involve contact with government in this role.
 4. Ms Ditchburn said that she was approached by the Board Chair, Lynne Cadenhead about taking up the role.

Dealings in office

5. Ms Ditchburn said that she did meet with WES in 2016 as part of her induction into the Director General Economy role. Ms Ditchburn said that in this capacity she discussed WES's work in Scotland and the international context of women's economic empowerment more generally. Ms Ditchburn said since then she has not had any specific dealings with WES but has attended events where WES staff/ambassadors have been present such as National Economic Forums.
6. Ms Ditchburn confirmed she was not involved in regulatory, contractual or policy decisions specifically affecting WES and does not have access to privileged information that could benefit WES.
7. Ms Ditchburn said that WES has had engagement and relationships with Scottish Government, both officials and ministers, prior to her appointment and continuing throughout her time as DG Economy. Ms Ditchburn stated that she is aware that WES has previously received funding from the Scottish Government, but that she had no specific involvement in this and does not have details on any recent funding they may have been awarded.

Department Assessment

8. The Scottish Government (SG) confirmed the details provided by Ms Ditchburn.
9. SG stated that Ms Ditchburn did not make policy or regulatory decisions that affected WES directly or specifically, but because of her previous role noted that Ms Ditchburn will have a strong understanding of ministerial commitments in policy areas relevant to WES's work.
10. SG does have a relationship with WES and has provided grant funding to the organisation to enable it to support more women to start small businesses. SG stated that this relationship is not contractual, and to the best of their knowledge, each grant has been provided on a single year basis. Grants are usually around

£180k. The department said that due to Ms Ditchburn's seniority, it is '*extremely unlikely that she would have exercised influence over localised funding decision and may not even have been aware of them*'.

11. SG as a former Director General Ms Ditchburn will have a strong understanding of Ministerial commitments in policy areas relevant to WES's work. However it confirmed the level of information was not '*...granular enough to confer advantage*.'

12. The SG had no concerns with this appointment.