



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

G/7 Ground Floor, 1 Horse Guards Road SW1A 2HQ

Telephone: 020 7271 0839

Email: [acoba@acoba.gov.uk](mailto:acoba@acoba.gov.uk)

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

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**BUSINESS APPOINTMENT APPLICATION: David Kennedy, former Director General Food, Biosecurity and Trade at Department for Environment Food and Rural Affairs. Paid appointment with Ernst & Young (EY).**

1. David Kennedy, former Director General Food, Biosecurity and Trade at Department for Environment Food and Rural Affairs (Defra), 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 appointment with EY as a Climate Change and Sustainability Partner.
2. The purpose of the Rules is to protect the integrity of government. The Committee has considered the risks associated with the actions and decisions made during Mr Kennedy's time in office, alongside the information and influence he may offer EY. 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 Rules set out that Crown servants must abide by the Committee's advice<sup>1</sup>. 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 risks presented

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<sup>1</sup> 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. Mr Kennedy did not meet with EY while in government and did not make any policy or commercial decisions specific to EY. The Committee<sup>2</sup> considered the risk this appointment was offered as a reward for decisions or actions taken in office is low.
6. There is some general overlap with Mr Kennedy's role in government and his proposed role with EY. As such there is a risk Mr Kennedy has access to information that could provide an unfair advantage to EY and its clients. The Committee recognised this is limited as:
  - Mr Kennedy will not be advising EY or its clients on matters specifically related to his time in office;
  - The Department for Environment Food and Rural Affairs (Defra) confirmed the majority of policy work Mr Kennedy was involved in is already in the public domain, with the remaining information scheduled to be published before he leaves his role as DG; and
  - Defra is not aware of any information that would offer an unfair advantage in this role
7. There are risks associated with Mr Kennedy's network gained in government service, which could lead to the perception his access and influence might assist EY unfairly. The Committee noted Mr Kennedy has confirmed his role will not involve any contact with government.
8. EY's clients and those Mr Kennedy may advise on are unknown. Should he advise clients he had contact with during government, or if he were to advise on matters he had involvement in whilst in government would raise risks under the Rules.

#### The Committee's advice

9. To address the risk associated with EY's unknown clients, the Committee considered it necessary to impose a further condition. This makes it clear that in working with the company, Mr Kennedy should not advise on work with regard to any policy he had specific material involvement in or responsibility for in his time as Director General Food, Biosecurity and Trade at Defra.
10. The other, standard, conditions below appropriately mitigate the risks in this case. They seek to prevent any improper use of privileged information and influence gained from his time in office.
11. The Committee's advice, under the government's Business Appointment Rules, that this appointment with **Ernst & Young** should be subject to the following conditions:

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<sup>2</sup> This application for advice was considered by Jonathan Baume; Isabel Doverty; Sarah de Gay; The Rt Hon Lord Pickles; Richard Thomas; Lord Larry Whitty and Mike Weir. Andrew Cumpsty was unavailable.

- 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;
  - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government or any of its Arm's Length Bodies on behalf of Ernst & Young (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in the government and/or Crown service contacts to influence policy, secure business/funding or otherwise unfairly advantage Ernst & Young (including parent companies, subsidiaries, partners and clients);
  - for two years from his last day in Crown service, he should not provide advice to Ernst & Young (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 or any of its arm's length bodies;
  - for two years from his last day in Crown service, he should not advise Ernst & Young or its clients on work with regard to any policy he had specific involvement or responsibility for as Director General Food, Biosecurity and Trade, or where he had a relationship with the company or organisation during his time as Director General Food, Biosecurity and Trade.
12. The advice and the conditions under the government's Business Appointment Rules relate to an applicant's previous roles in government only; they are separate to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. It is an applicant's personal responsibility to understand any other rules and regulations he may be subject to in parallel with this Committee's advice.
13. 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.
14. 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.*'
15. You must inform us as soon as Mr Kennedy takes up employment with this organisation, or if it is announced that he will do so. You must also inform us if he 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 Kennedy wishes to take up a paid, full-time role as Partner for Climate Change and Sustainability with EY. He said EY was a management consultancy. EY is one of the “Big 4” global audit/consultancy firms. The website states EY is a multinational professional services network with headquarters in London, England.
2. Mr Kennedy said he will lead on advising corporate clients about their carbon strategy. He said this role will not include any contact or dealings with government.

### Dealings in office

3. Mr Kennedy said he did not meet with EY. He noted that he had meetings with various management and strategic consultancies during his time at Defra, but not in areas related to what he would be working on at EY, and ‘...*not in a way that has resulted gaining privileged or commercially sensitive information that could offer EY a competitive advantage*’. In particular, he said he has not assessed any bids or seen rate cards; and have not been party to discussions or had access to reports about the area where he will work at EY.
4. Mr Kennedy said he has led on farming reforms, which will have impacts for some clients of EY. However, these are not directly relevant to EY’s clients, and not something on which he would be advising them. All details of the farming reform are or will shortly be in the public domain.
5. Mr Kennedy said the areas he will work on at EY are not related to his work in Defra. He considered the value he will be adding is from his time as Chief Executive of the Committee on Climate Change<sup>3</sup>, which he left in 2014. His work at Defra has been on maintaining food security through EU Exit and Covid, and farming reform. While the latter has an element of carbon policy, this is all in the public domain and would not be relevant to his work with corporate clients at EY.

### Departmental assessment

6. Defra confirmed the details provided by Mr Kennedy and stated it has no relationship with EY.
7. Defra said as DG Farming, Biosecurity and Trade, Mr Kennedy was involved in development of policy relating to the farming transition and development of the Environmental Land Management Scheme. One objective of this policy is to reduce carbon emissions from agriculture in the context of net-zero. However, overlap with EY here is limited. While net-zero is a major business line for them,

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<sup>3</sup> The Climate Change Committee, originally named the Committee on Climate Change, is an independent non-departmental public body, formed under the Climate Change Act to advise the United Kingdom and devolved Governments and Parliaments on tackling and preparing for climate change

farming is not. Defra said the bulk of the policy Mr Kennedy worked on is now announced and in the public domain. This is therefore no longer privileged information.

8. Defra has contracts with other management consultancies, such as Deloitte, and Mr Kennedy has been interviewed by them for that strategic consultancy work. While Deloitte is a competitor of EY's in some areas, Defra do not consider this a relevant interaction to this appointment and confirmed he has no access to information relating to competitors which could be regarded as being commercially valuable or sensitive.
9. Defra said Mr Kennedy was involved in policy development work that could potentially have been of indirect interest to EY customers in the food sector through impacts on their supply chains. However, this policy work is almost all already in the public domain, with some remaining announcements to come before the end of June on the Sustainable Farming Incentive, which is before Mr Kennedy leaves post. In addition, it is unlikely that Mr Kennedy will be directly advising clients in the farming sector in his new post; and the policy work he did was only tangentially related to developing corporate sustainability strategies, which will be his area of focus.
10. The department had no concerns with this work and recommended it be subject to the conditions.