



## OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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### **BUSINESS APPOINTMENT APPLICATION FOR ADVICE: Sir Alex Chisholm KCB, former Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office. Paid appointment with Boston Consulting Group.**

1. Sir Alex 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 he wishes to take up as a Senior Advisor for Boston Consulting Group (BCG).
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 Sir Alex's time in office, alongside the information and influence the former Permanent Secretary at the Cabinet Office could offer a consultancy operating in the public sector. 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<sup>1</sup> 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 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. As the Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office, Sir Alex held one of the most central and influential roles within the Civil Service and led a department which has a close relationship with BCG. Sir Alex would have sight of the consultancy work carried out by BCG for the Cabinet Office and he met with BCG whilst in office, as he did with other strategy consultancies. Although Sir Alex was not responsible for the management of the Cabinet Office's relationship with BCG, he was one of a team of people, including ministers, who approved Cabinet Office funds for the spend on consultancy services generally- including those offered by BCG. However, Sir Alex did not award any specific contracts to BCG and many contracts had been awarded prior to Sir Alex's role at the Cabinet Office. Therefore, whilst Sir Alex's responsibilities in office had some overlap with BCG, the Committee<sup>2</sup> considered the risk this role could reasonably be seen as a reward for decisions or actions taken in office was limited.

6. Sir Alex would have had access to some government policy in development and wider strategic thinking which could be perceived to be of assistance to BCG and its clients. In particular, he would have had knowledge of the Cabinet Office's priorities, and therefore potential requirements for consultancy support. In his role as Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office Sir Alex met with a range of consultancy firms that deliver government services. The risks associated with his access to information is limited because:

- meetings with BCG and its competitors were focussed on the delivery of government services under existing contracts, around how improvements could benefit government. The information he had access was limited and unlikely to have provided a competitive advantage or have been commercially sensitive;
- the Cabinet Office is not aware of any policy or regulatory information he had access to that would offer an unfair advantage to BCG;
- Sir Alex is subject to a three month waiting period from his last day in office. It has been six months since Sir Alex left office, creating a further gap between his access to information in government and his role with BCG.

7. Given that BCG's clients and the precise pieces of work that Sir Alex will undertake with BCG are unknown; there is also a risk they could potentially overlap with his time in office. The risk is most likely to arise if any of BCG's work or clients overlap with Sir Alex's specific responsibilities in the Cabinet Office. It is significant that Sir Alex said his work as a Senior Advisor will be focused outside the UK, limiting the risk of any such overlap.

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<sup>2</sup> This application for advice was considered by Andrew Cumpsty, Isabel Doverty, Sarah de Gay Hedley Finn OBE; The Rt Hon Lord Eric Pickles; Michael Prescott; and Mike Weir. Dawid Konotey-Ahulu CBE DL was absent.

8. The Committee also considered it significant that BCG confirmed its adherence to ACOBA's advice.

9. There are inherent risks associated with Sir Alex's network and potential influence within government. While it is not his intention to be involved in work for government, nor to lobby the UK government, this risk must be mitigated.

#### The Committee's advice

10. For the reasons set out above, the Committee considered the risks associated with Sir Alex's planned role with BCG, focussed outside of the UK, are limited. To address the risk associated with BCG's unknown clients, the Committee has imposed a condition that further limits the potential for any direct overlap with his responsibilities in office - advising he must not advise on work directly overlapping with his material role in policy, operational or regulatory matters at the Cabinet Office. The remaining conditions below prevent Sir Alex from making improper use of privileged information, contacts and his influence to BCG's unfair advantage.

11. The Committee's advice in accordance with the government's Business Appointment Rules is that this role with **Boston Consulting Group** be subject to the below conditions:

- a waiting period of three months from his last day in Crown service (now elapsed);
- 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 Boston Consulting Group (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 Boston Consulting Group (including parent companies, subsidiaries, partners and clients);
- for two years from his last day in Crown service, he should not provide advice to Boston Consulting Group (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 its arm's length bodies; and

- for two years since his last day in office, he should not advise Boston Consulting Group or its clients on any work with regard to operational, policy, or regulatory matters which he had material involvement in or responsibility for as Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office, or where he had a material relationship with the relevant client.

12. The advice and the conditions under the government's Business Appointment Rules relate to Sir Alex's previous roles in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the Registrar of Lords' Interests<sup>3</sup>. It is an applicant's personal responsibility to understand any other rules and regulations they 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 Ministerial Code/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. Sir Alex must inform us as soon as he takes up this work or if it is announced that he will do so. Similarly, he must inform us if he proposes to extend or otherwise change his role with the organisation as depending on the circumstances, it might be necessary for him to seek fresh advice.

16. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website.

Jess Barrow

**Committee Secretariat**

**Annex- material information**

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<sup>3</sup> All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

## The role

1. BCG is an international global management consulting firm that works across the public and private sectors, including government. It is one of the Big Three management consultancy firms along with McKinsey & Company and Bain & Company. Its website lists the following as its core industries of focus:
  - Aerospace and Defence
  - Automotive Industry
  - Consumer Products
  - Education
  - Energy
  - Finance
  - Health Care
  - Industrial Goods
  - Insurance
  - Principal Investors and Private Equity
  - Public Sector
  - Retail
  - Technology, Media and Communications
  - Transportation and Logistics
  - Travel and Tourism
  
2. Sir Alex says that he wishes to take up a part-time, paid role as a Senior Advisor for BCG. Sir Alex said that BCG's Senior Advisor Programme includes over 200 Senior Advisors who provide a set of skills and experiences from a range of backgrounds to help BCG case teams coach, build relationships and advise clients. Sir Alex said as a Senior Advisor he would:
  - Advise on areas focused outside the UK in Europe, Middle East, South American (EMESA) projects
  - Work on 1-3 assignments a year
  - Act as an advisor who could be consulted on how to frame advice to clients, rather than being an employee or participating in an executive capacity
  - Attend steering groups with clients
  
3. Sir Alex said he would be drawing on his 18 years' experience of running public sector organisations in Ireland and the UK, as well as his prior experience running a software services company as part of an Ireland-based IT consulting group.
  
4. Sir Alex confirmed his role will not involve contact with, or the lobbying of government.

## Employer confirmation

5. The Committee contacted BCG to confirm Sir Alex's role will be appropriately ringfenced from matters he was materially involved in office, BCG stated:

*'We have seen the draft conditions shared with Sir Alex... we are pleased to confirm that we understand and accept them. Needless to say, we will support [Sir] Alex in upholding them.'*

## Dealings in office

6. Sir Alex said that he did not make any policy or regulatory decisions specifically affecting BCG in office. However, he did have involvement in the Cabinet Office's relationship with BCG by virtue of seniority. He noted the following contracts were relevant to his time as Permanent Secretary, though he had no direct involvement in their award and management:
  - to provide expert advice to the Central Digital and Data office relating to the use of AI in 2023.
  - Covid-related contracts in 2021.
  - to help the COP26 team prepare for the Glasgow conference in 2021
  - the drawdown consultancy framework for EU exit advice up to and including 2020.
7. As the award of contracts to strategy consultants is subject to special restrictions, Sir Alex said he would have been one of a number of people (including ministers) who approved the use of Cabinet Office funds for this purpose. This would also have been the case in relation to awards to BCG's competitors. These contracts would have gone through standard procurement processes and managed by the relevant teams in the Cabinet Office. In one case – the AI-related work - he recalls being briefed on progress and findings. This work fed into the government document 'Transforming for a Digital Future', published on gov.uk in September 2023 and updated November 2023<sup>4</sup>.
8. Sir Alex also told the Committee he met BCG and other strategy consultants approximately once a year – either collectively or individually - to get their views on the performance of government, in relation to Covid and innovation/efficiency more generally and any suggestions on where we could

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<sup>4</sup> <https://www.gov.uk/government/publications/roadmap-for-digital-and-data-2022-to-2025/transforming-for-a-digital-future-2022-to-2025-roadmap-for-digital-and-data>

learn from other governments. All such meetings were recorded in the department's transparency returns.

### Departmental assessment

9. The Cabinet Office said that Sir Alex did not make any policy or regulatory decisions specific to BCG in office. It confirmed BCG has numerous contracts with government, including the following with the Cabinet Office:

#### **During Sir Alex's time in office:**

- [Provision of System Reform SME Team](#), awarded 23 February 2023, £400,000
- [Provision of Accelerating Service Transformation Delivery for CO](#), awarded 10 February 2023, value unreported
- [Provision of Consultancy for COP26 Support](#), awarded 15 April 2020, £983,668
- [Provision of retrospective direct award for integrated, scenario-based planning to the end of the year](#), awarded 6 July 2020, £692,988
- [COVID-19 Consultancy Task Force](#), awarded 7 August 2020, £1,600,000

#### **Ongoing but awarded prior to Sir Alex's time in office:**

- [Cabinet Office Consultancy Support for EU Exit](#), awarded 21 March 2019, £15,000,000
- [Provision of Consultancy for Developing Geospatial Data Value Unlocks](#), awarded 27 August 2018, £998,000
- [Cabinet Office Consultancy Support for EU Exit](#), awarded 26 April 2018, £10,000,000

10. The Cabinet Office said Sir Alex would have been responsible for contracts signed off with BCG and its competitors. Each of these would have been subject to restrictions and procedures relating to procurement of commercial services, including the involvement of ministers where required. It considered his limited involvement mitigates any risk of reward (real or perceived) here. In particular, noting the stringent procurement processes in place and that Sir Alex would have been one of a number of people (including ministers) who approved the use of Cabinet Office funds for this purpose.

11. The Cabinet Office said Sir Alex met with BCG and its competitors on a regular basis, including annual meetings, collectively or on a one to one basis. The information provided by BCG or competitors is unlikely to have provided a competitive advantage or commercially sensitive information, and was done in the context of improving government services under existing contractual arrangements.

12. The Cabinet Office recognised that Sir Alex held one of the most central and influential roles within the Civil Service and led a department which has a close relationship with BCG. In relation to access to information, it was not aware of any information that would offer a particular unfair advantage. It did however note that he held a wide access to government policy in development and wider strategic thinking which could be perceived to be of assistance to BCG and its clients.

13. The Cabinet Office recommended standard conditions and:

- a three month waiting period (elapsed)
- a restriction from advising BCG or its clients, including the UK government, on UK based matters for one year following his final day in service.