

From the Chair



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: The RT Hon Lucy Frazer, former Secretary of State for the Department of Culture, Media and Sport. Paid appointment with McKinsey & Company.

1. You sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointment Rules for former Ministers (the Rules) on taking up a role with McKinsey & Company as a Senior Adviser. 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 your time in office, alongside the information and influence you may offer McKinsey & Company, as a former minister. 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 Ministerial Code sets out that ministers must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former ministers of the Crown, and Members of Parliament, 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

5. Your former department, the Department for Culture, Media and Sport (DCMS) held one contract with McKinsey & Company during the period you were Secretary of State. DCMS confirmed that you met with McKinsey & Company on two occasions to discuss BBC funding, though no further action was taken, and McKinsey & Company were not awarded any contract for associated work. Whilst you were responsible for the department, the Committee¹ considered that the risk you could be seen to have been offered this role as a reward is limited, given there is no evidence you made decisions in office to the benefit of the company.
6. As the former Secretary of State, you had access to sensitive information which could benefit a range of organisations, including McKinsey & Company and its clients. DCMS said that they were not aware of any sensitive information to which you had access that could grant McKinsey & Company an unfair advantage. Whilst eight months has passed since you were in office, there remains a risk associated with your level of access to information and insight whilst at DCMS. This risk is most likely to arise if you were to advise on matters that directly relate to your responsibilities in office. Given that McKinsey & Company's clients and the precise pieces of work that you will undertake are unknown, there is a risk here that must be mitigated.
7. As with any former minister, there are risks associated with your contacts and influence within government and the potential for McKinsey & Company to gain unfair access or influence as a result. You told the Committee that it is not your intention to have contact with government in this role, or lobby on behalf of McKinsey & Company or its clients. You said that the focus of your work for any government clients would be overseas, and not within the UK.

The Committee's advice

8. The Committee determined the most significant risk here relates to the unknown nature of the clients you may advise, should the work overlap with your responsibilities in office. As such the Committee has imposed a condition which makes it clear you should not advise McKinsey & Company or its clients on policy matters you were involved in, or where you had a relationship with the client in office. McKinsey and Company confirmed adherence to the Committee's advice.
9. The other conditions below make it clear you cannot make use of your access to privileged information, contacts, or influence gained from your time in ministerial office to the unfair benefit of McKinsey & Company and/or its clients. These conditions appropriately mitigate the risks identified above.

¹ This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Hedley Finn OBE; Dawid Konotey-Ahulu CBE DL; The Rt Hon Lord Eric Pickles; and Mike Weir. Michael Prescott and The Baroness Thornton were unavailable.

10. The Committee advises, under the government's Business Appointment Rules, that your role with McKinsey & Company should be subject to the following conditions:
- you should not draw on (disclose or use for the benefit of yourself or the persons or organisations to which this advice refers) any privileged information available to you from your time in ministerial office;
 - for two years from your last day in ministerial office, you should not become personally involved in lobbying the UK government or its arm's length bodies on behalf of McKinsey & Company (including parent companies, subsidiaries, partners and clients); nor should you make use, directly or indirectly, of your contacts in the government and/or ministerial office to influence policy, secure business/funding or otherwise unfairly advantage McKinsey & Company (including parent companies, subsidiaries, partners and clients);
 - for two years from your last day in ministerial office, you should not undertake any work with McKinsey & Company (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 UK government or its arm's length bodies; and
 - for two years since your last day in office, you should not advise McKinsey & Company or its clients on any work with regard to any policy decisions which you had a material role in developing or determining, or where you had a relationship with the relevant client during your time as Secretary of State for Culture, Media and Sport.
11. The advice and the conditions under the government's Business Appointment Rules relate to your previous role 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.² 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.
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

² 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.

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 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. You must inform us as soon as you take up employment with this organisation, or if it is announced that you will do so. Please also inform us if you propose to extend or otherwise change the nature of your role as, depending on the circumstances, it may be necessary for you to make a fresh application.
15. 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.

The Rt Hon Lord Pickles

Annex - Material Information

The Role

1. McKinsey & Company is a multinational strategy and management consulting firm. It mainly provides advice on:
 - acquisition;
 - developing a plan to restructure a sales force;
 - creating a new business strategy;
 - or providing advice on downsizing.

McKinsey & Company offers professional services to corporations, governments, and other organisations. McKinsey & Company has a contractual relationship with a number of government departments. Like many other firms, McKinsey & Company is currently under contract on the Crown Commercial Service Management Consultancy Framework.³

2. You wish to take up a paid, part-time role as a Senior Advisor with McKinsey & Company. You said you will be providing strategic guidance to internal teams and clients on a project basis. You said that the focus of your support would be outside the UK for any government related clients, and that there would be no proposed contact with government in this role.
3. McKinsey & Company confirmed adherence to the Committee's advice.

Dealings in office

4. You said that you met with McKinsey & Company twice during your time in office to discuss BBC funding, though, no further action was taken and the contract was not awarded to McKinsey & Company.
5. You said that you did not have access to privileged information regarding McKinsey & Company and made no policy or regulatory decisions specific to McKinsey & Company.

Departmental assessment

6. DCMS confirmed that you made no regulatory or policy decisions specific to McKinsey & Company. DCMS confirmed that you met with McKinsey & Company twice whilst in office to discuss BBC funding, though, no further action was taken.

³ <https://www.crowncommercial.gov.uk/suppliers/408/mckinsey--company-inc-united-kingdom>

7. DCMS said that they had held one contract with McKinsey & Company during the time period that you were in office. This contract was originally agreed for 12 March to May 2024 with a 4 month extension to September 2024. The contract was for a range of supporting analyses to inform a DCMS programme decision.
8. DCMS said that they did not believe that you had access to privileged information specific to McKinsey & Company, however, they said that as SoS you had access to privileged information consistent with all Secretaries of State. They said that without knowing the clients you are going to work with or the specific pieces of work you will take on that they could not confirm that this information is not relevant.