



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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Food Standards Agency

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TIM SMITH

The Advisory Committee on Business Appointments has considered an application from Tim Smith, Chief Executive of the Food Standards Agency (FSA), who is seeking permission to accept a full-time paid appointment as Group Technical Director of Tesco PLC. Mr Smith's last day will be one month from the date that he resigns, although his last day in Crown Service will be no later than 31 October 2012 (when his contract comes to an end).

In considering this application, the Committee noted that Mr Smith has not had any contractual dealings with Tesco PLC over the last two years of service or any significant contractual dealings before that – nor has he been responsible for individuals who have had such dealings with his proposed employer.

The Committee took into account the fact that Mr Smith has had official, non contractual, contact with his prospective employer during the normal course of his work as a Crown Servant with the FSA. The FSA liaises with staff at Tesco PLC, as a major food retailer, in relation to the following: incident management (for example, the withdrawal or recalling of products); collaborating on initiatives to reduce food borne illness; meetings of the Institute of Grocery Distribution Technical Forum (attended by all other retailers and key manufacturers); and liaison with the British Retail Consortium and its members on policy issues. In addition, the FSA is the authority within the UK for food safety and standards for all commercial food production, including all UK based food suppliers to companies such as Tesco PLC. The FSA regulates meat businesses that supply UK retailers and catering outlets and charges for its regulatory activities. Tesco PLC does not, however, own any food processing businesses in the UK.

The Committee noted that Mr Smith has had dealing with other companies, including: all of the UK's major food retailers, dairy companies, meat processors and quick service restaurants; various grocery manufacturers and food service businesses; and all UK farming unions. Of these, only the UK's major food retailers are competitors of Tesco PLC. However, the Committee took

into account that, during the course of his official duties, Mr Smith did not have access to commercially sensitive information about Tesco PLC's competitors.

The Committee observed that the FSA works in a transparent manner and that it does not treat any business more or less favourably. Policy decisions are made by a Board of non-executive members at open meetings that are broadcast live and are available on the FSA's website. The Committee noted that, whilst Mr Smith would attend those meetings he was not – as Chief Executive – a member of the Board. Furthermore, Mr Smith was not in a position in his role with the FSA to make policies that could benefit or harm one company over another. The proposed appointment could not, therefore, be deemed to be a reward.

The Committee further noted that Mr Smith will serve one month's notice before joining Tesco PLC.

In view of this, the Committee recommended to the Prime Minister that the application be approved subject to the condition that, for two years from his last day of service, Mr Smith should not become personally involved in lobbying the UK Government on behalf of his new employer. Lobbying in this context means that the former crown servant should not engage in communication with Government - including Ministers, special advisers and officials - with a view to influencing a Government decision or policy in relation to their own interests, or the interests of the organisation by which they are employed, or to whom they are contracted.

The Prime Minister accepted this advice.

I should be grateful if you would ensure that we are informed as soon as Mr Smith takes up this appointment, or if it is announced that he will do so (I enclose a form for convenience). We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments which have not been taken up or announced, and this could lead to a false assumption being made about whether he had complied with the Rules. Similarly, I should be grateful if you would ask that Mr Smith informs us if he proposes to extend or otherwise change his role with Tesco PLC as, depending on the circumstances, it may be necessary for him to make a fresh application.

Once the appointment has been publicly announced or taken up, we will publish this letter on the Committee's website and include the main details of the application, together with the Advisory Committee's advice, in the regularly updated consolidated list on our website and in the next annual report.

Claire Hanna