



## OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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### **BUSINESS APPOINTMENT APPLICATION: CONRAD PRINCE CB**

The Committee has been asked to consider an application from Conrad Prince.

Mr Prince was Cyber Security Ambassador at the Department for International Trade (DIT) from April 2015 to January 2018. Between November 2011 and March 2015 he was Director General for Intelligence and Strategy at GCHQ.

His last day in the Civil Service was 31 January 2018.

#### Appointment details

Mr Prince has sought advice on establishing an independent consultancy and accepting a number of commissions for advisory work to be delivered via Garron Consulting Ltd, a company that he formed as a vehicle for carrying out a commission with Nationwide Building Society, while in Crown service.

Mr Prince explained that in September 2016, with the approval of GCHQ, having consulted with DIT, DCMS and Cabinet Office, he accepted a paid commission from Nationwide Building Society to provide strategic advice on cyber security issues. He explained that his role had Government support, not least because it was considered to be in the UK's interest that a major financial institution such as Nationwide had access to high quality cyber security advice in order that it can achieve the best possible cyber security protection. He informed the Committee that he has conducted no consultancy work thus far other than for Nationwide.

Mr Prince described the purpose of his independent consultancy as: to provide strategic advice around cyber security, as well as on wider risk and organisational strategy issues in a way that supports the UK's security and prosperity.

He sought advice on accepting commissions with: Boston Consulting Group; Albany Investment Limited and Pool Reinsurance Company Limited.

The Permanent Secretary at DIT countersigned this application. DTI and GCHQ informed the Committee they have no reservations about the consultancy and commissions, subject to

imposing the usual restriction on lobbying government, the use of official information and the requirement to submit individual commissions to the Committee for advice.

### **Boston Consulting Group**

Boston Consulting Group (BCG) is a global management-consulting group. As a senior advisor Mr Prince said he would support BCG's development of their cyber security offering, and provide strategic cyber consultancy to certain BCG clients. He noted the relevant client sectors are likely to include financial services, corporate, manufacturing and other critical national infrastructure in the UK and internationally.

Mr Prince advised this commission would be paid and would involve approximately 40 days of work per year.

Mr Prince has confirmed that he had no official contact with BCG while in office. Neither has he had involvement in any policy decisions or regulatory work that may affect BCG's competitors or the consultancy sector, nor access to commercially sensitive information about them.

### **Albany Investment Limited**

Albany Investment Limited (Albany) is a UK investment advisory firm specialising in investment in cyber security, energy, property and small and medium enterprises. Mr Prince would be commissioned to provide advice on potential cyber security related investments, particularly in relation to UK cyber start-ups, and to advise more generally on the cyber security market.

Mr Prince noted this commission would be paid and would involve approximately 15 days of work per year.

Mr Prince said he met with Albany executives on two occasions to brief them on the National Cyber Security Strategy and the potential Government cyber investment fund, with a view to the possible participation of Albany.

### **Pool Reinsurance Company Limited**

Pool Reinsurance Company Limited (Pool Re) is a reinsurance company. Mr Prince informed the Committee that its primary role is to enable the commercial market to underwrite the risk of damage to commercial property caused by an act of terrorism by mitigating their exposure to the catastrophic losses associated with major attacks. Pool Re is looking at how to extend its coverage to damage done as a result of cyber terrorism. Mr Prince described this commission as acting as an adviser on cyber terrorism. He confirmed it would be paid, and involve approximately 12 days of work per year.

Mr Prince said that, along with other civil servants, over the last two and a half years, he had attended a small number of Pool Re events relating to terrorism and insurance, including cyber (eg the launch events for various Pool Re reports, which have been addressed by Government Ministers and others). He also participated, along with experts from academia and other Governments, in a Pool Re workshop related to cyber terrorism insurance. He told the Committee he had no involvement in any Government policy decisions that relate specifically to Pool Re.

Mr Prince confirmed he had no official dealings with competitors of his prospective employer or with the sector in which they operate, during his last two years in office. Neither did he have

involvement in any policy decisions or regulatory work that may affect Pool Re's competitors, nor access to commercially sensitive information about any of its competitors.

### Committee's consideration

The Committee noted that, as the commission with Nationwide Building Society is a continuation of a role that was commenced while in office with Government approval, it would not provide advice for this commission. Consideration of any potential conflict(s) of interest and the appropriate action to take as a result was for Government to consider at the time, in line with the Civil Service Management Code.

The Business Appointment Rules specify that applications are required for any new appointment or employment that individuals wish to take up during the two-year period after leaving office. However, the Committee would expect Mr Prince to adhere to the conditions set out below, including: a two year lobby ban and a ban on drawing on privileged information gained whilst in office.

The Committee has also imposed a condition that requires the applicant to return to the Committee for advice if the scope of this existing commission, or any of the other commissions in this letter are to be changed or extended within two years of him leaving Crown service.

The Committee concluded there was a low risk that it will be perceived Mr Prince secured the commissions with BCG, Albany and Pool Re as a reward for decisions made while in office. DIT and GCHQ have explained his official dealings with the proposed clients for his consultancy have been limited to explaining and advocating for the UK's national cyber security strategy. He explained, and his former departments confirmed, that he met Albany to explore whether they would be interested in participating in a cyber investment fund, but his involvement was limited to senior stakeholder engagement. Further, it was also confirmed he had no involvement in policy decisions or regulatory work that may have affected his prospective clients or their competitors.

The departmental response suggests that the potential for Mr Prince to afford his clients an unfair advantage is limited, as the cyber security landscape is changing rapidly, and he would no longer have access to Government's current views and approach. Mr Prince has been clear that his work on the cyber investment fund did not involve any discussions with start-ups that might be candidates for being invested in and that he would not be involved in any potential decision-making process for joining the fund.

Given the connection with the field that Mr Prince worked in while in Government, the Committee considered it would be appropriate to impose an extended lobbying ban to make it clear this would preclude him from making use of his contacts, directly or indirectly, to influence policy or secure business or funding for his clients. The Committee has also imposed a condition prohibiting him from advising on the terms of a bid or contract relating to the work of the UK Government to address any residual risks he might unfairly benefit his clients.

The Prime Minister accepted the Committee's advice that Mr Prince's independent consultancy and commissions with: Boston Consulting Group; Albany Investment Limited and Pool Reinsurance Company Limited be subject to the following conditions:

- that he should not draw on (disclose or use for the benefit of himself or the 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 of service he should not become personally involved in lobbying the UK Government on behalf of those he advises under his independent consultancy or their subsidiaries, partners or clients. Nor should he make use, directly or indirectly, of his Government and/or Crown Service contacts to influence policy or secure business or funding on their behalf;
- for two years from his last day in Crown service, he should not provide advice to any company or organisation on the terms of, or with regard to the subject matter of, a bid or contract relating directly to the work of the UK Government; and
- for two years from his last day in Crown service, before accepting any commissions and or/before extending or otherwise changing the nature of any commission, he should seek advice from the Committee. The Committee will decide whether each commission is consistent with the terms of the consultancy and consider any relevant factors under the Business Appointment Rules.

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.

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."

I should be grateful if you would ensure that we are informed as soon as Mr Prince takes up these commissions, or if it is announced that he will do so (I enclose a form for this purpose). 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.

I should also be grateful if you would ask that Mr Prince informs us if he proposes to expand or otherwise change the nature of his consultancy or these commissions as, depending on the circumstances, it may be necessary for him to make a fresh application.

Once Mr Prince has announced or taken up any of the commissions above, 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.

Yours sincerely

Nicola Richardson  
Committee Secretariat