



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Vice Admiral Potts CB

1. The Committee has been asked to consider an application for Vice Admiral Potts CB, former Director General (DG) for the Joint Force Development at the Ministry of Defence (MOD). He requested the Committee's advice on taking up an appointment with Universal Defence and Security Solutions (UDSS). His last day in service was 12 April 2018.
2. Vice Admiral Potts CB's was DG for the Joint Forces Division between 18 September 2014 - 12 April 2018 and was responsible for ensuring single services can integrate on operations with other Government Departments and internationally, including: Articulating strategic trends and their military impact and providing individual career education and collective training to meet threats and challenges. He was also the Assistant Chief of Naval Staff Capability between 29 January 2013 - 17 September 2014, and was responsible for determining the Navy's equipment requirements to Defence and Equipment support and ensuring non-equipment capabilities were delivered.

Appointment Details

3. Vice Admiral Potts CB sought the Committee's advice on taking up a paid, part-time role, involving 3 days of work per week as Director Maritime, Joint, Service Training and Education with UDSS. He stated this is a consultant position.

4. UDSS provide defence and wider security advice, assistance and solutions on a global basis. This is a new company, founded by General Sir Richard Barrons and Peter Hewitt. According to their website, the company leads on policy, strategy and operational strategy for Governments, businesses and commercial organisations on topics of 'hybrid' and 'political confrontation', including: hard power capability, information operations and cyber warfare. Additionally, 'peace support, wider security, constabulary, humanitarian assistance and disaster relief.' It further states they are 'uniquely' able to 'draw upon the largest and broadest membership of former British Armed Forces personnel, regular and reserve from SNCO to 4 Star, as well as former MOD Civil Servants' to work with clients.
5. As Director Maritime at UDSS, Vice Admiral Potts CB stated he will be responsible for managing Ex-Navy consultants, business development - consulting within the maritime portfolio and recruiting retiring/retired or ex-service personnel. Also, that this may include contact with MOD HR personnel.
6. Vice Admiral Potts CB stated his business development will focus internationally with non-UK organisations until 2 years from his last day in service and that he will not be responsible for having a role in MOD or UK Government business development until then.
7. Vice Admiral Potts CB stated the MOD and UDSS do not have a contractual relationship and he did not:
 - deal with the receipt of tenders or awarding contracts between MOD and UDSS;
 - have involvement in or administer such contracts;
 - advise on such contracts before or after they were awarded;
 - have direct or indirect responsibility for those who had contractual dealings with UDSS;
 - have any official dealings with the company while in post;
 - have involvement in the department's administration of any policy decisions which could have affected the company or its competitors;
 - have involvement in regulatory work or grants affecting the company or its competitors; and
 - have access to commercially sensitive information about competitors
8. He also stated that he did not deal with the company's competitors and listed the below companies as those he did have dealings with while in post:
 - Cranfield University, responsible for Private Public Partnership with Cranfield that he led in the renegotiation in 2017 - 18
 - SERCO UK & Europe, responsible for contracts with SERCO for hard and soft FM and educational services at the Defence Academy of the UK
9. Vice Admiral Potts CB also added:

'The aim of the UDSS is to tap the expertise and experience of ex-Service and civil service personnel, in doing so it aims to provide second career options for those who have served in public service. Its target market is primarily international. Recognising perceptual issues, I will not be responsible for BD or developing contracts with MOD or UK Government until 2020. My primary focus will be the maritime portfolio and my last direct involvement with that was in 2014.'

10. The MOD Business Appointments Panel provided the departmental assessment for this application and noted this is a start-up company which was not in operation when Vice Admiral Potts CB was in post and therefore, the risk of reward is low.
11. The Department confirmed Vice Admiral Potts CB had no recent involvement with procuring defence consultancy services on behalf of the MOD and therefore there is no risk of unfair advantage through access to commercially sensitive information about competitors. It also noted the role will be internationally focussed and will not include the MOD or UK Government until 2 years after leaving Crown service, highlighting this lowers risk of unfair advantage. To avoid the perceived risk the company will have an unfair advantage over other defence consultancy firms through this appointment, the MOD recommended a ban on the use of privileged information; a ban on lobbying government; and a ban on advising on bids and contracts relating to the work of the MOD and its trading funds.

The Committee's Consideration

12. The Committee¹ noted Vice Admiral Potts CB had no official dealings with the company. Moreover, as noted by the MOD, and confirmed by Companies House, UDSS is a start-up company which was not in operation when he was in office. As such, the Committee considered the risk of reward in this application was low.
13. The Committee noted that given Vice Admiral Potts CB's seniority, he would have influence with a wide range of contacts made within the MOD which could be seen to be used to an unfair advantage over competitors with regard to recruiting retired, retiring or ex-military and airforce for the business. The Committee considered it appropriate to apply a restriction which prevents Vice Admiral Potts CB from drawing on inside knowledge of the capabilities of current MOD staff (only gained by virtue of his time in office) to unfairly recruit to UDSS. The lobbying ban below also makes it clear he should not use contacts gained in office to the unfair advantage of UDSS.
14. The Committee noted Vice Admiral Potts CB's former role included providing and distributing strategic advice on operational matters and that although not directly linked, he would have encountered privileged information which could be beneficial to a business development role and which may provide an unfair advantage. This

¹ This application for advice was considered by Sir Alex Allan; Jonathan Baume; Baroness Angela Browning; Lord Michael German; Lord Larry Whitty; Terence Jagger and John Wood. Dr Susan Liautaud and Richard Thomas were unavailable.

includes his work with Cranfield University and SERCO UK and Europe while in post, although not considered to be direct competitors of UDSS. Additionally, the Committee noted Vice Admiral Potts CB confirmed his role will be internationally facing, and that it has been over a year since he left Crown service, reducing the likeliness of retained information being sufficiently relevant to offer an unfair advantage. The Committee considered a ban on the use of privileged information, in addition to the restriction on his working on matters related to securing business with the UK MOD, sufficiently mitigates this risk.

15. Under the Government's Business Appointment Rules, the Secretary of State accepted the Committee's advice that Vice Admiral Potts CB's appointment with Universal Defence Security Solutions should be subject to the following conditions:
- Vice Admiral Potts CB 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 in office he should not undertake any work with Universal Defence Security Solutions 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;
 - for two years from his last day of service he should not become personally involved in lobbying the UK Government on behalf of Universal Defence Security Solutions, subsidiaries partners or clients; nor should he make use, directly or indirectly, of Government and/or Crown Service contacts gained internationally and in the UK, to influence policy or secure business or funding or use on behalf of Universal Defence Security Solutions; and
 - for two years from his last day in office she should not draw on information concerning the capabilities of current employees of MOD or other government departments or agencies, known to him by virtue of his time in Crown service, to actively initiate or assist head-hunting of those employees on behalf of Universal Defence Security Solutions or their clients.
16. 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.
17. 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."

18. I should be grateful if you would inform us as soon as Vice Admiral Potts CB takes up employment with this organisation, or if it is announced that Vice Admiral Potts CB will do so, either by returning the enclosed form or by emailing the office at the above address. We shall otherwise not be able to deal with any enquiries, since we do not release information about appointments that have not been taken up or announced. This could lead to a false assumption being made about whether Vice Admiral Potts CB has complied with the Rules.
19. Please also inform us if Vice Admiral Potts CB 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.
20. 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.

Andrea Benjamin
Committee Secretariat

