



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: LIEUTENANT GENERAL SIR MARK POFFLEY KCB OBE

1. The Committee has been asked to consider an application from Lieutenant General Sir Mark Poffley, former Deputy Chief of Defence Staff at the Ministry of Defence (MOD), on taking up a commission under his independent consultancy.

Commission details - Northrop Grumman Group (Northrop Grumman)

2. Northrop Grumman is an American aero, defence and cyberspace company which uses science, technology and engineering to create related systems, products and services. Whilst it states the majority of its business is with the U.S. government, it delivers solutions to global and commercial customers and it is a major supplier to the UK MOD. It's website states *'the UK is an important market for the company as a supplier base and a source for technology partners and Northrop Grumman's UK entities represent a major component of the company's global business portfolio outside of the US.'* It has contracts with numerous UK defence programmes including: support for RAF aircraft; hardware and software support to NATO for the Maritime Command and Control Information System; and user interface/core functionality for the MOD's Joint Operations Command System and Royal Navy Command Support System.

3. Lt Gen Sir Mark sought advice on carrying out paid, commissioned (part-time) work with Northrop Grumman, providing advice on international markets for Northrop Grumman, beyond the UK. He noted this work would be at a strategic level discussing future trends. Lt Gen Sir Mark also confirmed this work will be international facing he will not have any contact with the UK MOD.

4. Lt Gen Sir Mark informed the Committee he had some involvement in policy decisions by way of providing advice on military capability across the Department. He also said that as a member of the investment approvals committee, either he, or his staff had dealings with defence companies to understand their products. Lt Gen Sir Mark confirmed he had no direct contractual dealings generally (and not with those he sought to take up commission with), nor responsibility for anyone who did. However, he said as a key planner on military capabilities, he or his staff provided advice on

military products and therefore it was likely he could have met with Northrop Grumman in this regard.

5. The MOD Business Appointments Panel considered Lt Gen Sir Mark's application and confirmed the information he provided. The MOD said that as part of the investment approvals committee he was responsible for assessing capability requirements against the Department's policy, although he was not alone in that responsibility. The MOD suggested he might have been exposed to information in the context of UK contracts (but not international) that would give the prospective employers an advantage in the UK in the short term. However, it also noted that *'...much of this was around political intent and the new and rather dynamic political context suggests that much of the thinking he was exposed to has now evolved.'*

6. Northrop Grumman is a significant contractor of the MOD and it said the broader Defence industrial base will have been aware that Lt Gen Sir Mark worked in the policy setting arena but he *'...was not seen as the individual who could secure any contractual commitment'*. The MOD confirmed he was not responsible for commercial or contractual decisions regarding Northrop Grumman, and it has no evidence he was involved in any specific procurement exercises involving the company.

7. The MOD recommended his commission be subject to restrictions in line with Lt Gen Sir Mark's independent consultancy including that he should be prevented interacting with UK MOD for 24 months and from being involved in advising on military capabilities in the UK Defence market activity for 12 months - to mitigate the risk of perception he could be perceived to give an unfair advantage through access to his contacts in the UK MOD or through the key role he played in setting the department's strategy on setting military capability requirements.

The Committee's consideration

8. The Committee¹ considered this commission to be consistent with the terms of Lt Gen Sir Mark's independent consultancy, described as providing advisory services to international governments and other international entities on how to develop coherent military capabilities for the future.

9. The Committee took into consideration that as Deputy Chief of Defence Staff, he was responsible for ensuring that the MOD programme met its objectives and that any programme put forward by the Department met these objectives. His involvement in policy development and decisions on products is likely to have had relevance to Northrop Grumman's work. Given the MOD has had a significant contractual relationship with Northrop Grumman, the Committee carefully considered whether this work could be considered as a reward for decisions made during his time in office.

10. Although Lt Gen Sir Mark suggested it is likely he or his team would have had broad dealings with them regarding military capabilities generally, the MOD confirmed it has no evidence of specific commercial dealings or a contractual decision making regarding the company. The Committee considered there was no evidence this role could reasonably be perceived as a reward for decisions or actions taken while he was in office.

11. When the proposed work relates to an individual's time in office there are

¹ This application for advice was considered by Sir Alex Allan; Johnathan Baume; Baroness Browning; Dr Susan Liataud; Terence Jagger; Richard Thomas; John Wood. Lord Larry Whitty was unavailable.

inherent risks associated with the sensitive information they may have had access to. Given Lt Gen Sir Mark's role, the Committee considered it was likely he would have had access to privileged information and made strategic decisions relevant to Northrop Grumman in broad terms. Further, the Committee recognised his potential influence as the former Deputy Chief of Defence Staff, including the contacts he will have gained within the MOD/Whitehall and with foreign governments. It is therefore likely he could be perceived to offer Northrop Grumman an unfair advantage in this regard.

12. The Committee took into account the MOD's confirmation it had no concerns about his taking up this role and its view that there is no specific risk it is concerned about with regard to his access to sensitive information, though he should be prevented from advising on military capabilities UK Defence market activity for 12 months. The Committee agreed that the possibility of his offering an unfair advantage to Northrop Grumman in this regard was the greatest risk and whilst it did not agree with the MOD that this risk is sufficiently mitigated after 12 months. In the circumstances, the Committee decided to impose an additional condition on his work with Northrop Grumman to prevent his advising in the UK Defence market, though it notes this entirely in keeping with Lt Gen Sir Mark's intention to work only on international matters.

13. Further, the Committee noted that Northrop Grumman provides systems support (software and hardware) to NATO on Command-and-Control Systems. The Committee would remind Lt Gen Sir Mark that the conditions which apply to his independent consultancy (and this commission), include a ban on the use of contacts he has developed during Crown service within other Governments and organisations to secure business for his clients - which, for the avoidance of doubt, would include any contacts gained within NATO.

14. The Committee considered a waiting period was required to put a gap between Lt Gen Sir Mark's time in office and his taking up of this role with Northrop Grumman. In this case, the Committee considered the time that has passed since he left Crown service (11 months) and since he last had contact with the MOD (14 months, when he left his role as Deputy Chief of Defence Staff) was significant, reducing the risks associated with the information he would have access to and its likelihood to provide the company with an unfair advantage. The Committee also gave weight to Lt Gen Sir Mark's confirmation he has had no access to the MOD since he left his role as Deputy Chief of the Defence Staff. In the specific circumstances of this case, the Committee considered the 11 months that have passed since he left Crown service (and 14 since he had access to information or made decisions at the MOD), is an appropriate gap when applied in conjunction with the restrictions placed on his work with Northrop Grumman, outlined below.

15. The Secretary of State for Defence accepted the Committee's advice that this commission with **Northrop Grumman** be subject to the conditions which were applied to his independent consultancy (and the additional restriction which follows):

- 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 his clients (including parent companies, subsidiaries and partners); nor should not make use, directly or indirectly, of his contacts in Government and/ or Crown service to influence government policy, or secure business or funding on their behalf or otherwise unfairly advantage;

- for two years from his last day in Crown service, he should not become personally involved in lobbying contacts he has developed during Crown service, within other Governments and organisations, for the purpose of securing business for his independent consultancy, its subsidiaries, partners or clients;
- 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 with, or relating directly to the work of, the MOD or its trading funds; and
- for two years from his last day in Crown service, before accepting any commissions for his independent consultancy and or/before extending or otherwise changing the nature of his commissions, 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.

16. In addition, the Committee considered this commission with **Northrop Grumman** be subject to the following condition:

- **for two years from your last day in Crown service, he should not advise Northrop Grumman on the UK Defence market**

17. 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.

18. The Business Appointment Rules explain that the restriction on lobbying means that the former Crown servant "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."

Yours sincerely

Catriona Marshall
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