



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Air Marshal Philip Osborn CBE

1. The Committee has been asked to consider an application for Air Marshal Philip Osborn CBE, former Chief of Defence Intelligence (CDI) for the Ministry of Defence (MOD) between 21 January 2015 to 4 December 2018. His last day in Crown service was 6 October 2019. He requested the Committee's advice on taking up a role with Inzpire Ltd under his independent consultancy.

2. As Chief of Defence Intelligence he was responsible for:

- Provision of political and military intelligence and advice to the UK defence and government
- Coordination of UK defence command and control, computers and communication, intelligence, surveillance and reconnaissance
- Design and leadership (with OGD) AND UK national offensive cyber capability
- Risk owner on behalf of defence board, for UK defence cyber resilience
- Leadership of UK defence counter-intelligence capability

Application details

3. Air Marshal Philip Osborn CBE sought the Committee's advice on taking up a paid role with Inzpire Ltd, as a Non Executive Director.

4. Inzpire is a British defence company. It states its engineering team has many years' of experience in frontline operations and in the development of solutions for the UK Defence industrial sector. Inzpire states a mix of military and engineering experience offers its customers an 'unrivalled capability within the defence and security sector'. Its website says its vision is '*...to become the most trusted and respected defence company in the world. We*

will achieve our vision in stages, starting with becoming the most respected and admired defence company in the UK. Inzpire is a current contractor of the UK MOD - training the Army to fly Apache helicopters, instructing RAF pilots in cockpit skills, and supporting UK Typhoon operations.

5. Air Marshal Osborn said he only met with Inzpire at open briefings that were attended by multiple industry partners, on a roughly annual basis, as he would some other main industry partners such as Leonardo, MASS, Raytheon, and Northrop Grumman. Air Marshal Osborn said he did not recall anything of significant importance or sensitivity being discussed. Further, he attended occasional social events with a close personal friend who works in Inzpire, but confirmed no official business was discussed.

6. Air Marshal Osborn said that as Chief of Defence Intelligence his role was leadership and strategy - so any conversations with industry were in very broad terms to understand how much they serve military capabilities. The people in his team were not the direct link to industry; and turning capability requirements into contracts would be a matter for Information Systems and Services (ISS)¹. However, he said his strategy responsibilities for the coordination of UK Defence policy has some general overlap with Inzpire activity. For example, working on projects involving mission data strategy and a potential partnership with industry on mission data, though this work was being considered, not finalised whilst he was in office and he has had no involvement since he left his role as Chief of Defence Intelligence in December 2018.

7. The MOD was consulted regarding Air Marshal Osborn's role with Inzpire. It confirmed the details provided by Air Marshal Osborn and provided the following information:

- Air Marshal Osborn had a relatively high-level profile as Chief of Defence Intelligence (CDI) and his relationships will therefore have been more general in nature.
- Air Marshal Osborn's access to commercially sensitive information was not substantive (regarding Inzpire or its competitors).
- Air Marshal Osborn was party to strategic operational thinking within the MOD and some command, control and surveillance and cyber policy. However, it stated that a significant time period has elapsed since he completed his CDI role and the knowledge and information to which he might have been exposed will likely be historic; and further, due to Air Marshal Osborn's previous role, he is '... is fully conversant with the need for security and probity most of the knowledge he holds is covered by the official secrets act'.
- The MOD has a contractual relationship with Inzpire (with a value of around £36 million). However, a large proportion of these contracts are unrelated to technical areas that Air Marshal Osborn was involved in and he had no influence in decisions affecting Inzpire.
- Competitors were approached about this work (including Leonardo, and MASS, Raytheon, and Northrop Grumman) and none raised any concerns about it.

¹ ISS was a cluster within Strategic Command Top Level Budget at the MOD and was replaced by Defence Digital in 2019.

- The MOD did not consider this appointment would in any way be perceived as a reward, as his relationship with Inzpire was minimal during his time as CDI.

8. The MOD Business Appointments Panel recommended this role be subject to the conditions that apply to his consultancy, namely restrictions which prevent:

- the use of privileged information, such as 'commercially sensitive information or not-yet-announced decisions on strategy, policy, or delivery'
- lobbying the UK Government on behalf of himself or his clients
- lobbying contacts developed during Crown service in other Governments or organisations to secure business for his consultancy
- working on the bids and contracts related to the work of the MOD or its trading funds.
- engaging in any UK MOD-facing activity relating to Defence Intelligence on behalf of any prospective clients or their subsidiaries or partners.

The Committee's Consideration

9. The Committee² considered this role is consistent with the terms of Air Marshal Osborn's consultancy previously described as providing: general defence and security consultancy and board-level mentoring/coaching.

10. The Committee took into consideration that as Chief of Defence Intelligence, he was responsible for strategic operational thinking and some policy around command, control and surveillance; and cyber. Given the MOD has had a significant spend with Inzpire, the Committee carefully considered whether this work could be considered as a reward for decisions made during his time in office. The Committee took into consideration that the MOD confirmed a large proportion of its contracts with Inzpire are not related to his area of technical expertise; and that Air Marshal Osborn did not influence these contracts. Air Marshal Osborn confirmed he had some dealings with Inzpire but these were open briefings attended by multiple industry partners, on a roughly annual basis (and as he would have with other industry partners such as Leonardo, MASS, Raytheon, and Northrop Grumman). Air Marshal Osborn said such meetings would be broad in nature, to understand current capabilities. Air Marshal Osborn also confirmed he had a close personal friend who works in Inzpire, but confirmed no official business has been discussed. 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 inherent risks associated with the sensitive information they may have had access to. Given Air Marshal Osborn's role, the Committee considered it was likely he would have had access to privileged information and made strategic decisions relevant to Inzpire in broad terms. Further, the Committee recognised his potential influence as the former Chief of Defence Intelligence, including the contacts he will have gained within the MOD/Whitehall and with

² This application for advice was considered by Sir Alex Allan; Jonathan Baume; Baroness Angela Browning; Terence Jagger; Dr Susan Liautaud; Richard Thomas; Mike Weir; Lord Larry Whitty and John Wood.

foreign governments. It may be perceived he could offer Inzpire an unfair advantage in this regard.

12. The Committee considered a waiting period would normally be required to put a gap between Air Marshal Osborn's time in office and his taking up of this role with Inzpire. 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, which he is fully aware is non-disclosable. In the circumstances, the Committee agreed with the MOD that the time that has passed since he last had a role within the MOD (over a year) is a significant mitigating factor, reducing the risks associated with the information he would have access to and its likelihood to provide the company with an unfair advantage. The MOD confirmed that Air Marshal Osborn has not had contact with the MOD during a period of medical rehabilitation, following his last day as Chief of Defence Intelligence. Therefore, in these exceptional circumstances, the Committee considered any waiting period applied should begin from his last day as Chief of Defence Intelligence. It has now been 14 months since Air Marshal Osborn had access to sensitive information or made decisions as Chief of Defence Intelligence and as such the Committee agreed with the MOD that no further waiting period is necessary.

13. Further, the conditions imposed on this work through his consultancy adequately mitigate the remaining risks. This includes a ban on using privileged information, a ban on lobbying the UK MOD and ban on advising on bids and contracts with the UK MOD. For the avoidance of doubt, the Committee would like to make it clear that the lobbying ban would include direct engagement with the MOD regarding defence intelligence.

14. Under the Government's Business Appointment Rules, the Committee's advice to the Secretary of State is that Air Marshal Osborn's role with **Inzpire Ltd** should be subject to the following conditions that are attached to his independent consultancy:

- 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 office;
- for two years from his last day in Crown service, he should not become personally involved in lobbying the Government on behalf of those he advises under his independent consultancy (including parent companies, subsidiaries and partners). Nor should he make use, directly or indirectly, of his government and/or Ministerial contacts to influence policy, secure funding/business or otherwise unfairly benefit those he advises under his independent consultancy (including parent companies, subsidiaries and partners);
- 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 on behalf of those he advises under his independent consultancy (including parent companies, subsidiaries and partners);

- 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 with, or contract relating directly to the work of the UK Government, UK MOD or their 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.

15. 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.

16. 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.*"

17. I should be grateful if you would inform us as soon as Air Marshal Philip Osborn CBE sets up his independent consultancy, or if it is announced that Air Marshal Philip Osborn CBE 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 Air Marshal Philip Osborn CBE has complied with the Rules.

18. Please also inform us if Air Marshal Philip Osborn CBE proposes to extend or otherwise change the nature of his consultancy as, depending on the circumstances, it may be necessary for him to make a fresh application.

19. 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.

Isabella Wynn
Committee Secretariat

