



OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS

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BUSINESS APPOINTMENT APPLICATION: Sir Andrew Parker KCB

1. The Committee has been asked to consider an application under the Government's Business Appointment Rules (the Rules) from Sir Andrew Parker KCB, former Director General at the MI5. He seeks to take up a role with Babcock International Group PLC.
2. Sir Andrew was Director General from March 2013. His last day in Crown service was 24 April 2020.

The Committee's role and remit

3. The purpose of the Rules is to protect the integrity of the Government. As Director General at MI5 Sir Andrew held overall responsibility for the operations of MI5, the key focus of which is the protection of national security. He is now seeking to work for a private defence and infrastructure company.
4. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions Sir Andrew made during his time in office, alongside the information and influence he may offer Babcock, based on the information provided by them and his former department.
5. The Committee considered whether this appointment was unsuitable given his former role, but the Committee, whilst considering the information provided by him and the relevant departments about his specific dealings with this policy area, the employer and the sector. The Committee has advised that a number of conditions be imposed to mitigate the potential risks to the Government associated with this appointment under the Rules; this does not imply the Committee has taken a view on the appropriateness of this appointment for a former Director General for MI5 in any other respect.
6. The Rules sets out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life and Codes of Conduct in place during their time in office.

Appointment Details

7. Sir Andrew sought advice on taking up a role with Babcock International Group (Babcock) as a Non-Executive Director. Babcock describes itself as a provider of '*critical, complex engineering services*' which operates in defence, emergency services and civil nuclear. It offers marine, nuclear, land and aviation solutions across these sectors and operates internationally including a significant operation in the UK.

8. Babcock is a major supplier for the Ministry of Defence (MOD) with a 10 year £178bn MOD equipment plan; and provides growth for long-term programmes and support across the Navy, Army and RAF. In September 2019 it was announced that the MOD selected Babcock to deliver its UK Royal navy Type 31 frigates, with an average production cost of £250 million per ship. Separate to its work with the MOD, it has recently procured £25 million in funding from the Nuclear Decommissioning Authority as part of a consortium, and has other contracts across Government and its Arms' Length Bodies including in helping Network Rail's apprentice scheme.

9. Sir Andrew stated that his role as Non-executive Director would involve a variety of different responsibilities, including:

- Contributing to and challenging strategy development
- Performance management
- Financial scrutiny
- Responsibility for remuneration, appointment and removal of senior management
- Attending other Company meetings where invited by the Chair
- Attendance of board meetings
- Shared responsibility with other Directors for effective control of the Company

10. Sir Andrew stated there would be no contact with his former department, MI5, in this role. However he noted the substantial strategic and commercial partnership between the MOD and Babcock, stating it is a requirement, as Babcock's principal customer to maintain Board level engagement with the MOD. Sir Andrew stated he will not be involved in commercial negotiations, but seeks to be able to "*contribute to the effectiveness of the partnership by assisting with close engagement and mutual understanding*".

11. Sir Andrew stated he had no official dealings with Babcock including no involvement in the the development of departmental policy or in policy decisions that may have affected it; nor any official contact with Babcock in the awarding of grants or contracts to the company. He told the Committee he had no prior involvement in the areas Babcock works on with the MOD; nor any relevant privileged information from his Government employment.

12. The Cabinet Office provided the departmental view for this appointment. It confirmed:

- a. MI5 does not have any contractual relationship with Babcock
- b. whilst related departments have had official dealings and contracts with Babcock, this did not extend to MI5 or Sir Andrew.
- c. Sir Andrew has no official dealings with Babcock.
- d. he does not have any access to commercial information with regard to Babcock or its competitors; nor any policy or departmental information that would benefit Babcock.
- e. as Sir Andrew's official role was both high profile and senior, he is likely to have had access to a wide range of information about the sector in general, but that this could be mitigated with appropriate conditions.

- f. there is an existing relationship between Babcock and government departments and recommended the lobbying ban be imposed as is usual, but that it should reflect that it would not be improper for him to discuss matters, at the invitation of the UK Government.
- g. there is a standard 3 month waiting period applied to all applicants at this level of seniority.

13. The Home Office noted the key strategic importance of the relationship between Babcock and the MOD. It said that because Sir Andrew's highly limited contact with Babcock whilst in office, it has no concerns with his taking up the appointment.

14. As MOD Permanent Secretary, Sir Stephen Lovegrove, was contacted about this role. He explained that as the MOD's second largest supplier into Defence, they have *...very extensive, systematic and formalized engagement mechanisms with them, both with the Executive and operational teams. At the highest level this consists of a formal 6 monthly Executive to Executive review meeting and underneath this there are a number of boards and governance groups organised around specific programmes and contracts [the MOD] have with Babcock.* He also confirmed there is currently board level engagement with Babcock where circumstances require, usually where main corporate decisions occur which could impact the MOD. He noted this occurs in addition to the main relationship and governance structure between Babcock and the MOD.

The Committee's Consideration

15. Whilst there is a general overlap here with regard to security matters, the Committee took into consideration that Babcock holds no contracts with MI5 and Sir Andrew did not meet with the company, nor did he have any other official dealings with Babcock in post. The Committee therefore concluded that this appointment could not be reasonably considered a reward for decisions made or actions taken whilst in office.

16. The Committee considered it is likely that through his role running MI5, Sir Andrew was exposed to privileged information that would be of interest to Babcock, as it would any defence or security organisation. However, this is partly mitigated by his and the departments' confirmation he would not have access to departmental or commercially sensitive information that would benefit Babcock from his time in office. It is also relevant that more than 5 months have passed since leaving office, placing a gap between his involvement at MI5 and taking up this post. Further, Sir Andrew is prevented from using any sensitive information he may have access to by virtue of the privileged information ban. The condition below which prevents him from advising on bids and contracts with the UK Government mitigating the risk Sir Andrew may offering Babcock an unfair commercial advantage on any bids for Government work, though the Committee noted this would not be the focus of his role as described.

17. Sir Andrew has said he wishes to be allowed to have board level contact with the MOD in the role. He noted this is a relationship that already exists with the MOD as confirmed by its Permanent Secretary. The Committee has given careful consideration as to whether this contact would be contrary to the ban on lobbying the UK Government that applies under the Government's Business Appointment Rules. In doing so it focussed on whether there was a risk it would provide Babcock with an unfair advantage, either real or perceived.

18. The Cabinet Office recommended the lobbying ban makes it clear that it permits contact with the Government only where it is initiated by the Government. The Committee noted this relationship already exists; and although there are overlaps with his work at MI5, there is neither a strategic nor commercial relationship between MI5 and Babcock, these

relationships sit elsewhere in government. In the circumstances, the Committee agreed with the Cabinet office, noting it would prevent Sir Andrew making improper use of his contacts to benefit Babcock; but would remind him that during any contact, he is prevented from lobbying on behalf of Babcock, by the conditions imposed below.

19. Under the Government's Business Appointment Rules, the Committee's advice to the Prime Minister is that this appointment with Babcock International Group PLC should be subject to the following conditions:

- that he should not draw on (disclose or use for the benefit of himself or the organisation 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 Crown service, he should not become personally involved in lobbying the UK Government or the UK Security and Intelligence Agencies on behalf of Babcock International Group PLC (including parent companies, subsidiaries, partners and clients). Nor should he make use, directly or indirectly, of his contacts in the Government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Babcock International Group PLC (including parent companies, its subsidiaries, partners and or clients). However, he is permitted to discuss matters with the UK Government on behalf of Babcock International Group PLC only where he is invited to do so by the UK Government or the UK Security and Intelligence Agencies;
- for two years from his last day in Crown Service, he should not advise Babcock International Group PLC (including parent companies, subsidiaries, partners and clients) 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 including the UK Security and Intelligence Agencies.

20. 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 or otherwise.

21. 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."

22. Once this 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.

Sam Lynch
Committee Secretariat

