



**OFFICE OF THE ADVISORY COMMITTEE ON BUSINESS APPOINTMENTS**

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**BUSINESS APPOINTMENT APPLICATION: Lt Gen Richard Nugee CB CVO CBE, CeraPhi Energy Ltd.**

1. Lt Gen Richard Nugee, former Climate Change and Sustainability Strategy Lead at the Finance and Military Capability, the Ministry of Defence (MOD), sought advice from the Advisory Committee on Business Appointments (the Committee) under the government's Business Appointments Rules for former Crown servants (the Rules) on taking up a role with CeraPhi Energy Ltd (CeraPhi) as a Strategic Advisor. The material information taken into consideration by the Committee is set out in the annex.
2. The purpose of the Rules is to protect the integrity of the government. Under the Rules, the Committee's remit is to consider the risks associated with the actions and decisions made during Lt Gen Nugee's time in office, alongside the information and influence he may offer CeraPhi, based on the information provided by him and his former department.
3. The Committee considered whether this appointment was unsuitable given there may be some overlap with his most recent role in office and his ongoing access to information as a Non-Executive Director on the Defence Safety and Environment Committee (DSEC)<sup>1</sup>, the MOD. However, the Committee must also consider the information provided by the MOD about any potential conflict. 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 in any other respect.
4. The Rules<sup>2</sup> set out that Crown servants must abide by the Committee's advice. It is an applicant's personal responsibility to manage the propriety of any

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<sup>1</sup> <https://www.gov.uk/government/publications/defence-environment-and-safety-board-desb-assurance-reports>

<sup>2</sup> Which apply by virtue of the Civil Service Management Code, The Code of Conduct for Special Advisers, The Queen's Regulations and the Diplomatic Service Code.

appointment. Former Crown servants are expected to uphold the highest standards of propriety and act in accordance with the 7 Principles of Public Life.

### The Committee's consideration of the risk presented

5. The Committee noted that Lt Gen Nugee did not meet with CeraPhi and there is no relationship between his former department, the MOD, and CeraPhi. Further, the department confirmed he did not make any decisions specific to CeraPhi. Therefore, the Committee considered the risk of this work being seen as a reward for decisions made of actions taken in office as low.
6. The Committee noted there is a general overlap with Lt Gen Nugee's time in office. The organisation he is seeking to join focuses on sustainable energy, and his most recent role in office had a focus on sustainability and the environment, as does his ongoing role as Non-Executive Director on the DSEC. The Committee agreed with the MOD there are a number of mitigating factors that help to reduce the risks associated with Lt Gen Nugee's access to information and insight:
  - CeraPhi's focus is on the energy sector rather than specifically in defence;
  - he is prevented from drawing on privileged information and has an ongoing duty of confidentiality;
  - it has been 7 months since he led on this strategy at the MOD and much of this work on climate change is set out publicly in the Ministry of Defence Climate Change and Sustainability Strategic Approach<sup>3</sup>;
  - his ongoing access to information on the DSEC is limited; and
  - the MOD considered the risk associated with any specific information is low and can be mitigated.
7. The Committee also considered that there is a risk associated with Lt Gen Nugee's influence and contacts in the area of climate change and sustainability - should his employer be seen to make improper use of this.

### The Committee's advice

8. The Committee<sup>4</sup> noted the mitigating factors above that help to reduce the risks associated with Lt Gen Nugee's access to information. There are standard conditions which prevent individuals from making improper use of privileged information and contacts gained in office, which are set out below and the Committee would draw his attention to these. The Committee agreed with the MOD it would be prudent to impose a condition which prevents him from working with CeraPhi on matters concerning Defence's approach to climate change, sustainability, safety, and the environment, or any matters discussed on the DSEC. This helps to mitigate any risk associated with Lt Gen Nugee's ongoing access to information as a Non-Executive Director on the DSEC.

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<sup>3</sup> <https://www.gov.uk/government/publications/ministry-of-defence-climate-change-and-sustainability-strategic-approach>

<sup>4</sup> This application for advice was considered by Jonathan Baume; Andrew Cumpsty; Isabel Doverty; Sarah de Gay; The Rt Hon Lord Pickles; Richard Thomas; Mike Weir; and Lord Larry Whitty. Dr Susan Liautaud was unavailable.

9. Noting Lt Gen Nugee's possible contacts and influence in the area of climate change and sustainability, the Committee has imposed a restriction that makes it clear he should not use contacts he has developed in other governments and organisations to gain business for CeraPhi.
10. Taking into account these factors, in accordance with the Government's Business Appointment Rules, the Committee's advice to the Prime Minister is Lt Gen Nugee's role with CeraPhi Energy Ltd should be subject to the following conditions:
- he should not draw on (disclose or use for the benefit of himself or the persons or organisations to which this advice refers) any privileged information available to him from his time in Crown service or in any capacity in which he continues to work with the UK government;
  - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government or its arms' length bodies on behalf of CeraPhi Energy Ltd (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 contacts to influence policy, secure business/funding or otherwise unfairly benefit CeraPhi Energy Ltd (including parent companies, subsidiaries, partners and clients);
  - for two years from his last day in Crown service office, he should not become personally involved in lobbying contacts he has developed during his time in office and in other governments and organisations for the purpose of securing business for any company or organisation (including parent companies, subsidiaries and partners);
  - for two years from his last day in Crown service, he should not provide advice to CeraPhi Energy Ltd (including parent companies, subsidiaries, partners and clients) on the terms of, or with regard to the subject matter of, a bid with, or contract relating directly to the work of the MOD or its trading funds; and
  - for two years from his last day in Crown service he should not undertake any work for CeraPhi Energy Ltd (including parent companies, subsidiaries, partners and clients) on matters concerning Defence's approach to climate change, sustainability, safety, and the environment, or any matters discussed at the Defence Safety and Environment Committee.
11. 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.

12. 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*'.
13. I should be grateful if you would inform us as soon as Lt Gen Nugee takes up employment with this organisation, or if it is announced that Lt Gen Nugee will do so. 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 Lt Gen Nugee has complied with the Rules.
14. Please also inform us if Lt Gen Nugee 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.
15. 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.

Yours Sincerely,

William Young  
**Committee Secretariat**

## **Annex - Material information**

### The role

1. Lt Gen Nugee seeks to join CeraPhi in a paid, part-time role as a Strategic Advisor.
2. Lt Gen Nugee described the nature of CeraPhi's business as the '*Development of clean energy using the heat from geothermal [energy]*' to support '*clean energy transition*'. According to CeraPhi's website, it is a '*leading Project Development Company delivering global Geothermal Energy Solutions at scale*'. Its mission is to deliver an impact change to carbon reduction by '*tapping into experience and resources to unlock more than six billion years of [geothermal] energy*', that is '*heat within the sub-surface of the earth*'.
3. In this role Lt Gen Nugee said he would be Strategic Advisor for '*overseas and other projects*'; He said he would be part of the Strategic Advisory Board,

and *'responsible for supporting veterans into the business and industry generally'*. Lt Gen Nugee added that he would also be Ceraphi's *'...ambassador in the media'*.

#### Dealings in office

4. Lt Gen Nugee advised the Committee he did not meet with CeraPhi whilst in office. Further, he said he did not have any involvement in any policy development or decisions that would have been specific to CeraPhi; no relevant commercial or contractual responsibilities relating to them; nor did he have access to sensitive information.

#### Department Assessment

5. The MOD confirmed the details Lt Gen Nugee provided.
6. The MOD said Lt Gen Nugee had contact with companies working in renewable energy, but was not responsible for commercial dealings with such companies. The department confirmed Lt Gen Nugee had no interaction with CeraPhi whilst in office.
7. The MOD said, *'Although Lt Gen Nugee has had significant insight and influence on Defence's approach to climate change and sustainability by virtue of his most recent appointment and his ongoing service as a Non-Executive Director in this area, the risk of perception of undue advantage to his new employer by these is low given their focus as an engineering company delivering geothermal energy infrastructure and consultancy'*.
8. The MOD recommended the standard conditions, with an additional condition *'to mitigate any residual risk of perception of undue access to the MOD by this appointment'*. The department referred to Lt Gen Nugee's ongoing connection with the MOD through his role as Non-Executive Director for Climate Change and Sustainability on the DSEC, stating *'For as long as he retains this role, he should be restricted from any involvement on behalf of his new employer on matters concerning Defence's approach to climate change, sustainability, safety, and the environment, or any matters discussed at DSEC'*. Overall, the MOD said it had no concerns about Lt Gen Nugee taking up this role.