



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

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**BUSINESS APPOINTMENT APPLICATION: Michael Baker, Chief Operating Officer at the Ministry of Defence (MOD). Paid appointment with Oliver Wyman.**

1. Mr Baker 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 an appointment he wishes to take up with Oliver Wyman as a Senior Adviser. 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 Mr Baker's time in office, alongside the information and influence a former Chief Operating Officer at the MOD may offer Oliver Wyman.
3. 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 Crown servant in any other respect.
4. The Rules<sup>1</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 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 risks presented

5. The Committee took into account that there was a contract awarded to Oliver Wyman while Mr Baker was COO. The MOD and Mr Baker confirmed his role was strategic (regarding the process). Though he was not responsible for

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<sup>1</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.

appointing Oliver Wyman as the contractor and had no direct involvement in the commercial tender or sign-off process he did have responsibility as co-sponsor for the work and as COO. There is no suggestion Mr Baker made any commercial decisions or this contract was in any way improperly managed. Nonetheless, it is relevant to the Committee's consideration that the MOD has a commercial relationship with Oliver Wyman and he held a role in the senior leadership working with the organisation at the MOD.

6. As the former Chief Operating Officer (COO) at the MOD he was responsible for the it's programme of transformation. The MOD stated he may have access to privileged knowledge about opportunities for consultancy support at the MOD. As such, Mr Baker's proposed role with Oliver Wyman to advise on supporting business development and development of proposals in the Public Sector has some direct overlap with his time in office. Mr Baker is prevented from drawing on privileged information from his time in office and has an ongoing duty of confidentiality. The Committee considered risks under the Rules may arise should he advise Oliver Wyman on matters related to its work with government, as he may offer unfair insight into the UK Government's future needs as a result of his time in government.
7. More generally, the Committee noted there is a risk Mr Baker's influence and contacts gained from his time in office could be perceived to assist Oliver Wyman unfairly.
8. Oliver Wyman's clients are unknown and there is a risk Mr Baker may be asked to advise clients who were affected by matters that relate to areas he had direct involvement in, or in respect of clients he had a relationship with whilst in Crown service.

#### The Committee's advice

9. The Committee noted the MOD's recommendation of a 9 month waiting period for this application. However, the Committee is not persuaded the risks associated with Mr Baker advising Oliver Wyman on government business would diminish fully at 9 months; yet there is other work that Mr Baker could carry out with little risk attached. Given the risks associated with Mr Baker's responsibilities in office, the Committee considered it would be appropriate to advise that he is prevented from advising the company on any work it does with the government as a whole. This would not prevent Mr Baker from working as an adviser in relation to the rest of the public sector as described in his application.
10. The Committee recognised the opportunity for Mr Baker to offer an unfair advantage is limited, given the restrictions preventing him from advising the company on its government work and from drawing on information. However, considering Mr Baker's role at the MOD and the commercial relationship between the Department and Oliver Wyman, the Committee determined it was appropriate for there to be a gap between his leaving Crown service and taking up the appointment with Oliver Wyman. The Committee considered the appropriate gap would be three months from his last day in Crown service; as

seven months have already passed, this waiting period has already been served.

11. To address the risk associated with Oliver Wyman's unknown clients, as is usual in such applications the Committee advises he should not work on policy he had specific involvement in or responsibility for in his recent time in government. The Committee determined the remaining inherent risks identified in this application can be appropriately mitigated by the standard conditions, as outlined below.
12. The below conditions, specifically the lobbying restriction imposed below makes clear that it would be inappropriate for Mr Baker to use his contacts or influence across government to the unfair advantage of Oliver Wyman or its clients. The Committee also advises that he must not be personally involved in or advise on any work Oliver Wyman may seek to take up with the government, whether commercial bids for work, or for funding.
13. Taking into account these factors, in accordance with the government's Business Appointment Rules, the Committee's advice is this appointment with **Oliver Wyman** 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;
  - for two years from his last day in Crown service, he should not be involved in Oliver Wyman's UK government business;
  - for two years from his last day in Crown service, he should not become personally involved in lobbying the UK government or any of its arm's length bodies on behalf of Oliver Wyman (including parent companies, subsidiaries, partners and clients); nor should he make use, directly or indirectly, of his contacts in government and/or Crown service to influence policy, secure business/funding or otherwise unfairly advantage Oliver Wyman (including parent companies, subsidiaries, partners and clients);
  - for two years from his last day in Crown service, he should not provide advice to Oliver Wyman (including parent companies, subsidiaries, partners and clients) 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 UK government or any of its arm's length bodies; and
  - for two years from his last day in Crown service, he should not advise Oliver Wyman (including parent companies, subsidiaries, partners and clients) on work with regard to any policy he had a material role in developing or determining or where he had a relationship with the company or organisation during his time as Chief Operating Officer.
14. The advice and the conditions under the government's Business Appointment Rules relate to Mr Baker's previous roles in government only; they are separate

to rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists or the Parliamentary Commissioner for Standards. It is an applicant's personal responsibility to understand any other rules and regulations they may be subject to in parallel with this Committee's advice.

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. Please inform us as soon as Mr Baker takes up employment with this organisation, or if it is announced that he will do so, 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 Mr Baker has complied with the Rules.
18. Please also inform us if he 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.
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.

Yours Sincerely,

Isabella Wynn  
**Committee Secretariat**

## Annex A - Material information

### The role

1. Mr Baker said Oliver Wyman is a Management Consultancy firm. The website states it is an American management consulting firm offering a vast number of sectors but includes the public and policy sector. The website states it advises leaders across firms and government on developing innovative solutions to complex problems. It states '*Firms and governments need to address issues that are tougher and more urgent than ever before.*'
2. Mr Baker said he will be:
  - Supporting business development, particularly in the public sector practice and health sector
  - Supporting understanding of public sector governance, structure and ways of working
  - Supporting development of proposals (not including any contact or work with Ministry of Defence)
  - Advice on management development
  - Advice and support on performance management
3. Mr Baker said he understands that it would not be appropriate to have contact or commercial dealing with MoD and would not be involved in lobbying. But would wish to support the development of Public Sector proposals to ensure best value for money and match of skills and advice.

### Dealings in office

4. Mr Baker said he has worked with Oliver Wyman on a 3 week review of Transformation within the MOD and advised on the final report. He said he has also offered advice to the then First Sea Lord on work being undertaken by Oliver Wyman attending a one of a two day workshop. He also said he was interviewed by Crispin Ellsion, as part of the Navy Review. Mr Baker also said as COO he had dealings with competitors of the company including: PWC, McKinsey, PA Consulting and Bain & Co. These meetings were mainly focussed on the MoD's transformation work. Though he confirmed he gained no commercially sensitive information from these meetings.
5. Mr Baker said prior to his arrival in MOD, Oliver Wyman had completed a review of the efficiency programme - which subsequently informed some of the shape of the transformation. In early 2019, he commissioned the Infrastructure and Projects Authority (IPA) to review the programme who subsequently provided a (very positive) report. He said the then Chief of the Defence Staff (CDS) suggested that to add weight to the evidence, the MOD should ask Oliver Wyman to offer a view based upon the former review. The scope of the review was purely on the governance of programme and no access was made to any financial data to Oliver Wyman. A contract was agreed by the commercial team. He said the report was presented to himself as COO, the Finance DG and the CDS was broadly in line with elements of the IPA report. No further contacts or

dialogue was conducted with Oliver Wyman and none of the recommendations formed part of the subsequent MoD strategy. Mr Baker stated the contracts were agreed by the commercial team and confirmed he would have had strategic overview of the process but was not directly involved in the commercial tenders or sign off of contacts.

### Department Assessment

6. The MOD confirmed the details Mr Baker provided.
7. The MOD confirmed Mr Baker has had involvement with other management consultancies as part of his MOD role. But stated he has not been involved with the commercial aspects of these relationships.
8. The MOD said Oliver Wyman has been a supplier to MOD. Records show 7 contracts but all are now closed. It stated the Chief Of Staff in the Chief Operating Officer's office said that Oliver Wyman had first been commissioned by the COO's office to assist with transformation work prior to Mr Baker's arrival in the role, when his predecessor was in post, and the former Permanent Secretary. Subsequently, the former Chief of Defence Staff was keen to get Oliver Wyman back in to review progress on Transformation since their earlier report. So while Mr Baker enabled work with Oliver Wyman, the sponsorship of it was initiated by other members of the MOD. The Chief Of Staff in the Chief Operating Officer also confirmed that Mr Baker acted as co-sponsor with the First Sea Lord of work by Oliver Wyman of separate work to review Navy Transformation, but the engagement of Oliver Wyman had been initiated by First Sea Lord, having seen their earlier engagement with the department-wide Transformation Review, and Mr Baker was then brought on board as co-sponsor given his pan-departmental, and Transformation, remit.
9. The MoD said the Chief Operating Officer role is an influential role at the interface of MOD's strategy, delivery and interfaces with external partners. Given that Mike was a co-sponsor of a piece of work undertaken by his prospective employer for the MOD, he may have privileged knowledge of opportunities for consultancy support in MOD.
10. The MOD recommended a waiting period to reduce the risk of perception that his new employer can gain undue access to immediate business opportunities with the MOD by virtue of his knowledge as well as a ban from advising on the MOD's work for 12 months and the standard conditions.