



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

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**BUSINESS APPOINTMENT APPLICATION FOR ADVICE: Sir Alex Chisholm, former Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office. Paid appointment with BT Group Plc.**

1. Sir Alex 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 as an Independent Non-Executive Director for BT Group Plc (BT).

2. The purpose of the Rules is to protect the integrity of the government. The Committee has considered the risks associated with the actions and decisions made during Sir Alex's time in office, alongside the information and influence the former Permanent Secretary at the Cabinet Office could offer a company operating in the UK's telecommunications sector. The material information taken into consideration by the Committee is set out in the annex.

3. The Committee's advice is not an endorsement of the appointment - it imposes a number of conditions to mitigate the potential risks to the government associated with the appointment under the Rules.

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

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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 King's Regulations and the Diplomatic Service Code

5. BT is the UK's largest telecommunications company and has an extensive relationship across government due to its part in the UK's Critical National Infrastructure. BT is regulated by Ofcom - an arm's length body of the Department for Science, Innovation and Technology (DSIT). Government has a significant interest in the sector, and particularly BT, due to the delivery of key public services, national security, resilience planning and future planning of the British digital industry.

6. Sir Alex was not responsible for telecommunications policy, or regulatory or commercial decisions specific to BT in his most recent role as the Permanent Secretary at the Cabinet Office. Policy and regulation of the telecommunications industry sits elsewhere, with the Department for Digital, Culture, Media and Sport (DCMS) and DSIT. Though Sir Alex was accounting officer at the department for Business Energy and Industrial Strategy when the department made commercial decisions about working with BT, this was 7 years ago. The Committee<sup>2</sup> agreed with the departmental assessment that the risk he made decisions then, with subsequent employment in mind, is low.

7. Given Sir Alex's former senior roles in government, he will have had access to a wide range of information that may provide an unfair advantage to a broad range of organisations. There are several mitigating factors:

- he is subject to a waiting period of three months (now elapsed) between leaving office and taking up this role to allow for a gap between his general access to information and working with BT;
- his access to information from his recent role in government is limited to the general workings of government and strategic issues affecting government and the UK's Critical National Infrastructure, rather than anything specific to the telecoms sector, BT or its competitors;
- during his time as Permanent Secretary at the Department for Business, Energy and Industrial Strategy (BEIS), Sir Alex would not have had access to any specific information that could now provide BT with an unfair advantage;
- Sir Alex had some involvement in regulatory matters and therefore access to information when he was at the Competition and Markets Authority, which he left some eight years ago. Further, whilst unlikely to be of relevance now, any such information is subject to an obligation to protect its confidentiality, pursuant to Part 9 of the Enterprise Act 2002.

8. BT plays a vital role in the UK's Critical National Infrastructure, and is the sole provider able to deliver key government and citizen services. There are inherent risks

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<sup>2</sup>This application for advice was considered by Andrew Cumpsty; Isabel Doverty; Hedley Finn OBE; Sarah de Gay; The Rt Hon Lord Eric Pickles; Michael Prescott; and Mike Weir. Dawid Konotey-Ahulu CBE DL was unavailable.

associated with any senior official joining a commercial organisation that seeks to influence government, whether in respect of telecommunications policy, or the specifics of projects BT is working with government to deliver.

9. BT has a responsibility to ensure compliance with regulatory and corporate responsibilities. Its Board is required to have a nominated lead Independent Non-Executive Director to provide oversight and assurance on regulated matters. BT wishes to appoint Sir Alex as nominated lead Independent Non-Executive Director. As such, he will have contact with government, including the regulator of the telecommunications industry, Ofcom (an arm's length body of DSIT). In light of the requirement set out above, there are established frameworks in place for this communication. Sir Alex said that in doing so, he will not engage in lobbying and confirmed contact would be at the request of the government and Ofcom. In accordance with the lobbying ban that applies to all former Permanent Secretaries on leaving office for two years, Sir Alex must be careful not to engage in activity that could reasonably be seen as seeking to influence government decisions- including regulatory decisions made at arm's length from government. In the circumstances, the contact described by Sir Alex above would be in keeping with the lobbying ban, as it could not reasonably be described as lobbying or improper use of his contacts and influence from his time in office - rather communication on behalf of government and the regulator, Ofcom.

10. The Committee also noted the Cabinet Office's view that it may be to the public's benefit that a former official with experience in the regulated and public sectors can help inform BT on better compliance with the decisions made by regulators.

11. It is significant that Sir Alex had no responsibility for this sector in his recent role in office.

12. Further, although it is not Sir Alex's intention to influence government policy or work on commercial and funding matters, the Committee sought confirmation from BT that Sir Alex's contact with government be limited to the role he described. Further it confirmed that it would ensure compliance with the Rules and the Committee's advice.

### The Committee's advice

13. For the reasons set out above, the Committee considered the risks associated with his access to information are limited, in light of the conditions applied below. The most significant risk in his case is that he could be seen to potentially offering unfair access to, and influence within, government. This risk is somewhat limited given the preexisting relationship and frameworks that already exist between BT and government, including the regulator - Ofcom.

14. The conditions below seek to prevent Sir Alex from making improper use of his privileged access to information, contacts and influence from his time in office, alongside his ongoing duty of confidentiality and other provisions. The Committee gave weight to BT's confirmation of compliance with this advice and the conditions imposed.

15. The Committee's advice in accordance with the government's Business Appointment Rules is that this role with **BT Group Plc** be subject to the below conditions:

- a waiting period of three months from his last day in Crown service (now elapsed);
- 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 is permitted to report to government and its arm's length bodies on the activities of BT Group Plc; and enter into discussions/meetings with the UK government or its arm's length bodies where it is at their request. However, he should not become personally involved in lobbying the UK government on behalf of BT 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 BT Group Plc (including parent companies, its subsidiaries, partners and or clients; and
- for two years from his last day in Crown service he can draw on his skills and experience to advise BT Group Plc on its internal strategy and proposals relating to already agreed government contracts; however, he should not undertake any work with BT Group Plc (including parent companies, subsidiaries, partners and clients) that involves advising on the terms of bids to secure governmental funding/contracts.

16. The advice and the conditions under the government's Business Appointment Rules relate to Sir Alex's previous roles in government only; they are separate from rules administered by other bodies such as the Office of the Registrar of Consultant Lobbyists, the Parliamentary Commissioner for Standards and the Registrar of Lords' Interests<sup>3</sup>. 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.

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<sup>3</sup> All Peers and Members of Parliament are prevented from paid lobbying under the House of Commons Code of Conduct and the Code of Conduct for Members of the House of Lords. Advice on

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 Ministerial Code/Civil Service Code or otherwise.

18. 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.*"

19. Sir Alex must inform us as soon as he takes up this work or if it is announced that he will do so. Similarly, he must inform us if he proposes to extend or otherwise change his role with the organisation as depending on the circumstances, it might be necessary for him to seek fresh advice.

20. Once this appointment has been publicly announced or taken up, we will publish this letter on the Committee's website.

Jess Barrow  
**Committee Secretariat**

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obligations under the Code can be sought from the Parliamentary Commissioners for Standards, in the case of MPs, or the Registrar of Lords' Interests, in the case of peers.

## Annex- material information

### The role

1. BT is a British multinational telecommunications holding company based in the UK. It operates in around 180 countries and is the largest provider of fixed-line, broadband and mobile services in the UK. It also provides subscription television and IT services. BT has an extensive relationship with the government, forming part of the UK's Critical National Infrastructure. BT is subject to statutory provisions which mandate close partnerships with the government in order to maintain national security. BT is regulated by Ofcom, an arm's length body of the Department for Science, Innovation and Technology.
2. Sir Alex wishes to take up a part-time and paid role as an Independent Non-Executive Director for BT. Sir Alex said his role will involve sharing in the responsibilities of the Board for the company's strategy and for governance, oversight and assurance. That includes its regulatory and corporate responsibilities, notably its commitments to customers, to Ofcom, and to wider stakeholders.
3. Sir Alex said the Board has a sub-committee which oversees the company's adherence to the commitments BT made as part of the 2017 Digital Communications Review with Ofcom and consumer fairness matters. Commitments included greater competition in the market, better access to wifi for consumers, and increased independence for Openreach.
4. As part of BT's responsibility to ensure compliance with regulatory and corporate responsibilities, he said the Board is required to have a nominated lead Independent Non-Executive Director to provide oversight and assurance. This includes contact with Ofcom, at its request.
5. BT has requested that Sir Alex be its nominated lead Independent Non-Executive Director. The main contact between BT and Ofcom at Board level would be with the Chief Executive and the Chair. The purpose of the nominated Independent Non-Executive Director is as an alternative Board level point of contact for Ofcom if and when needed. Sir Alex confirmed he will have no role in lobbying government in this role.
6. The Committee asked BT to confirm the details of the role, in respect of compliance with the Rules, and in particular in respect of adherence to the lobbying ban. It confirmed:

*'BT has an established framework for managing its relations with government, utilising relevant members of the executive, notably (but not limited to) the Chief Executive and the General Counsel/Director of Regulatory Affairs. The company will help to ensure that Sir Alex in his new appointment as a non-executive director engages with government in the ways permitted by the Acoba guidance, so that he is not personally involved in lobbying, in negotiating future contracts, nor in advising on the terms in bids to government for future contracts or funding. BT understands and respects the conditions set by ACOBA and confirms that it will support Sir Alex in adhering with the conditions. It will incorporate the conditions into its own internal governance arrangements.'*

#### Dealings in office

7. Sir Alex said he did not have responsibility for telecoms policy or regulation in any of his previous roles: at the Cabinet Office, BEIS or the CMA. This sits with the Department for Digital, Culture, Media and Sport (DCMS) and DSIT.
8. Sir Alex noted he may have had contact with BT if and when representatives attended wider industry events held by the Whitehall & Industry Group, which he attended on occasion.
9. Sir Alex said the Cabinet Office will have service contacts with BT (as well as other major telecoms providers) but these are handled at operational level by digital teams within corporate services. Sir Alex is not aware of any of the specifics of these contracts, nor did he play any role in their award. The Cabinet Office commercial teams liaise with major service providers, including BT.

#### Departmental assessment

10. The Cabinet Office, DBT, DSIT and the CMA provided a view on this application and provided relevant information spanning his three previous roles in government (across 11 years).

#### **Chief Operating Officer for the Civil Service and Permanent Secretary for the Cabinet Office (2020-2024)**

11. The Cabinet Office confirmed Sir Alex did not make any policy or regulatory decisions specific to BT. It noted Sir Alex held one of the most central and influential roles within the Civil Service and led a department which has a

close relationship with BT; though he did not have access to any particular information that could be considered to be commercially sensitive, or offer BT unfair advantage over its competitors.

12. The Cabinet Office said Sir Alex had limited interactions with BT:

- November 2023- Sir Alex delivered a speech to Reform think tank<sup>4</sup>. This event was sponsored by BT.
- As part of events held by the Whitehall & Industry Group, the business service association, and the Confederation of British Industries (until BT cancelled its membership in 2023). These events would have had a wide range of businesses in attendance.

13. The Cabinet Office said BT cuts across areas of national security, public procurement, and the future of the British digital industry. As a result, it has an extensive relationship with BT as part of the UK's Critical National Infrastructure. In particular:

- BT is part of the Crown Representative network, which acts as a focal point for particular groups of providers looking to supply to the public sector.
- BT is in partnership with OneWeb, which government has a partial share in with golden share privileges (whilst not a majority shareholder, it has veto rights)<sup>5</sup>, to deliver high-speed satellite connectivity as a test bed for future satellite broadband endeavours.
- BT is involved in delivering a notification system to ensure all ambulance trusts, police forces, fire and rescue service and HM Coastguard can rapidly enact a coordinated response<sup>6</sup>
- BT has a £26 million contract to connect over 650 primary schools in hard-to-reach places across England with gigabit broadband, as part of the UK government's 'Project Gigabit' programme<sup>7</sup>.

### **Permanent Secretary, BEIS (2016- 2020)**

14. DBT said that Sir Alex did not make any policy or regulatory decisions specific to BT whilst Permanent Secretary at BEIS. Sir Alex made one commercial decision when he was the accounting officer in relation to BT providing BEIS' central telecommunications services, but this was over 7 years ago. DBT stated that Sir Alex did not have access to any particular

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<sup>4</sup> <https://reform.uk/featured/future-government-data-driven-citizen-centric-alex-chisholm-keynote-speech/>

<sup>5</sup> <https://www.gov.uk/government/news/oneweb-merger-with-eutelsat>

<sup>6</sup> <https://www.gov.uk/government/news/new-measures-to-boost-resilience-of-999-call-system>

<sup>7</sup> <https://newsroom.bt.com/hundreds-of-primary-schools-to-get-lightning-fast-broadband-under-governments-project-gigabit-rollout/>



information that could be considered to be commercially sensitive, or offer BT unfair advantage over its competitors.

15. DBT described its relationship with BT between 2016 and 2020:

- primarily supporting BT in its expansion / global business development.
- providing BT with information about specific regions and facilitating specific support for business development activities - e.g. supporting BT to obtain security clearance for a tender for a NATO communications and infrastructure bid.
- setting up contact with ministers in relevant countries
- inviting BT to attend a variety of events such as a Cyber Round table on HMS Queen Elizabeth and inviting BT to provide input into The Cyber Growth Partnership.

16. None of the referenced meetings above included or involved Sir Alex. DBT said Sir Alex met with BT on two occasions:

- July 2019- representatives from BT were in attendance at a Quantum Computing roundtable.
- January 2019- Sir Alex met with BT to discuss EU Exit and telecoms policy.

### **Chief Executive of the CMA (2013-2016)**

17. The CMA said Sir Alex did not make any policy, regulatory or commercial decisions specific to BT in his role at the CMA, nor did he meet with the company.

18. The CMA said there were a number of its cases involving BT that may have fallen within Sir Alex's scope during his time at the CMA. However, the CMA also noted that Sir Alex was not directly involved in either Phase 1 or Phase 2 merger decisions, nor was he involved in regulatory agency appeals. Executive Directors and Senior Directors within the CMA were typically decision makers on Phase 1 and independent Inquiry Groups for Phase 2. It is possible that Sir Alex may have received updates on cases at the time and therefore may have been privy to commercially sensitive information.

19. The CMA considered the passage of eight years meant Sir Alex's access to information would be significantly outdated. Further, he is under an ongoing obligation to protect the confidentiality of such information pursuant to Part 9 of the Enterprise Act 2002.

### **Departmental recommendation**

20. The departments recommended the standard conditions, allowing him to have some contact with government as described and a three month waiting period which applies as standard (now expired).